

DIRECTORS AND ADVISERS

Directors

D J R Fletcher FRICS Chairman
P J Andrews MRICS Managing Director
R E G Goode FRICS Executive Director
R A Dickman FRICS Executive Director
P E Bailey ACA Finance Director
D H Stewart Non Executive

Secretary and Registered Office

P E Bailey ACA
61 Conduit Street, London W1S 2GB

Financial Advisers and Stockbrokers

Cairn Financial Advisers LLP
62 - 63 Cheapside, London EC2V 6AX

Solicitors

Boodle Hatfield
240 Blackfriars Road, London SE1 8NW

Auditors

Nexia Smith & Williamson
25 Moorgate, London EC2R 6AY

Tax Advisers

Smith & Williamson LLP
25 Moorgate, London EC2R 6AY

Principal Bankers

NatWest Bank Plc
63 Piccadilly, London W1A 2AG

Registrars and Transfer Office

Computershare Investor Services Plc
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 N° FS27825

HIGHLIGHTS

- Revenue for the year of **£2,616,000** (2019: £3,053,000)
- Statutory profit before tax of **£76,000** (2019: £282,000)
- Adjusted profit before tax of **£243,000** (2019: £282,000) *
- Cash generated from operations of **£917,000** (2019: £458,000 absorbed by operations)
- Adjusted basic earnings per share of **2.20p** (2019: 2.50p) (see note 11)
- Final dividend of **0.50p** per share proposed. An interim dividend of 1.00p per share was paid and therefore the total ordinary dividend for the year will be **1.50p** per share (2019: 1.75p)
- Sale of interest in SHIPS 15 Syndicate realising profit of **£99,000**
- Significant cash reserves: **£3.6m** as at 30 April 2020
- Well positioned to withstand current crisis

*Adjusted results are before share based payment expenses and after other comprehensive income (see note 5). All share options were surrendered in the year. However, the Company is required under IFRS 2 to recognise a share based payment charge of £68,000 (2019: £nil). The Company realised a profit of £99,000 on disposal of the SHIPS 15 syndicate investment. However, the Company is required under IFRS 9 to include this as a fair value gain in other comprehensive income.

FINANCIAL CALENDAR

Annual General Meeting

28 October 2020

Final Dividend

Payable 30 October 2020

Interim Dividend

To be announced in December 2020

Payable in January 2021

Results

Revenue for this year was £2,616,000 (2019: £3,053,000). Adjusted profit before tax (see note 5) was £243,000 (2019: £282,000). Statutory profit before tax was £76,000 (2019: £282,000).

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). Adjusted results include the profit on disposal of the SHIPS 15 syndicate interest for £99,000 and exclude a share based payment expense of £68,000 (2019: £nil) that is required to be recognised in the accounts even though all outstanding EMI options were surrendered in the year.

Dividend

The Board is proposing a final dividend of 0.50p per share. The final dividend is subject to shareholder approval at the AGM and will be paid on 30 October 2020 to shareholders on the register at the close of business on 2 October 2020. With the interim dividend of 1.00p per share (2019: 1.00p per share) the dividend for this year will amount to 1.50p per share (2019: 1.75p per share).

The Commercial Property Market

The year to 30 April 2020 was a difficult one in the industry with both Brexit and political uncertainties adversely affecting the market.

Generally tenants in all sectors were deferring decisions and whilst there was reasonable demand for offices and industrials, the retail sector continued its decline. There were plenty of funds available for investment but buyers remained cautious.

After the General Election and the return of a Conservative Government with the largest majority for decades, the market began to move forward and there was enthusiasm from both investors and tenants to make decisions and plan for the future. For a few busy weeks the skies looked blue, and then there was the emergence of Covid-19 and lockdown.

Since then the commercial property market has been in a state of flux. Retail continues to suffer with no end in sight yet to its downward spiral. There is little leasing activity and with an ever increasing number of retailers facing the prospect of bankruptcy, both rental and capital values are continuing to fall. However, since lock-down on-line retailing has grown strongly and now represents over 30% of all purchases but this, of course, is further hastening the potential demise of the high street.

Within the commercial property market, conversely the industrial property market is very buoyant, driven in large part from demand from online sales and a lack of good quality stock. Both rental and Capital values are continuing to grow and there is strong demand from institutional investors, property companies and high net worth individuals.

The office lettings and capital markets remain slow. Even before Covid many tenants were assessing their future work practices by implementing more hot desking and reducing their space requirements. We believe that lockdown has accelerated that process by as much as five years.

Office workers need to get back to work in the big city centres for the survival of their infrastructure of shops, restaurants, coffee shops, dry cleaners etc. However there remains a fear factor for commuters using public transport and the safety issue may well not go away until there is a vaccine. We believe the office market will return strongly but the timing is impossible to predict.

Business Overview

With challenging market conditions, it proved to be a difficult trading period with revenue lower than the previous financial year. This was compensated by increased income from SHIPS investments and overall adjusted profit for the Group was only slightly lower than last year.

The Investment team transacted a similar number of deals to last year but the average deal size, and consequential fee, was significantly lower.

The volume of bank valuations was also down and the Valuation Office continues to delay settling rating appeals.

The Property Management team strengthened their portfolio of client instructions with additional Fund Management mandates and this provides valuable recurring revenue for the Company.

The SHIPS investment in Sekforde Street was sold during the year realising a profit for investors in the fund. We continue to hold an investment in the SHIPS property in Botolph Lane where there remain two vacant floors.

All employees have been working from home since 17 March 2020 and the health and wellbeing of employees is of paramount importance. The Company has invested in systems and processes to support remote working and all teams have been functioning well in the new environment.

Outlook

Whilst there is huge uncertainty caused by the Covid-19 virus, it seems increasingly likely that the wider economic impact will be severe and prolonged. The UK government has taken unprecedented measures to support businesses during the initial lockdown phase, but as support measures are wound down and businesses are forced to make tough decisions, the longer term economic impact will be brought more sharply into focus.

It is very difficult to accurately assess our future trading performance in the current market conditions. It will be extremely challenging to remain profitable and it is very likely that the Company will make a loss in the first half of its financial year.

Since the year end, we have renewed our Professional Indemnity cover and been faced with a severe contraction in the market for such insurance, particularly with regard to our property valuation work. The premium has increased by just over £200,000 for the financial year.

We expect Fund and Property management mandates to continue to provide stable and recurring fee income. We are fortunate that the majority of the portfolios that we manage are focussed on industrial and office sectors with much lower exposure to retail, leisure and hospitality.

Transaction based fees such as investment deals and bank valuations rely on activity in the market and fees have been materially lower than normal since the commencement of lockdown. The investment team has an encouraging pipeline of instructions and potential deals but there is huge uncertainty around the timing or likelihood of completions. It remains to be seen how strongly activity returns to the market but it is likely that transaction based fees for the year will be materially lower than would otherwise be expected.

The Company is in a good position to withstand the current crisis and continues to have a strong balance sheet, with cash reserves of £3.6m as at 30 April 2020. The Company has not drawn on any of the support measures offered by the government in response to Covid-19.

Working closely with our loyal clients and experienced colleagues we have an established and stable partnership to take us through these difficult and challenging times.

DAVID FLETCHER

CHAIRMAN

28 September 2020

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 seek to always 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 13 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.

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 client's 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.

Our ability to fulfil client services and develop strong client relationships depends on having talented and motivated staff who enjoy working for the company. Over 60% of employees have been with the Company for 8 years or more. 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 24 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.

The Board is very focussed on financial and operational risks, including the importance of protecting client money, data security and protecting the company against cyber fraud.

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.

The Board consists of six Directors of which five are Executive Directors and one an Independent Non-Executive Director. As the company grows the Board will consider adding an additional independent Non-Executive Director. 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 Investor Relations section of the Company website.

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 Director has a particular responsibility to challenge constructively the strategy proposed by the Chairman and 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 Non-executive Director without other Executives present. The senior Executives enjoy open access to the Non-executive Director 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 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 most recent review has reconfirmed the Board's awareness of the need to ensure that effective succession plans are in place at Board and Executive Committee level. This will be a key area of focus for the Board.

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, monitors the effectiveness of the internal audit function and reviews external auditor independence.

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

The Executive Committee, consisting of the Executive Directors and Company Secretary, 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, and the external auditor and Company Secretary attended these meetings. Consideration was given to the auditor's pre- and post-audit 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 Executive Directors. In addition, the Committee oversees the creation and implementation of all-employee share plans. The Remuneration Committee consists of David Stewart, chair, and David Fletcher. The committee met twice in the year.

David Fletcher
Chairman

The Directors present the Group Strategic Report for Fletcher King Plc (“the Company”) and its subsidiary companies for the year end 30 April 2020 (together “the Group”).

Principal Activities

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

Business Review

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

	2020	2019
Revenue	£2,616,000	£3,053,000
Profit before taxation	£76,000	£282,000
Adjusted profit before taxation*	£243,000	£282,000
Total comprehensive income	£135,000	£230,000
Adjusted total comprehensive income*	£203,000	£230,000
Basic earnings per share	0.39p	2.50p
Adjusted basic earnings per share (note 11)	2.20p	2.50p

*Adjusted KPIs reflect adding back a share based payment expense of £68,000 incurred in respect of share options that were surrendered in the year, and also the realised gain in the year on disposal of the interest in the SHIPS 15 syndicate which is required to be shown in the Statement of Comprehensive Income as other comprehensive income (see note 5).

Reduced revenue from property services in the year was offset by income from SHIPS investments, including profits on the sale of the Group’s interest in the SHIPS 15 syndicate. Overall total comprehensive income (after adding back share based payment expenses) was £203,000 compared with £230,000 in the prior year.

Net cash generated from operating activities in the year amounted to £917,000 (2019: cash outflow of £458,000) and after investing activities and dividend payments the cash balance increased by £1,623,000 to £3,624,000. The Group continued to look for opportunities to participate in syndicated property investments (‘SHIPS’) and will make investments when suitable opportunities arise.

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

Principal Risks and Uncertainties

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

(i) Covid-19

Covid-19 may have a significant impact on transactional activity but it is difficult to predict this impact accurately in a dynamic market. The welfare of our staff and clients is paramount and we have implemented risk management measures consistent with government guidelines. In addition, we have business continuity plans to enable us to respond quickly to mitigate the impact. We will closely monitor the impacts of the virus as the wider economic impact becomes clearer.

(ii) 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 Covid-19 virus and Brexit uncertainties have had a destabilising effect on the market and increased economic risk for the Group. The Group has, where possible, implemented actions to mitigate some of the effects of these risks. This includes providing a comprehensive range of services, some being less influenced by economic factors than others.

(iii) Management of Growth

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

(iv) 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.

(v) Financial Risk Management

Details of the Group's approach to financial risk management are disclosed in detail in note 24 to the financial statements.

(vi) Forward-Looking Statements

This annual report contains forward-looking statements on Fletcher King Plc's future financial performance, results from operations, and goals and strategy. By definition, forward-looking statements carry risk and uncertainty because they refer to events in the future and depend on circumstances that cannot be foreseen in advance. Numerous factors can contribute to material deviation from results and developments indicated in forward-looking statements. Such factors can include general economic circumstances, scarcity on the labour market and the ensuing demand for personnel, changes in labour legislation, personnel costs, future interest rates, changes in tax

rates, and future corporate mergers, acquisitions and divestments. Undue reliance should not be placed on these forward-looking statements. They are made at the time of publication of the annual financial statements of the Group and in no way provide guarantees for future performance. All operating and business environments are subject to risk and uncertainty. For this reason, no assurances can be offered that the forward-looking statements published here will prove correct at a future date, and the Company assumes no duty to update any such forward-looking statements.

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 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. Following the Covid-19 virus outbreak, all employees have been working from home and the Company has maintained employee engagement through video conferencing facilities and other complementary channels. The Company has also introduced an Employee Assistance Programme to support the wellbeing of employees, particularly mental health. During the year, directors and employees agreed to surrender all outstanding share options with a view to constructing a suitable incentive structure in the future to attract and motivate employees and directors of the Company to drive the business forward.

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.

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 18 September 2019. A number of shareholders attended and engaged in an open dialogue with the Board. Whilst the next AGM is likely to have restricted access due to Covid-19 mitigation measures, we welcome shareholder engagement through email, telephone and other communication channels.

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. It has also taken measures to position the Company for management succession, including promoting Paul Andrews to the position of Managing Director and Peter Bailey to the position of Finance Director.

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 2020:

- 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
28 September 2020

The Directors present their report and accounts for the year ended 30 April 2020.

General information

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

Results and dividend

The consolidated statement of comprehensive income is set out on page 24. The total comprehensive income the year after taxation is £135,000 (2019: £230,000). The Directors recommend the payment of an ordinary final dividend of 0.50p per share (2019: 0.75p). An interim dividend of 1.00p per share (2019: 1.00p per share) has already been paid to shareholders.

Income from the Group's net bank interest amounted to £14,000 (2019: £7,000).

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 5.

Capital and equity interests

All share options were surrendered in the year and there were no outstanding options as at 30 April 2020. The total number of ordinary shares in issue at 30 April 2020 was 9.2 million (2019: 9.2 million).

Cash flow and liquidity

Net cash inflow from operating activities amounted to £917,000 (2019: outflow of £458,000) which, after allowing for cash flows including dividends, capital expenditure and investment sales, resulted in a net increase in cash balances of £1,623,000 (2019: decrease of £627,000).

At 30 April 2020, the Group's cash at bank and on short term deposit amounted to £3.62 million (2019: £2.00 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 24 to the accounts.

Directors

The current Directors of the Company are set out below.

D J R Fletcher	Chairman
P J Andrews	Managing Director
R E G Goode	Executive Director
R A Dickman	Executive Director
P E Bailey	Finance Director
D H Stewart	Non-Executive Director

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 is 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 J R Fletcher and P E Bailey retire by rotation in accordance with Company convention, and being eligible offer themselves for re-election at the forthcoming Annual General Meeting.

Directors' Remuneration

	Salary	Benefits	Bonus	Pension	2020	2019
	£000	£000	£000	£000	£000	£000
D J R Fletcher	100	33	27	-	160	198
R E G Goode	74	22	27	-	126	193
R A Dickman	100	18	27	1	146	139
P J Andrews	100	14	27	1	142	182
P E Bailey*	45	2	14	1	62	-
D H Stewart	15	-	4	-	19	19
	434	89	126	3	625	731

*Remuneration for P E Bailey is pro-rata from date of appointment on 1 November 2019.

Directors' Indemnity Insurance

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

Corporate social responsibility

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

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

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

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

Authority to Allot Unissued Shares

In accordance with normal practice the Directors propose to take the usual authorities under Sections 551 and 570 of the Companies Act 2006. Therefore it is proposed to extend the Section 551 authority given at the last Annual General Meeting on 18 September 2019 for a further year in respect of ordinary 10p shares up to a maximum of 2,762,934 shares (£276,293.40). Apart from possible issues under Employee Share Option Schemes there is at present no intention of issuing any further ordinary shares. In any event, no issue will be made which would effectively alter the control of the Company without the prior approval of the Company in general meeting.

Purchase of Shares

The Directors, in line with boards of directors of other listed companies, consider that it would be appropriate for the Company to have the authority to purchase its own shares as one of a range of investment options available to them, more especially if the purchase of its own shares produced an improvement in earnings per share. Shareholders should be assured that the Board will commence share purchases only after careful consideration and after taking account of the overall financial position of the Group. An ordinary resolution will be proposed to authorise the Company to make market purchases of up to a maximum of 460,000 of its own shares, representing less than 5% of the existing issued ordinary shares. The maximum price to be paid on any exercise of the authority will be restricted to 5% above the average of the middle market quotation as derived from The London Stock Exchange Daily Official List for the ordinary shares for the ten dealing days immediately prior to purchase. The minimum price that may be paid for the ordinary shares is the nominal value of 10p per share. The authority for the purchase sought at the Annual General Meeting will expire at the conclusion of the following Annual General Meeting which is expected to take place in September 2021. 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 applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and,

as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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.

Auditor

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

This report was approved by the Board on 28 September 2020.

P E Bailey

Company Secretary

Registered Number: 02014432



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 2020 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 SME 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

We identified the key audit matters described below as those that were of most significance in the audit of the financial statements of the current period. Key audit matters include the most significant assessed risks of material misstatement, including those risks that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team.

In addressing these matters, we have performed the procedures below which were designed to address the matters in the context of the financial statements as a whole and in forming our opinion thereon. Consequently, we do not provide a separate opinion on these individual matters.

1) Valuation of financial asset investments - Group

Description of risk

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 the SHIPS 16. As a result, there is a risk that the carrying value of the financial asset investment may be materially different to its fair value.

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 2020. The property valuation was carried out by employees of Fletcher King Services Limited ('FKS'), Chartered Surveyors, a subsidiary of the Parent Company.

The valuers have included a material valuation uncertainty clause in their property valuation reports as at 30 April 2020. This clause highlights that less certainty, and consequently a higher degree of caution, should be attached to the valuation as a result of the COVID-19 pandemic. This represents a significant estimation uncertainty in relation to the valuation of investment properties.

In determining the fair value of 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.

How the matter was addressed in the audit

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. We considered the appropriateness of the basis of valuation and consulted with internal valuation specialists. We 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 and sensitivity analysis on certain key metrics and assumptions used by management and also agreed rents to new signed agreements. We considered the impact of the property valuation including a material uncertainty and also considered the adequacy of disclosures made in note 14.

2) Revenue recognition – Group

Description of risk

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.

How the matter was addressed in the audit

In testing revenue recognition we documented and walked through the controls over revenue recognition for the different services provided by the Group. We performed detailed substantive testing of:

- a sample of revenue transactions selected from the accounting records, including agreement to sales contract and 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 the accounting records and subsequent payment to ensure that revenue is complete.

During the above testing we assessed whether revenue had been recognised in accordance with the Groups accounting policies and accounting standards.

Materiality

The materiality for the Group financial statements as a whole was set at £53,000. This has been determined with reference to the benchmark of the Group's total revenue, which we consider to be one of the principal considerations for members of the Parent Company in assessing the performance of the Group. Materiality represents 2% of the 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 was set at £43,000. This has been determined with reference to the benchmark of the Parent Company's total assets, as the Parent Company exists only as a holding company for the Group. Materiality represents 3% of the Company's total assets as presented on the face of the Company Statement of Financial Position.

An overview of the scope of our 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. Remote auditing was performed in response to the COVID-19 pandemic, the client's offices were last visited in June 2019 by the audit team.

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council'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.

Jacqueline Oakes	
Senior Statutory Auditor, for and on behalf of	25 Moorgate
Nexia Smith & Williamson	London
Statutory Auditor	EC2R 6AY
Chartered Accountants	

28 September 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2020

Notes	2020 £000	2019 £000
4 Revenue	2,616	3,053
7 Employee benefits expense	(1,441)	(1,648)
12 Depreciation expense	(278)	(3)
Other operating expenses	(910)	(1,218)
20 Share based payment expense	(68)	-
	(2,697)	(2,869)
Other operating income	57	91
8 Investment income	113	-
8 Finance income	14	7
8 Finance expense	(27)	-
	76	282
9 Taxation	(40)	(52)
	36	230
Other comprehensive income		
Fair value gain on financial assets through other comprehensive income	99	-
	135	230
Earnings per share		
11 Basic	0.39p	2.50p
11 Diluted	0.39p	2.50p
Adjusted earnings per share		
11 Basic	2.20p	2.50p
11 Diluted	2.20p	2.50p

The notes on pages 32 to 54 form part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 April 2020

Notes	2020	2019
	£000	£000
Assets		
Non-current assets		
12 Property, plant and equipment	21	9
12 Right of use asset	544	-
14 Financial assets	630	1,603
18 Deferred tax assets	-	16
	1,195	1,628
Current assets		
15 Trade and other receivables	680	1,809
16 Cash and cash equivalents	3,624	2,001
	4,304	3,810
	5,499	5,438
Liabilities		
Current liabilities		
17 Trade and other payables	689	1,204
Current taxation liabilities	35	24
26 Lease liabilities	299	-
	1,023	1,228
Non current liabilities		
26 Lease liabilities	262	-
	1,285	1,228
Shareholders' equity		
19 Share capital	921	921
Share premium	140	140
Investment revaluation reserve	-	-
Retained earnings	3,153	3,149
	4,214	4,210
	5,499	5,438

Approved by the Board on 28 September 2020 and signed on its behalf by

David Fletcher

Chairman

Registered Number: 02014432 England and Wales

The notes on pages 32 to 54 form part of the financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 April 2020

Notes	2020 £000	2019 £000
Assets		
Non-current assets		
13 Investments in group undertakings	118	50
Current assets		
15 Trade and other receivables	14	14
16 Cash and cash equivalents	1,370	1,218
	1,384	1,232
Total assets	1,502	1,282
Liabilities		
Current liabilities		
17 Trade and other payables	214	70
Total liabilities	214	70
Shareholders' equity		
19 Share capital	921	921
Share based payment reserve	68	-
Share premium	140	140
Retained earnings	159	151
Total shareholders' equity	1,288	1,212
Total equity and liabilities	1,502	1,282

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 £169,000 (2019: £217,000).

Approved by the Board on 28 September 2020 and signed on its behalf by

David Fletcher

Chairman

Registered Number: 02014432 England and Wales

The notes on pages 32 to 54 form part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS*for the year ended 30 April 2020*

	2020	2019
	£000	£000
Cash flows from operating activities		
Profit before taxation from continuing operations	76	282
Adjustments for:		
Depreciation expense	278	3
Investment income	(113)	-
Finance income	(14)	(7)
Finance expense	27	-
Share based payment expense	68	-
	<hr/>	<hr/>
Cash flows from operating activities before movement in working capital	322	278
Decrease/(increase) in trade and other receivables	1,077	(892)
(Decrease)/increase in trade and other payables	(468)	226
	<hr/>	<hr/>
Cash generated from /(absorbed by) operations	931	(388)
Taxation paid	(14)	(70)
	<hr/>	<hr/>
Net cash flows from operating activities	917	(458)
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of investments	-	(15)
Sale of investments	1,072	-
Purchase of fixed assets	(18)	-
Investment income	113	-
Finance income	14	7
	<hr/>	<hr/>
Net cash flows from investing activities	1,181	(8)
	<hr/>	<hr/>
Cash flows from financing activities		
Lease payments	(314)	-
Dividends paid to shareholders	(161)	(161)
	<hr/>	<hr/>
Net cash flows from financing activities	(475)	(161)
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	1,623	(627)
Cash and cash equivalents at start of year	2,001	2,628
	<hr/>	<hr/>
Cash and cash equivalents at end of year (note 16)	3,624	2,001
	<hr/>	<hr/>

The notes on pages 32 to 54 form part of the financial statements.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 30 April 2020

	2020	2019
	£000	£000
Cash flows from operating activities		
Profit before taxation	169	217
Adjustments for:		
Finance income	(9)	(6)
Dividends received from subsidiary undertakings	(311)	(361)
	<hr/>	<hr/>
Cash flows from operating activities before movement in working capital	(151)	(150)
Decrease in trade and other receivables	-	296
Increase in trade and other payables	144	45
	<hr/>	<hr/>
Cash (absorbed by) / generated from operations	(7)	191
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends received from subsidiary undertakings	311	361
Finance income	9	6
Net cash flows from investing activities	320	367
	<hr/>	<hr/>
Cash flows from financing activities		
Dividends paid to shareholders	(161)	(161)
Net cash flows from financing activities	(161)	(161)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	152	397
Cash and cash equivalents at start of year	1,218	821
Cash and cash equivalents at end of year (note 16)	1,370	1,218

The notes on pages 32 to 54 form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2020

CONSOLIDATED	Share capital	Share premium	Retained earnings	TOTAL EQUITY	
	£000	£000	£000	£000	
Balance at 1 May 2018	921	140	3,080	4,141	
Total comprehensive income for the year	-	-	230	230	
Equity dividends paid	-	-	(161)	(161)	
Balance at 30 April 2019	921	140	3,149	4,210	
Adjustment on initial application of IFRS 16 (net of tax) (see note 26)	-	-	(38)	(38)	
Adjusted balance as at 1 May 2019	921	140	3,111	4,172	
Total comprehensive income for the year	-	-	135	135	
Equity dividends paid	-	-	(161)	(161)	
Share based payment expense	-	-	68	68	
Balance at 30 April 2020	921	140	3,153	4,214	
COMPANY	Share capital	Share based payment reserve	Share premium	Retained earnings	TOTAL EQUITY
	£000	£000	£000	£000	£000
Balance at 1 May 2018	921	-	140	95	1,156
Total comprehensive income for the year	-	-	-	217	217
Equity dividends paid	-	-	-	(161)	(161)
Balance at 30 April 2019	921	-	140	151	1,212
Total comprehensive income for the year	-	-	-	169	169
Equity dividends paid	-	-	-	(161)	(161)
Share based payment expense	-	68	-	-	68
Balance at 30 April 2020	921	68	140	159	1,288

1. General information

Fletcher King Plc ('the Company') and its subsidiaries (together 'the Group') carry on the business of property fund management, property asset management, rating, valuations and investment broking throughout the United Kingdom. The Company is a public limited company incorporated and domiciled in England and Wales and listed on the AIM Market of The London Stock Exchange. The registered office address is 61 Conduit Street, London W1S 2GB. These consolidated financial statements were approved for issue by the Board of Directors on 28 September 2020. They are presented in Sterling which is the Group's functional currency. The Group has no overseas operations.

2. Basis of preparation and presentation of financial statements

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

2.1 Going concern

In light of the COVID-19 pandemic and the increased uncertainty that it brings, 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 2020 of £3.6 million. The Board believes it is well placed to navigate a prolonged period of uncertainty if necessary.

The health and safety of all its employees and key service providers continues to remain a priority and the Group continues to monitor recommendations issued by the relevant authorities. The Group has put into action its disaster recovery plans which include travel restrictions and remote working policies. These have been in effect since 17 March 2020 and are operating well.

Analysis and scenario testing, which includes the impact from the COVID-19 pandemic, 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
- cash returns from investments.

Whilst transactional fees are anticipated to be materially lower than would otherwise be expected, the Group is well supported by its management contracts and strong balance sheet.

Going Concern statement

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 endorsed by the EU and mandatorily effective for the first time for the financial year beginning 1 May 2019 include the following:

- IFRS 16, ‘Leases’, replaces IAS 17 that relates to the classification, measurement and recognition of leases with the objective of ensuring that lessees and lessors provide relevant information that represents those transactions. The standard is effective for the Group from 1 May 2019.

The Group applies the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets have been measured on transition as if the new rules had always been applied.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 May 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 May 2019 was 4.0%.

This new standard requires additional disclosures which have been provided in note 26.

(b) New and amended Standards and Interpretations mandatory for the first time for the financial year beginning 1 May 2019 but not currently relevant to the Group or Company.

The following new and amended Standards and Interpretations are not currently relevant to the Group or Company; however they may have an impact in future years:

- • IFRIC 23 “Uncertainty over Income Tax Treatments”
- • Amendment to IFRS 9: “Prepayment Features with Negative Compensation”
- • Amendment to IAS 28: “Investments in Associates and Joint Ventures”
- • Amendment to IAS 19: “Employee Benefits”
- • Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 in “Annual Improvements 2015-2017 cycle”

(c) New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 May 2019.

Amendments have been made to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to the definition of material. The new definition will apply for the first time in the next financial year. The amendments clarify the definition of what is material to the financial statements and how to apply the definition. The amendments will have an impact on the presentation and disclosure in the financial statements. After applying the new definition, the financial statements may have less disclosures as it may be easier to justify that certain disclosures are immaterial to users of financial statements. Furthermore, more meaningful disclosures may be presented in a more prominent manner due to the additional guidance on the effects of obscuring information.

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

3. Principal accounting policies

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

Basis of consolidation

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

Subsidiaries

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

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

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

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from publishing its individual Statement of Comprehensive Income and related notes.

Property, plant and equipment and depreciation

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

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.

Financial instruments

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

(i) Investments

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

The Directors determine the classification of investments held by the Group at initial recognition and re-evaluate this designation at each reporting date. At the reporting date all these investments were 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 six 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. Provisions are 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 income statement 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 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. All options were surrendered during the year ended 30 April 2020. The Company has accounted for the surrender of options as a cancellation resulting in an acceleration of vesting, and has therefore recognised immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

Leases*Accounting policy applicable before 1 May 2019*

Leases were classified as finance leases whenever the terms of the lease transferred substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases. At the year-end date all leases were classified as operating leases.

Rentals payable under operating leases were charged to income on a straight-line basis over the term of the relevant lease.

Accounting policy applicable after 1 May 2019

IFRS 16 was adopted as of 1 May 2019 without restatement of comparative figures. See note 26 for details of the transition.

A right of use asset and a lease liability has been recognized 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.

Dividend Distributions

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

Critical accounting estimates and assumptions

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

i) 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. 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. In accordance with IFRS 8 the chief operating decision maker has been identified as the Executive Committee. They review the Group’s internal reporting in order to assess performance and allocate resources. The Executive Committee considers that the business comprises a single activity being General Services 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 40% of revenue for the year (2019: 53%). 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 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.

	2020	2019
	£000	£000
Profit before taxation	76	282
Add back: Share based payment expense	68	-
Include: Fair value gain on financial assets through OCI	99	-
Adjusted profit before share based payment expense and taxation	243	282
Taxation	(40)	(52)
Adjusted profit after tax for the year	203	230

The fair value gain on financial assets represents the realised gain in the year on the disposal of the Group's interest in the SHIPS 15 syndicate. The profit is shown in the Consolidated Statement of Comprehensive Income as other comprehensive income.

The Company has accounted for the surrender of options in the year as a cancellation, in accordance with IFRS 2, resulting in an acceleration of vesting and a share based payment charge of £68,000 (2019: £nil). The charge reflects the amount that otherwise would have been recognised for services received over the remainder of the vesting period (all outstanding options were surrendered in the year).

6. Operating profit

Operating profit is stated after charging / (crediting):

Year ended 30 April	2020	2019
	£000	£000
Operating lease rentals relating to property	-	302
Depreciation	278	3
Rental income	(57)	(91)
Fees payable to the Company's auditor for the audit of the Company's consolidated annual financial statements	17	10
Fees payable to the Company's auditor and its associates for other services:		
• the audit of the Company's subsidiaries	25	25
• other assurance services	4	4
• tax compliance services	9	9

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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

	Group	Group	Company	Company
Year ended 30 April	2020	2019	2020	2019
	£000	£000	£000	£000
Basic wages and salaries	998	1,108	83	75
Performance-based payments	210	292	-	-
	1,208	1,400	83	75
Social security costs	157	178	11	10
Pension costs	14	10	-	-
Other costs	62	60	-	-
	1,441	1,648	94	85

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

	Group	Group	Company	Company
Year ended 30 April	2020	2019	2020	2019
	No	No	No	No
Management	5	4	5	4
Professional	6	6	-	-
Administration	3	6	-	-
	14	16	5	4

Directors' emoluments

	2020	2019
	£000	£000
Salaries and benefits	523	499
Performance-related bonuses	126	230
Pension contribution	3	2

652	731
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Highest paid director

	2020	2019
	£000	£000
Basic pay	100	100
Benefits	33	30
Performance related bonus	27	68
	160	198

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:-

	2020	2019
	£000	£000
Short term employee benefits	739	830

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	2020	2019
	£000	£000
Finance income		
Investment income	113	-
Bank interest receivable	14	7
	127	7

Investment income of £113,000 was received in the year (2019: £nil) from interests in SHIPS syndicates.

Year ended 30 April	2020	2019
	£000	£000
Finance expense		
Finance charges on lease liabilities (see note 26)	27	-

9. Taxation

Year ended 30 April	202	2019
	£000	£000
Current tax		
UK corporation tax – current year	35	60
UK corporation tax – prior years	(11)	(8)
	24	52
Deferred tax		
UK deferred tax – current year	16	-
	16	-
Total tax charged for the year	40	52

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	2020	2019
	£000	£000
Profit before taxation	76	282
Tax on Group profit at UK corporation tax rate of 19% (2019: 19%)	14	54
Expenses not deductible for tax purposes	7	7
Share based payment expense	13	-
Fair value gain	19	-
Prior year adjustment	(11)	(8)
Other adjustments	(2)	(1)
Group total tax charge for the year	40	52

10. Dividends

Year ended 30 April	2020	2019
	£000	£000
Equity dividends on ordinary shares:		
Declared and paid during year		
Ordinary final dividend for the year ended 30 April 2019: 0.75p per share (2018: 0.75p)	69	69
Interim dividend for the year ended 30 April 2020: 1.00p per share (2019: 1.00p)	92	92
	161	161
Proposed ordinary final dividend for the year ended 30 April 2020: 0.50p per share	46	

11. Earnings per share

<i>Number of shares</i>	2020	2019
	No	No
Weighted average number of shares for basic earnings per share	9,209,779	9,209,779
Share Options	-	-
Weighted average number of shares for diluted earnings per share	9,209,779	9,209,779
<i>Earnings</i>	£'000	£000
Profit after tax for the year (used to calculate the basic and diluted earnings per share)	36	230
Add back: Share based payment expense	68	-
Include: Fair value gain on financial assets through OCI	99	-
Adjusted profit after tax for the year (used to calculated adjusted basic and diluted earnings per share)	203	230
<i>Earnings per share</i>		
Basic	0.39p	2.50p
Diluted	0.39p	2.50p
<i>Adjusted earnings per share</i>		
Basic	2.20p	2.50p
Diluted	2.20p	2.50p

As disclosed in note 20, share options were granted in March 2019 and October 2016. All share options were surrendered in April 2020. The share options were non-dilutive

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for the years ending 30 April 2019 and 2020 and as a result were not included within the weighted average number of shares for the diluted earnings per share calculations.

12. Property, plant and equipment - Group

	Right of use	Furniture, fittings and computers	Short leasehold premium and improvements	Total
	£000	£000	£000	£000
Cost				
At 1 May 2019 (as previously reported)	-	181	290	471
IFRS 16 adjustment	816	-	-	816
1 May 2019 (adjusted)	816	181	290	1,287
Additions	-	18	-	18
As at 30 April 2020	816	199	290	1,305
Depreciation				
At 1 May 2019	-	181	281	462
Charge for the year	272	3	3	278
At 30 April 2020	272	184	284	740
Net book value at 30 April 2020	544	15	6	565
Cost				
At 1 May 2018	-	181	276	457
Additions	-	-	14	14
As at 30 April 2019	-	181	290	471
Depreciation				
At 1 May 2018	-	181	278	459
Charge for the year	-	-	3	3
At 30 April 2019	-	181	281	462
Net book value at 30 April 2019	-	-	9	9

The right-of-use asset is a leased property asset. All other assets are owned by the Group.

13. Investments in Group undertakings - Company

Year ended 30 April	2020	2019
	£000	£000
Shares in Group undertakings	118	50

The change in value of the investment during the year recognises the share based payment expense associated with share options granted to employees of the subsidiary (see note 20).

As at 30 April 2020, 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 One Limited, Stratton Two Limited, Stratton 9 Limited, Stratton 10 Limited, Stratton 11 Limited and Stratton 12 Limited.

The registered office of all the above named companies is 61 Conduit Street, London, W1S 2GB.

14. Financial assets – Group

Year ended 30 April	2020	2019
	£000	£000
At 1 May	1,603	1,588
Additions	-	15
Disposals	(973)	-
At 30 April	630	1,603

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. In the Directors' view the fair value has been estimated to be not materially different from their carrying value. 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 investments are as follows:

An amount of £nil (2019: £973,000) represents a syndicate interest in the Stratton House Investment Property Syndicate (SHIPS 15). The investment was sold during the year.

An amount of £630,000 (2019: £630,000) 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

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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 0.35% 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.

The Covid-19 virus outbreak has created unprecedented uncertainty in global financial markets and the valuation performed by the appointed valuers contains a "material valuation uncertainty" in accordance with RICS Red Book Global guidance. Whilst a higher degree of caution is attached to the valuation than would normally be the case, the Group's Executive and Audit Committees have concluded that the fair value assessment is reasonable.

15. Trade and other receivables

	Group	Group	Company	Company
Year ended 30 April	2020	2019	2020	2019
	£000	£000	£000	£000
Trade receivables	544	1,671	-	-
Other receivables	2	1	2	3
Prepayments	134	137	12	11
	680	1,809	14	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 2020, there were expected credit losses of £nil (2019: £nil).

As at 30 April 2020, trade receivables of £412,000 (2019: £408,000) 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:

	Group	Group	Company	Company
Year ended 30 April	2020	2019	2020	2019
	£000	£000	£000	£000
Up to 3 months past due	394	363	-	-
3 to 6 months past due	18	45	-	-
Over 6 months past due	-	-	-	-
	412	408	-	-

16. Cash and cash equivalents

	Group	Group	Company	Company
	2020	2019	2020	2019
	£000	£000	£000	£000
Cash at bank and in hand	3,624	2,001	1,370	1,218
	3,624	2,001	1,370	1,218

Cash and cash equivalents are all denominated in Sterling. The effective interest rate on Group cash balances for the year ended 30 April 2020 was 0.38% (2019: 0.35%). There is no material difference between the fair value and book value of cash and cash equivalents.

17. Trade and other payables

	Group	Group	Company	Company
Year ended 30 April	2020	2019	2020	2019
	£000	£000	£000	£000
Trade payables	113	330	1	8
Amount owed by group undertakings	-	-	199	47
Other taxation and social security	221	332	-	-
Accruals	304	493	14	15
Deferred income	51	49	-	-
	689	1,204	214	70

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

18. Deferred taxation (non-current) - Group

Year ended 30 April	2020	2019
	£000	£000
Deferred taxation asset:		
Temporary differences on provisions		
At 1 May	16	16
Movement during year	(16)	-
At 30 April	-	16

18. Share capital and other reserves

	30 April 2020 Number	30 April 2019 Number	30 April 2020 £000	30 April 2019 £000
Ordinary shares of 10p each: Authorised	11,000,000	11,000,000	1,100	1,100
Issued and fully paid	9,209,779	9,209,779	921	921

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

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

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

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

20. Share Options

In April 2020, the holders of all 1,240,000 options issued under the Company’s Enterprise Management Incentive (“EMI”) plan surrendered their options. At 30 April 2020 there were no options in issue.

The Company had 1,240,000 share options outstanding at 30 April 2019, including the following options held by Directors: D J R Fletcher held 100,000 share options, R E G Goode held 200,000 share options, and R A Dickman and P J Andrews each held 250,000 share options. Upon exercise of these share options, the ordinary shares would rank pari passu with the existing Ordinary Shares. At 30 April 2019 no share options were exercisable.

October 2016 options:

A total of 600,000 share options were granted under the HMRC Enterprise Management Incentive Scheme in October 2016. These share options had an exercise price of 48.5p and were exercisable between October 2021 and October 2026, being conditional on a 20% increase in the share price of the Company.

The fair value of the 600,000 share options as at the grant date was £29,000. The fair value was calculated using the Black-Scholes model with the following key assumptions: (i) volatility of 25% based on monthly historical volatility rates; (ii) risk free rate of 1%; (iii) dividend yield of 5%; (iv) life of 5 years; and (v) share price at date of grant of 48.5p (the exercise price). The Company did not recognise a charge for the 2019 year due to it being immaterial.

March 2019 options:

A total of 640,000 share options were granted under the HMRC Enterprise Management Incentive Scheme in March 2019. These share options had an exercise price of 46p and were exercisable between March 2024 and March 2029, being conditional on a 20% increase in the share price of the Company.

The fair value of the 640,000 share options as at the grant date was £56,000. The fair value was calculated using the Black-Scholes model with the following key assumptions: (i) volatility of 43.3% 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 46p (the exercise price). The Company did not recognise a charge for the 2019 year due to it being immaterial.

Surrender of options:

All options were surrendered in April 2020. A charge of £68,000 has been recognised as a result.

21. Capital Commitments

As at 30 April 2020 and 30 April 2019 neither the Group nor the Company had any capital commitments

22. Operating lease commitments and contingent liabilities

As at 30 April 2020 and 30 April 2019, neither the Group nor the Company had any contingent liabilities. As at 30 April 2020 and at 30 April 2019, the Group had future minimum lease payments under non-cancellable leases which fall due as follows:

Property Leases	2020	2019
	£000	£000
Within one year	314	314
In two to five years	267	581
	581	865

Property leases relate to office premises occupied by the Group.

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

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owed amounts as follows:-

	Fees		Amount Due	
	2020	2019	2020	2019
	£000	£000	£000	£000
SHIPS 04 Fund	52	19	-	-
SHIPS 15 Fund	171	47	-	7
SHIPS 16 Fund	62	60	-	9

All transactions were made in the ordinary course of business.

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

24. Financial instruments

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

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

Loans and receivables	Group	Group	Company	Company
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade receivables	544	1,671	-	-
Other receivables	2	1	2	3
Cash and cash equivalents	3,624	2,001	1,370	1,218
	4,170	3,673	1,372	1,221

Financial liabilities at amortised cost	Group	Group	Company	Company
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade payables	113	330	1	8
Amount due to group undertakings	-	-	199	47
Accruals	304	493	14	15
Lease liabilities	561	-	-	-

	978	823	214	70
Financial assets at fair value through other comprehensive income	Group	Group	Company	Company
	2020	2019	2020	2019
	£000	£000	£000	£000
Unlisted investments	630	1,603	-	-

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	Group	Company	Company
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade receivables	544	1,671	-	-
Cash and cash equivalents	3,624	2,001	1,370	1,218
Other receivables	2	1	2	3
	4,170	3,673	1,372	1,221

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 2020, if LIBOR had increased by 0.5% with all other variables held constant, post tax profit and equity for the Group would have been £13,000 (2019: £10,000) higher, and for the Company £6,000 (2019: £6,000) higher. Conversely, if LIBOR had decreased

NOTES TO THE FINANCIAL STATEMENTS

by 0.5% with all other variables held constant, post tax profit and equity for the Group would have been £13,000 (2019: £10,000) lower, and for the Company £6,000 (2019: £6,000) lower.

The Group's cash and cash equivalents earned interest during the year at an average of 0.38% (2019: 0.35%), and the Company's cash and cash equivalents earned interest during the year at an average of 0.49% (2019: 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 table shows the contractual maturities of the Group's and the Company's financial liabilities, all of which are measured at amortised cost:

	Group	Group	Company	Company
	2020	2019	2020	2019
	£000	£000	£000	£000
Financial liabilities falling due:				
Within 1 month	262	526	15	23
From 2 to 3 months	224	354	-	-
	486	880	15	23

	Group	Group	Company	Company
	2020	2019	2020	2019
	£000	£000	£000	£000
Lease liabilities falling due:				
Within 6 month	150	-	-	-
From 6 to 12 months	149	-	-	-
After 12 months	262	-	-	-
	561	-	-	-

25. 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.

26. Adoption of IFRS 16

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of IAS 17 Leases. The liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as at 1 May 2019.

The Group has adopted IFRS 16 using the modified retrospective method (including appropriate practical expedients), with the effect of initially applying this standard at the date of initial application. Accordingly, the comparative information presented for the prior year has not been restated and it is presented, as previously reported, under IAS 17 and related interpretations.

The Group has reviewed the lease terms of its leases in force at the date of transition and has identified one relevant lease, being the lease of the Group’s office at Conduit Street, London. The lease terminates on 3 May 2022.

The Group has concluded that the interest rate implicit in the lease cannot be readily determined and therefore the lease has been discounted by the incremental borrowing rate (IBR) of 4.0%, being the rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain assets of a similar value to the right-of-use asset in a similar economic environment.

Transition to IFRS 16 permits the right-of-use asset to be recognised at the carrying amount as if IFRS 16 had been applied since the lease commencement date, as discounted by the incremental borrowing rate at the date of initial application. This has led to a decrease in retained earnings as at 1 May 2019, net of tax, of £38,000.

The table below reconciles the measurement of lease liabilities upon transition with reference to operating lease commitments at 30 April 2019.

	Group
	£000
Operating lease commitments at 30 April 2019 per IAS 17	895
Discounted using incremental borrowing rate at 1 May 2019	(47)
	<hr/>
Lease liability recognised at 1 May 2019 per IFRS 16	848
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

The balance sheet shows the following amounts relating to lease liabilities:

	Group
	£000
As at 1 May 2019	-
Change in accounting policy (adoption of IFRS 16)	848
As at 1 May 2019 (restated)	848
Repayment of lease liabilities	(314)
Unwinding of discount	27
Closing amount as at 30 April 2020	561
Shown as:	
Current lease liabilities	299
Non-current lease liabilities	262
	561

Under IFRS 16, the Company has recognised a combined depreciation charge and interest expense in the year of £299,000. Under IAS 17, the charge in respect of lease costs would have been £302,000. There has been no impact on cash flows.

27. Reconciliation of liabilities arising from financing activities - Group

	As at 1 May 2018	Cashflow	As at 30 April 2019	Recognised on transition to IFRS 16 leases	Cashflow	Non-cash movements	As at 30 April 2020
	£000	£000	£000	£000	£000	£000	£000
Current liabilities							
Lease liabilities	-	-	-	299	(314)	314	299
Non-current liabilities							
Lease liabilities	-	-	-	594	-	(287)	262
	-	-	-	848	(314)	27	561

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (AGM) of Fletcher King Plc (the Company) will be held at 61 Conduit Street, London W1S 2GB on 28 October 2020 at 9.00am to consider and, if thought fit, pass the resolutions as set out below.

General Information in light of Coronavirus (COVID-19)

AGM Format:

The Board recognises the importance of the AGM to the Company's shareholders and would normally welcome the occasion as an opportunity to meet with you, present to you on the Company's strategy and performance, and listen and respond to your questions, in person. However, in light of the evolving COVID-19 outbreak, it has been necessary to make some important changes to the way in which we hold and conduct this year's meeting.

In light of the measures taken by the Government to reduce the public health risks the Board considers that it is in the Company's best interests to proceed with this year's AGM, but that the meeting will be purely functional in format, focusing on the formal business only. The Board proposes that a limited number of Company representatives will attend the AGM in person to ensure that a valid meeting is held. In doing so, they will observe all relevant social distancing guidelines.

To ensure the safety of all our stakeholders, shareholders will not be permitted to attend the AGM in person. Shareholders and guests who travel to the meeting will not be admitted. It is, therefore, important that you do not attend the meeting in person.

We regret that this is a necessary step but the health and wellbeing of the Company's shareholders, as well as its employees, is of paramount importance.

Voting at the AGM

The Board is keen to ensure that you are still able to exercise your right to vote at the meeting. Therefore, if you wish to vote at the AGM, you should appoint the Chairman of the meeting as your proxy and give your instructions on how you wish the Chairman to vote on the proposed resolutions. All proposed resolutions will be put to a vote on a poll. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised. On a poll, each shareholder has one vote for every share held. If you do choose to appoint a proxy other than the Chairman of the meeting your appointment will be deemed to be an appointment of the Chairman of the meeting.

Details of how to appoint a proxy are set out in the Notes to the Notice of AGM. To be valid, your proxy appointment in the form set out on page 60 must be received by Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 13.00 on Monday 26 October 2020.

Resolutions

Resolutions 1 to 6 (inclusive) are proposed as ordinary resolutions. For each of these to be passed, more than half of the total voting rights of members who vote must be in favour of the resolution.

Resolutions 7 and 8 are proposed as special resolutions. For each of these to be passed, at least three-quarters of the total voting rights of members who vote must be in favour of the resolution.

Ordinary Resolutions

1. To receive and adopt the Directors' Reports and Accounts for the financial year ended 30 April 2020.
2. To declare a final dividend for the financial year ended 30 April 2020.
3. To re-elect DJR Fletcher as a Director, who retires by rotation, in accordance with Company convention as in previous years and in line with best practice, and who offers himself for re-election.
4. To re-elect PE Bailey as a Director who retires by rotation, in accordance with Company convention as in previous years and in line with best practice, and who offers himself for re-election.

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

5. To re-appoint Nexia Smith & Williamson as auditors to hold office from the completion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company, at a remuneration to be determined by the Directors.
6. That the Directors of the Company be and are hereby authorised generally and unconditionally for the purpose of Section 551 of the Companies Act 2006 (such authority to be in substitution for all previous authorities granted to the Directors for the purpose of the said Section 551 or Section 80 of the Companies Act 1985) to allot equity securities in the Company up to a maximum number of 2,762,934 of the unissued ordinary shares of 10p each of the Company with an aggregate nominal value of £276,293.40, provided that this authority shall, unless renewed, varied or revoked by the Company shall expire at the conclusion of the next Annual General Meeting of the Company save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired and at any time thereafter pursuant to any offer or agreement made by the Company before the expiry of this authority.

This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares already made or offered or agreed to be made pursuant to such authorities

Special Resolutions

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

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

(b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £184,195.58 (being 20% of the said issued capital of the Company), and shall expire at the conclusion of the next Annual General Meeting of the Company (unless renewed, varied or revoked by the Company prior to or on that date), provided that if the Company before such expiry shall make an offer or agreement which would or might require securities to be allotted after such expiry, the Directors of the Company may allot equity securities in pursuance of such offer or agreements as if the power conferred hereby had not expired.

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

(a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 460,000;

(b) the maximum price which may be paid for an ordinary share is 5% above the average of the middle market quotations for shares of the same class as derived from The London Stock Exchange Daily Official List for the ten dealing days immediately prior to the date of the purchase of such shares and the minimum price that may be paid for an ordinary share is the nominal value of 10p per share;

(c) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2021 or eighteen months from the passing of this resolution, if earlier, unless such authority is renewed, varied or revoked by the Company prior to such time; and

(d) the Company may enter into a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make such purchases of ordinary shares in pursuance of any such contract or contracts.

NOTICE OF ANNUAL GENERAL MEETING

By order of the Board

P E Bailey

Secretary

Fletcher King Plc

28 September 2020

Registered Office:

61 Conduit Street

London W1S 2GB

Notes

- (a) In light of measures taken by the Government to reduce the public health risks posed by the spread of COVID-19, shareholders will not be permitted to attend the AGM in person. Every eligible shareholder does however, have the right to appoint one or more proxies to exercise all or any of his or her rights on his or her behalf at the meeting, provided that if more than one proxy is appointed each proxy is appointed to exercise the rights attaching to a different share or shares held by the appointing shareholder. The appointment of a proxy in relation to this year's AGM will, however, be subject to the special arrangements in these notes or any alternative arrangements that the Board considers necessary to ensure the validity of the meeting.
- (b) Shareholders who wish to vote at the meeting should appoint the Chairman of the meeting as their proxy in order to do so. No other person(s) appointed as proxy will be permitted to attend the meeting in person. If a shareholder appoints some other person or persons as proxy, such shareholder shall be deemed to have appointed the Chairman of the meeting and not the other named person(s) as their proxy.
- (c) A member of the Company can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. A proxy need not be a member of the Company. To be valid the form of proxy must be completed, signed and deposited at the office of the Company's registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, together with a certified copy of any power of attorney or other authority under which it is executed, not less than 48 hours before the time appointed for the meeting. The form assumes that a shareholder will wish to vote on all of his or her Shares in the same way.
- (d) To change your proxy instructions simply submit a new proxy appointment using the method set out above. Note that the cut-off time for receipt of proxy appointments (as above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you require another hard-copy proxy form in order to change the instructions, please contact the Company Secretary at 61 Conduit Street, London, W1S 2GB. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- (e) In order to revoke a proxy instruction, you will need to inform the Company by sending a hard copy notice clearly stating your intention to revoke your proxy appointment to the office of the Company's registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. The revocation notice must be received by the Company no less than 48 hours before the time appointed for the meeting. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- (f) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointments submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior).

- (g) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members at 6.00pm on 26 October 2020 or, if the meeting is adjourned, shareholders entered on the Company's register of members at 6.00pm on the day which is two days before the day of the adjourned meeting, shall be entitled to attend and vote at the meeting.
- (h) As at 6.00pm on 28 September 2020 (the latest practicable date before publication of this notice), the Company's issued share capital comprised 9,209,779 ordinary shares of 10p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 28 September 2020 is 9,209,779.
- (i) Any corporation which is a shareholder can appoint one or more persons to act as its representative(s) at the meeting. Each such representative may exercise on the corporation's behalf all of its powers as a shareholder provided that they do not do so in relation to the same Shares. Please note that a person other than the Chairman of the meeting who is appointed as a representative will not be permitted to attend the meeting in person.
- (j) Except as provided above, members who have general queries about the meeting should contact the Company Secretary. A member may not use any electronic address provided in this notice or in any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
- (k) Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, can be found at www.fletcherking.co.uk/investor-relations/.

FORM OF PROXY

FORM OF PROXY

For use at the Annual General Meeting of the Fletcher King Plc to be held at 9.00 am on 28 October 2020

I/We (Block capitals please).....

of.....

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

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 28 October 2020 at 9.00 am and at any adjournment of the meeting.

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

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

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

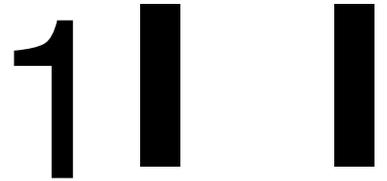
Signature Date.....

Notes

1. Please indicate with an 'X' in the spaces provided how you wish your votes to be cast. If you do not indicate how your votes are to be cast the proxy will vote as he thinks fit or abstain. The "Vote Withheld" option is provided to enable you to instruct your proxy not to vote on any particular resolution. Please note that a "Vote Withheld" has no legal effect and will not be counted in the calculation of the votes "For" or "Against" a resolution. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
2. In the case of a corporation, this form of proxy must be executed under the common seal or under the hand of an officer or duly authorised attorney. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other registered holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
3. To be effective this form of proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, must be deposited at the office of the Company's registrars at
Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours before the time of the meeting.
4. Any alterations made to this form of proxy should be initialled.
5. If you choose now to appoint a proxy other than the Chairman of the meeting, but the social distancing measures or other restrictions on attendance in person continue to be in force, your appointment will be deemed to be an appointment of the Chairman of the meeting.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. However, as above if you choose now to appoint a proxy other than the Chairman of the meeting, but the social distancing measures or other restrictions on attendance in person continue to be in force, your appointment in relation to those shares will in any case be deemed to be an appointment of the Chairman of the meeting. To appoint more than one proxy, please contact the Company registrars for more information at the address provided in note 3 sufficiently in advance of the meeting so that the requirements of note 3 may be complied with.

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BUSINESS REPLY SERVICE
License No. SWB 1002



First fold

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

Second fold

