

**Fletcher King Plc**

Annual Report and Accounts 2021

## DIRECTORS AND ADVISERS

### Directors

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

### Secretary and Registered Office

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

### Financial Advisers and Stockbrokers

Cairn Financial Advisers LLP  
80 Cheapside, London EC2V 6DN

### Solicitors

Boodle Hatfield  
240 Blackfriars Road, London SE1 8NW

### Bates Wells

10 Queen Street Place, London, EC4R 1BE

### Auditor

Nexia Smith & Williamson  
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

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- Revenue for the year of **£2,264,000** (2020 restated: £2,896,000) \*\*
- Statutory loss before tax of **£834,000** (2020: profit of £76,000)
- Adjusted loss before tax of **£935,000** (2020: profit of £243,000) \*
- Adjusted basic loss per share of **8.57p** (2020: earnings of 2.20p) (see note 11) \*
- Final dividend: **£nil** (2020: 0.50p per share)
- Significant cash reserves: **£2.9m** as at 30 April 2021 (2020: £3.6m)

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

\*\* Prior year restatement relates to the realignment of the Group's revenue recognition policy to the principal versus agent requirements of IFRS 15. As a result, revenue has been presented gross of fees shared with third parties, with the related costs now included within other operating expenses. The impact on revenue and costs is £0.28m. The restatement has no impact on the Group's profit for the year, earnings per share or net asset position (see note 2.1).

## FINANCIAL CALENDAR

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### **Annual General Meeting**

*4 November 2021*

**Results**

Revenue for the year was £2,264,000 (2020 restated: £2,896,000). Adjusted loss before tax (see note 5) was £935,000 (2020: profit of £243,000). Statutory loss before tax was £834,000 (2020: profit of £76,000).

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 an unrealised loss of £101,000 on revaluation of the interest in the SHIPS 16 syndicate (2020: realised gain of £99,000).

**Dividend**

In view of the loss in the year, the Directors have resolved not to pay a final dividend (2020: 0.5p per share).

**The Commercial Property Market**

The year to 30 April 2021 will go down as one of the most difficult in the history of the commercial property industry. The continuing and ever-changing Covid-19 regulations and lockdowns have created an extreme level of uncertainty resulting in both occupiers and investors delaying their decision making.

However, the Industrial and Warehousing sector of the market bucked the trend and continued to be very active, fuelled by the growth of online shopping. This has resulted in strong rental growth and investors paying record prices.

Office workers continued to work from home and shoppers stayed away from both the high streets and the large shopping centres. There has been enormous downward pressure on retail rents and capital values have continued their long decline. Office rents have also suffered but to a lesser extent, although central London offices have remained resilient but on a much reduced take up. Yields have generally held firm, particularly for the large trophy assets, but there has been some slippage for smaller subprime buildings.

The vaccine rollout has been exceptional and appears to be controlling the impact of the disease. It is also giving confidence to many, who have had both doses, to return to public transport, although utilisation levels remain well below pre Covid-19 figures. City centres will not recover until all are happy to use public transport again.

**Business Overview**

The huge uncertainty caused by the Covid-19 pandemic, resulting in a very significant fall in business activity, has had a material impact on the commercial property market and thus our trading results. For only the second time in the history of the Company are we reporting a loss.

The biggest impact was experienced in our transaction-based activities such as investment sales and acquisitions as well as bank valuations and the agreement of rating appeals.

## CHAIRMAN'S STATEMENT

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Property and Fund management fees continued to flow and our rent collection statistics remained excellent. Fortunately, most of our clients have a relatively low exposure to the hard hit retail, leisure and hospitality sectors.

The volume of bank valuations continued to be significantly reduced and is likely to remain so until investors return in more force to the market. The Valuation Office continues to be extremely slow in agreeing rating appeals which is frustrating the potential for us to earn some substantial fees.

On 2 July 2021 the Company announced, in response to press speculation, that it was in discussions with Elliott Bernerd in respect of a potential purchase of existing shares, issue of new shares (together, constituting no more than 29.99% of the Company's issued share capital) and new board appointments (the "Potential Transaction"). Discussions remain ongoing, including regarding price, and while there can be no certainty that the Potential Transaction will proceed, the Board will make further announcements in due course.

### **Outlook**

Whilst it is almost impossible to assess our future trading performance, we do however look forward to the coming year with some cautious optimism. Whilst Covid-19 will still be part of our lives, the vaccination programme has had a very positive impact in reducing the impact of the virus to a manageable level. Life is moving towards some normality and hopefully this will continue.

There are positive signs in the capital markets that both domestic and foreign investors are showing more interest and there appears to be a wall of money waiting for the right moment to buy.

We start the year with some reasonable sales instructions, some encouragingly from new clients, and we hope to add to the client base going forward. Our Fund and Property Management mandates will provide steady recurring income and we are working hard to expand that part of our business.

Bank Valuations are showing some signs of increasing but it is still early days. Unfortunately, on the Rating front there is no sign from the Valuation Office of them expediting with any speed the outstanding appeals we have in the pipeline.

Despite our reported loss we continue to be securely financed with a strong balance sheet and cash reserves of £2.9m as at 30 April 2021.

Strong client relationships, some of which have been in place for over fifty years, have grown even stronger in the last year as we have tackled together the challenges presented by this unprecedented period of turmoil.

We would like to thank both our clients and hard working staff for their loyalty to us.

**DAVID FLETCHER**

**CHAIRMAN**

*30 September 2021*

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 12 to 15.

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

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

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

investor relations issues and matters of governance.

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

The Board's communication with shareholders and how it seeks their feedback is explained under Principle 2 above.

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

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

The Company operates to Quality Assurance ("QA") standards and holds ISO9001:2015 certification. The QA process includes annual external audit of internal processes and includes feedback from clients. Feedback from clients has been consistently positive.

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 25 to the Financial Statements.

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

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

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

Following retirement of David Fletcher and Richard Goode from executive positions on 30 April

2021, the Board now consists of six Directors of which three are Executive Directors, two are Non-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 Directors Report.

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

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

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

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

### *Controls and systems*

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

### *Independence of the Directors*

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



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

### *Directors' time commitments*

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

### *Audit and Remuneration Committees*

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

### *Board and Committees' attendance*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company Secretary is responsible for providing clear and timely information flow to the Board and its committees and supports the board on matters of corporate governance and risk.

The Board has approved the adoption of the QCA Code as its governance framework against which this statement has been prepared and will monitor the suitability of this Code on an annual basis and revise its governance framework as appropriate as the Group evolves.

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

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

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

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

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

***Audit Committee Report***

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

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

*Remuneration Committee Report*

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

**David Fletcher**  
**Chairman**

30 September 2021

The Directors present the Group Strategic Report for Fletcher King Plc (“the Company”) and its subsidiary companies for the year end 30 April 2021 (together “the Group”).

### Principal Activities

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

### Business Review

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

	2021	2020
Revenue	£2,264,000	£2,896,000
(Loss)/profit before taxation	(£834,000)	£76,000
Adjusted (loss)/profit before taxation*	(£935,000)	£243,000
Total comprehensive income	(£789,000)	£135,000
Adjusted total comprehensive income*	(£789,000)	£203,000
Basic earnings per share	(7.47p)	0.39p
Adjusted basic earnings per share (note 11)	(8.57p)	2.20p

\*Adjusted loss before tax reflects inclusion of the unrealised loss in the year on revaluation of the interest in the SHIPS 16 syndicate which is required to be shown in the Statement of Comprehensive Income as other comprehensive income (see note 5). Adjusted KPIs for the prior year reflect adding back a share-based payment expense of £68,000 incurred in respect of share options that were surrendered in the year, together with the realised gain in the year on disposal of the interest in the SHIPS 15 syndicate.

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.

In response to the impact of Covid-19, the Company reduced discretionary expenditure where possible. However, the Company was affected by a severe contraction in the Professional Indemnity insurance market, particularly with regard to property valuation work. As a result, the renewal premium more than doubled, increasing by just over £200,000 for the financial year.

### 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

In spite of the apparent success of the vaccine rollout, Covid-19 may continue to have a significant impact on transactional activity but it is difficult to assess this impact accurately in a dynamic market and in light of the unpredictable nature of the virus. 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 ongoing impact. We will closely monitor the impacts of the virus as the wider economic impact evolves over time.

**(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 as recently experienced with the Covid-19 virus and Brexit uncertainties. 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) 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.

**(iv) Financial Risk Management**

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

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

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

**Clients:** Our clients are key to the success 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 flexibly (including working from home), and the Company has maintained employee engagement through video conferencing facilities and other complementary channels. The Company has an Employee Assistance Programme to support the wellbeing of employees, particularly mental health.

**Community and environment:** We are mindful of the impact of Company operations on both the community and the environment, and expect employees and suppliers to meet exacting standards in everyday business conduct. The Company operates a number of green initiatives including, for example, reducing paper usage and operating a cycle-to-work scheme to encourage employees to travel to work in an environmentally friendly way.

**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 28 October 2020. Unfortunately, due to Covid-19 restrictions on social gatherings, it was not possible for external shareholders to attend the meeting. The Company welcomes shareholder engagement and has interacted with shareholders during the year via other communication channels including email, telephone and in person.

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

During the year the Board has, amongst other things, considered and evaluated a number of potential growth opportunities with a view to strengthening the financial position and operational capability of the Company.

### **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 2021:

- 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  
30 September 2021**



The Directors present their report and accounts for the year ended 30 April 2021.

### General information

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

### Results and dividend

The consolidated statement of comprehensive income is set out on page 26. The total loss for the year after taxation is £789,000 (2020: total income of £135,000). The Directors do not recommend the payment of an ordinary final dividend. (2020: 0.50p per share). No interim dividend (2020: 1.00p per share) has been paid to shareholders.

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 4 to 5.

### Capital and equity interests

All share options were surrendered in the previous year and there were no outstanding options as at 30 April 2021. The total number of ordinary shares in issue at 30 April 2021 was 9.2 million (2020: 9.2 million).

### Cash flow and liquidity

Net cash outflow from operating activities amounted to £688,000 (2020: inflow of £917,000) which, after allowing for cash flows including dividends and lease payments, resulted in a net decrease in cash balances of £732,000 (2020: increase of £1,623,000).

At 30 April 2021, the Group's cash at bank and on short term deposit amounted to £2.89 million (2020: £3.62 million). This was deposited with leading banks.

### Financial risk management

The Group manages its treasury operations in accordance with policies and procedures approved by the Board. Information about the Group's policies on financial instruments is set out in note 3 of the accounts. The Group has no borrowings. As the Group operates almost exclusively in the United Kingdom, there are no significant direct foreign exchange risks. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group and these are outlined in note 25 to the accounts.

### Directors

The current Directors of the Company are set out below.

D J R Fletcher	Chairman (non-executive from 1 May 2021)
R E G Goode	Director (non-executive from 1 May 2021)
R A Dickman	Executive Director
P J Andrews	Managing 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 has been involved in fund and asset management for a number of major institutional and in-house clients.

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

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

D H Stewart, had a long career in banking. At Abbey National Group, he led business banking and the asset finance activities of First National Bank. Prior to that he held senior appointments with TSB Group, Hill Samuel Bank, Creditanstalt and Country NatWest Limited.

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

R E G Goode and R A Dickman 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	2021	2020
	£000	£000	£000	£000	£000	£000
D J R Fletcher	100	35	-	-	135	160
R E G Goode	74	23	-	-	97	123
R A Dickman	100	19	-	1	120	146
P J Andrews	100	14	-	1	115	142
P E Bailey*	90	4	-	1	95	62
D H Stewart	15	-	-	-	15	19
	479	95	-	3	577	652

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

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

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

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

### **Authority to Allot Unissued Shares**

In accordance with normal practice the Directors propose to take the usual authorities under Sections 551 and 570 of the Companies Act 2006. Therefore it is proposed to extend the Section 551 authority given at the last Annual General Meeting on 28 October 2020 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 October 2022. 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 international accounting standards in conformity with the requirements 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. This information is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

**Auditor**

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

This report was approved by the Board on 30 September 2021.

**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 2021 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 accounting standards in conformity with the requirements of the Companies Act 2006.

**In our opinion:**

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the future cash flow forecast prepared by management and challenging the inputs and assumptions included in the forecast. Where appropriate, we corroborated the inputs and assumptions to supporting information.
- Reviewing the current cash reserves and comparing these to the cash outflows forecast over the period to the end of September 2022.
- Testing the underlying model for mathematical accuracy.
- Reviewing alternative scenarios prepared by management to assess the impact of changing key assumptions and performing additional stress testing of the forecast

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

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

**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 SHIPS 16. As a result, there is a risk that management's estimate of fair value may not be materially correct.

The Directors of the Group prepare a fair value paper each year setting out the methodology adopted in the fair value calculation and the underlying assumptions and inputs used in the valuation. For the SHIPS 16 investment the Directors obtained a valuation for the underlying property held as at 30 April 2021. The property valuation was carried out by employees of Fletcher King Services Limited ('FKS'), Chartered Surveyors, a subsidiary of the Parent Company.

In determining the fair value of the financial asset investment, the FKS valuation specialists apply assumptions for tenure, letting and condition and repair of the property and sites, which are influenced by comparable market transactions, to arrive at the final valuation for the Group's share of the SHIPS 16 financial asset investment.

The Group's accounting policy for financial asset investments is included within note 3. Details of the Group's valuation methodology and resulting valuation can be found in note 14.

**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 and considered the appropriateness of the basis of valuation.

We challenged management's estimate and carried out procedures to satisfy ourselves of the reasonableness of the inputs used by the Directors in their valuations via the corroboration to external market data. We reviewed sensitivity analysis performed on certain key metrics and assumptions used by management. We considered the adequacy of disclosures made in note 14.

### 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, specifically IFRS 15. We have performed testing to identify the quantum of agent costs deducted from revenue in the current and prior year. We have considered the contractual arrangements in place with the customer and contractor, and whether Fletcher King is acting as agent or principal. We have assessed the adequacy of disclosures in relation to the prior year adjustment.

#### Our application of materiality

The materiality for the Group financial statements as a whole (“group FS materiality”) was set at £41,300. 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 1.8% of the Group’s total revenue as presented on the face of the Consolidated Statement of Comprehensive Income.

The materiality for the Parent Company financial statements as a whole (“parent FS materiality”) was set at £33,000. This has been determined with reference to the benchmark of the Parent Company’s total assets, which we consider to be an appropriate measure as the Parent Company exists primarily as a holding company for the Group. This represents 2.3% of the parent company’s total assets.

Performance materiality for the Group financial statements was set at £33,000, being 80% of group FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds group FS materiality. We judged this level to be appropriate based on our understanding of the Group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements including considering experience from previous audits. It was set at 80% to reflect the fact that in our historical experience management are keen to process adjustments and there are few areas of judgement and estimation in the Group financial statements.



Performance materiality for the Parent Company financial statements was set at £26,400, being 80% of parent FS materiality. It was set at 80% to reflect the fact that in our historical experience management are keen to process adjustments and there are few areas of judgement and estimation in the Parent Company financial statements.

**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.

**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 contained within the Annual Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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 18, 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.

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

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

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

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

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

- The Companies Act 2006 and IFRS in respect of the preparation and presentation of the financial statements;
- AIM rules and UK Market Abuse Regulations;

- Royal Institution of Chartered Surveyors Standards;
- The Proceeds of Crime Act 2002; and
- The UK regulatory principles, including those governed by the Financial Conduct Authority (FCA).

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

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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
<b>Nexia Smith &amp; Williamson</b>	London
Statutory Auditor	EC2R 6AY
Chartered Accountants	

30 September 2021

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2021

Notes	2021	2020
	£000	£000
		<i>Restated*</i>
<b>4 Revenue</b>	<b>2,264</b>	2,896
<b>7</b> Employee benefits expense	<b>(1,262)</b>	(1,441)
<b>12</b> Depreciation expense	<b>(281)</b>	(278)
Other operating expenses	<b>(1,566)</b>	(1,190)
<b>21</b> Share based payment expense	-	(68)
	<b>(3,109)</b>	(2,977)
Other operating income	<b>25</b>	57
<b>8</b> Investment income	-	113
<b>8</b> Finance income	<b>2</b>	14
<b>8</b> Finance expense	<b>(16)</b>	(27)
<b>(Loss)/Profit before taxation</b>	<b>(834)</b>	76
<b>9 Taxation</b>	<b>146</b>	(40)
<b>(Loss)/Profit for the year</b>	<b>(688)</b>	36
<b>Other comprehensive income</b>		
Fair value (loss)/gain on financial assets through other comprehensive income	<b>(101)</b>	99
<b>Total comprehensive income for the year attributable to equity shareholders</b>	<b>(789)</b>	135
<b>Earnings per share</b>		
<b>11</b> Basic	<b>(7.47p)</b>	0.39p
<b>11</b> Diluted	<b>(7.47p)</b>	0.39p
<b>Adjusted earnings per share</b>		
<b>11</b> Basic	<b>(8.57p)</b>	2.20p
<b>11</b> Diluted	<b>(8.57p)</b>	2.20p

\* Prior year restatement relates to the realignment of the Group's revenue recognition policy to the principal versus agent requirements of IFRS 15. As a result, revenue has been presented gross of fees shared with third parties, with the related costs now included within other operating expenses. The impact on revenue and costs is £0.28m. The restatement has no impact on the Group's profit for the year, earnings per share or net asset position. Please see note 2 for further details.

The notes on pages 32 to 52 form part of the financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*as at 30 April 2021*

Notes	2021	2020
	£000	£000
<b>Assets</b>		
<b>Non-current assets</b>		
12 Property, plant and equipment	12	21
12 Right of use asset	272	544
14 Financial assets	529	630
19 Deferred tax assets	-	-
	<b>813</b>	1,195
<b>Current assets</b>		
15 Trade and other receivables	1,148	680
Corporation tax debtor	111	-
16 Cash and cash equivalents	2,892	3,624
	<b>4,151</b>	4,304
<b>Total assets</b>	<b>4,964</b>	5,499
<b>Liabilities</b>		
<b>Current liabilities</b>		
17 Trade and other payables	908	689
18 Provisions	100	-
Current taxation liabilities	-	35
12 Lease liabilities	577	299
	<b>1,585</b>	1,023
<b>Non current liabilities</b>		
12 Lease liabilities	-	262
<b>Total liabilities</b>	<b>1,585</b>	1,285
<b>Shareholders' equity</b>		
20 Share capital	921	921
Share premium	140	140
Investment revaluation reserve	(101)	-
Retained earnings	2,419	3,153
<b>Total shareholders' equity</b>	<b>3,379</b>	4,214
<b>Total equity and liabilities</b>	<b>4,964</b>	5,499

Approved by the Board on 30 September 2021 and signed on its behalf by

**David Fletcher**

*Chairman*

*Registered Number: 02014432 England and Wales*

The notes on pages 32 to 52 form part of the financial statements.

## COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 April 2021

Notes	2021	2020
	£000	£000
<b>Assets</b>		
<b>Non-current assets</b>		
13 Investments in group undertakings	118	118
<b>Current assets</b>		
15 Trade and other receivables	14	14
16 Cash and cash equivalents	1,291	1,370
	<b>1,305</b>	<b>1,384</b>
<b>Total assets</b>	<b>1,423</b>	<b>1,502</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
17 Trade and other payables	328	214
<b>Total liabilities</b>	<b>328</b>	<b>214</b>
<b>Shareholders' equity</b>		
20 Share capital	921	921
Share based payment reserve	-	68
Share premium	140	140
Retained earnings	34	159
<b>Total shareholders' equity</b>	<b>1,095</b>	<b>1,288</b>
<b>Total equity and liabilities</b>	<b>1,423</b>	<b>1,502</b>

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 loss after taxation of the Company for the year was £147,000 (2020: profit of £169,000).

Approved by the Board on 30 September 2021 and signed on its behalf by

**David Fletcher**

*Chairman*

*Registered Number: 02014432 England and Wales*

The notes on pages 32 to 52 form part of the financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS***for the year ended 30 April 2021*

	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before taxation from continuing operations	<b>(834)</b>	76
Adjustments for:		
Movement in provision	<b>100</b>	-
Depreciation expense	<b>281</b>	278
Investment income	-	(113)
Finance income	<b>(2)</b>	(14)
Finance expense	<b>16</b>	27
Share based payment expense	-	68
	<hr/>	<hr/>
<b>Cash flows from operating activities before movement in working capital</b>	<b>(439)</b>	322
(Increase)/decrease in trade and other receivables	<b>(468)</b>	1,077
Increase/(decrease) in trade and other payables	<b>219</b>	(468)
	<hr/>	<hr/>
<b>Cash (absorbed by)/generated from operations</b>	<b>(688)</b>	931
Taxation paid	-	(14)
	<hr/>	<hr/>
<b>Net cash flows from operating activities</b>	<b>(688)</b>	917
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Sale of investments	-	1,072
Purchase of fixed assets	-	(18)
Investment income	-	113
Finance income	<b>2</b>	14
	<hr/>	<hr/>
<b>Net cash flows from investing activities</b>	<b>2</b>	1,181
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Lease payments	-	(314)
Dividends paid to shareholders	<b>(46)</b>	(161)
	<hr/>	<hr/>
<b>Net cash flows from financing activities</b>	<b>(46)</b>	(475)
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(732)</b>	1,623
Cash and cash equivalents at start of year	<b>3,624</b>	2,001
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b> (note 16)	<b>2,892</b>	3,624
	<hr/>	<hr/>

The notes on pages 32 to 52 form part of the financial statements.

## COMPANY STATEMENT OF CASH FLOWS

for the year ended 30 April 2021

	2021	2020
	£000	£000
<b>Cash flows from operating activities</b>		
(Loss)/profit before taxation	(147)	169
Adjustments for:		
Finance income	(1)	(9)
Dividends received from subsidiary undertakings	(46)	(311)
	<hr/>	<hr/>
<b>Cash flows from operating activities before movement in working capital</b>	<b>(194)</b>	<b>(151)</b>
Increase in trade and other payables	114	144
	<hr/>	<hr/>
<b>Cash absorbed by operations</b>	<b>(80)</b>	<b>(7)</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Dividends received from subsidiary undertakings	46	311
Finance income	1	9
	<hr/>	<hr/>
<b>Net cash flows from investing activities</b>	<b>47</b>	<b>320</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(46)	(161)
	<hr/>	<hr/>
<b>Net cash flows from financing activities</b>	<b>(46)</b>	<b>(161)</b>
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(79)</b>	<b>152</b>
Cash and cash equivalents at start of year	1,370	1,218
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year (note 16)</b>	<b>1,291</b>	<b>1,370</b>
	<hr/>	<hr/>

The notes on pages 32 to 52 form part of the financial statements.

## STATEMENT OF CHANGES IN EQUITY

*for the year ended 30 April 2021*

CONSOLIDATED	Share capital	Share premium	Investment Revaluation Reserve	Retained earnings	TOTAL EQUITY
	£000	£000	£000	£000	£000
<b>Balance at 1 May 2019</b>	<b>921</b>	<b>140</b>	-	<b>3,111</b>	<b>4,172</b>
Total comprehensive income for the year	-	-	**-	135	135
Equity dividends paid	-	-	-	(161)	(161)
Share based payment expense	-	-	-	68	68
<b>Balance at 30 April 2020</b>	<b>921</b>	<b>140</b>	-	<b>3,153</b>	<b>4,214</b>
Loss for the year	-	-	-	(688)	(688)
Fair value loss on financial assets through other comprehensive income	-	-	(101)	-	(101)
Equity dividends paid	-	-	-	(46)	(46)
<b>Balance at 30 April 2021</b>	<b>921</b>	<b>140</b>	<b>(101)</b>	<b>2,419</b>	<b>3,379</b>

\*\* The fair value gain on financial assets through Other Comprehensive Income represented a realised gain

COMPANY	Share capital	Share based payment reserve	Share premium	Retained earnings	TOTAL EQUITY
	£000	£000	£000	£000	£000
<b>Balance at 1 May 2019</b>	<b>921</b>	-	<b>140</b>	<b>151</b>	<b>1,212</b>
Total comprehensive income for the year	-	-	-	169	169
Equity dividends paid	-	-	-	(161)	(161)
Share based payment expense	-	68	-	-	68
<b>Balance at 30 April 2020</b>	<b>921</b>	<b>68</b>	<b>140</b>	<b>159</b>	<b>1,288</b>
Total comprehensive income for the year	-	-	-	(147)	(147)
Equity dividends paid	-	-	-	(46)	(46)
Transfer to retained earnings	-	(68)	-	68	-
<b>Balance at 30 April 2021</b>	<b>921</b>	-	<b>140</b>	<b>34</b>	<b>1,095</b>



### 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 30 September 2021. 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 accounting standards in conformity with the requirements of the Companies Act 2006 and under the historical cost convention, except for the revaluation of certain financial assets.

#### 2.1 Prior year adjustment – Revenue including other operating expenses

In line with IFRS 15, revenue has been restated to be recognised on a gross basis and the fees and associated operating expenses are disaggregated and shown separately. This change in presentation has arisen from the Group's reassessment of the principal versus agent considerations guidance in IFRS 15 with regards to fee sharing arrangements. This represents a prior year adjustment under IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and has been applied retrospectively from the earliest comparative period disclosed in these financial statements.

The change has no impact on the Group's profits or net asset position.

The impact of this change has been to increase revenue by £0.222m in the year ended 30 April 2021 and by £0.280m in the year ended 30 April 2020.

#### 2.2 Going concern

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

Underlying their conclusion is the Group's cash balance as at 30 April 2021 of £2.9 million. The Board believes it is well placed to navigate a prolonged period of uncertainty if necessary.

Analysis and scenario testing, which includes the impact from the ongoing 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, and
- cash returns from investments.

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

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.

### 2.3 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 UK and mandatorily effective for the first time for the financial year beginning 1 May 2020 include the following:

- IFRS 3 has been amended for the definition of business which clarifies whether a transaction should be accounted for as a business combination or as an asset acquisition. Under the amended definition, a business acquired must have an input and a substantive process that together contribute to the ability for the business to create outputs.
- 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 amendments clarify the definition of what is material to the financial statements and how to apply the definition.

#### (b) New and amended Standards and Interpretations mandatory for the first time for the financial year beginning 1 May 2020 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:

- Interest rate benchmark reform: amending hedge accounting requirements of IFRS 9, IAS 39 and IFRS 7.

#### (c) New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 May 2020.

- Amendment to IAS 1: Classification of Liabilities as Current or Non-current
- IFRS 16: Covid-19 – Related Rent Concessions (Amendments to IFRS 16)
- IBOR Reform and its Effects on Financial Reporting – Phase 2

### 3. Principal accounting policies

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

#### Basis of consolidation

Both the consolidated and the Company's financial statements are for the year ended 30 April 2021 and present comparative information for the year ended 30 April 2020. All intra-group transactions, balances, income and expenditure are eliminated upon consolidation.

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

### 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.

### Investment in subsidiaries

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

### Financial instruments

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

#### (i) Investments

The Directors determine the classification of investments held by the Group at initial recognition and re-evaluate this designation at each reporting date. At the reporting date all these investments were designated as financial assets at fair value through other comprehensive income (FVOCI). Financial assets are initially recognised at the fair value of the consideration given, including associated acquisition costs, which may equate to cost. On subsequent measurement, financial assets are measured at either fair value or at cost where fair value is not reliably measurable. Changes in fair value are recognised in Other Comprehensive Income, together with the related deferred tax asset or liability.

Financial assets are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date.

**(ii) Trade and other receivables**

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

All financial assets (with the exception of financial assets measured at fair value through other comprehensive income) are reviewed annually for impairment, with any losses reflected in the statement of comprehensive income. Investment income is recognised in the Statement of Comprehensive Income.

**(iii) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, call deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

**(iv) Financial liabilities and equity**

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

- **Trade and other payables**  
Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.
- **Share capital**  
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

**Taxation**

Current income tax is provided on taxable profits at the current rate. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using rates enacted at the reporting date which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax and deferred tax are reflected in the Statement of Comprehensive Income, unless they relate to items recognised in equity, in which case they are recognised in equity.

**Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that the Group will be required to settle the obligation, and the amount can be reliably estimated. The dilapidations provision is measured at the Directors’ best estimate of the expenditure required to settle the obligation at the reporting date.

**Revenue recognition**

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

control of a product or service to a client.

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

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

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

Interest and investment income is recognised on a time-proportion basis using the effective interest method.

### **Operating profit**

Operating profit is stated before income from investments, finance income, costs and losses on impairment of financial assets and taxation.

### **Employee benefits**

Contributions to employees' money-purchase pension schemes are made on an arising basis where these form part of contractual remuneration obligations. The Group recognises a liability and an expense for cash-settled bonuses when contractually obliged or when there is a past practice creating a constructive obligation.

### **Share based payments**

The Group issues options over the Company's equity to certain employees and these are measured for fair value at the date of grant using the 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 accounted for the surrender of options as a cancellation resulting in an acceleration of vesting, and therefore recognised immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

### **Leases**

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 judgments**

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

**(i) Fair value of financial assets (estimate and judgment)**

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

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

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

**4. Revenue and Segment Information – Group**

All revenue was generated in the UK.

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance. The chief operating decision maker has been identified as the Executive Committee. They review the Group’s internal reporting in order to assess performance and allocate resources. The Executive Committee considers that the business comprises a single activity being General Services as resources are not allocated between individual General Services and therefore these do not meet the definition of an operating segment in IFRS 8. Therefore, the Group is organised into one operating segment and there is one reporting segment. The segment information is the same as that set out in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows.

Transaction based fees (recognised at a point in time) such as investment deals, property valuations and rating appeals accounted for 30% of revenue for the year (2020: 40%). 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 – (loss)/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.

	<b>2021</b>	2020
	<b>£000</b>	£000
(Loss)/profit before taxation	<b>(834)</b>	76
Add back: Share based payment expense	-	68
Include: Fair value (loss)/gain on financial assets through OCI	<b>(101)</b>	99
Adjusted (loss)/profit before share based payment expense and taxation	<b>(935)</b>	243
Taxation	<b>146</b>	(40)
Adjusted (loss)/profit after tax for the year	<b>(789)</b>	203

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

For the prior year, 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 accounted for the surrender of options in the prior year as a cancellation, in accordance with IFRS 2, resulting in an acceleration of vesting and a share-based payment charge of £68,000 (2021: £nil). The charge reflected the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

**6. Operating profit**

Operating profit is stated after charging / (crediting):

<b>Year ended 30 April</b>	<b>2021</b>	2020
	<b>£000</b>	£000
Depreciation	<b>281</b>	278
Rental income	<b>(25)</b>	(57)
Fees payable to the Company's auditor for the audit of the Company's consolidated annual financial statements	<b>17</b>	17
Fees payable to the Company's auditor and its associates for other services:		
• the audit of the Company's subsidiaries	<b>25</b>	25
• other assurance services	<b>3</b>	4
• tax compliance services	<b>9</b>	9

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

**7. Employee benefits expense**

Year ended 30 April	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£000</b>	£000	<b>£000</b>	£000
Basic wages and salaries	<b>1,042</b>	998	<b>90</b>	83
Performance-based payments	-	210	-	-
	<b>1,042</b>	1,208	<b>90</b>	83
Social security costs	<b>138</b>	157	<b>12</b>	11
Pension costs	<b>14</b>	14	-	-
Other costs	<b>68</b>	62	-	-
	<b>1,262</b>	1,441	<b>102</b>	94



## NOTES TO THE FINANCIAL STATEMENTS

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

Year ended 30 April	Group	Group	Company	Company
	2021	2020	2021	2020
	No	No	No	No
Management	5	5	5	5
Professional	6	6	-	-
Administration	3	3	-	-
	<b>14</b>	14	<b>5</b>	5

### Directors' emoluments

	2021	2020
	£000	£000
Salaries and benefits	574	523
Performance-related bonuses	-	126
Pension contribution	3	3
	<b>577</b>	652

### Highest paid director

	2021	2020
	£000	£000
Basic pay	100	100
Benefits	35	33
Performance related bonus	-	27
	<b>135</b>	160

### 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:-

	2021	2020
	£000	£000
Short term employee benefits	<u>656</u>	<u>739</u>

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	2021	2020
	£000	£000
<b>Finance income</b>		
Investment income	-	113
Bank interest receivable	<u>2</u>	<u>14</u>
	<u>2</u>	<u>127</u>

Investment income of £113,000 was received in the prior year from interests in SHIPS syndicates.

Year ended 30 April	2021	2020
	£000	£000
<b>Finance expense</b>		
Finance charges on lease liabilities	<u>16</u>	<u>27</u>

#### 9. Taxation

Year ended 30 April	2021	2020
	£000	£000
<b>Current tax</b>		
UK corporation tax – current year	(111)	35
UK corporation tax – prior years	<u>(35)</u>	<u>(11)</u>
	<u>(146)</u>	<u>24</u>
<b>Deferred tax</b>		
UK deferred tax – current year	-	16
	<u>-</u>	<u>16</u>
<b>Total tax charged for the year</b>	<u>(146)</u>	<u>40</u>

## NOTES TO THE FINANCIAL STATEMENTS

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:

<b>Year ended 30 April</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
(Loss)/Profit before taxation	<b>(834)</b>	76
Tax on Group profit at UK corporation tax rate of 19% (2020: 19%)	<b>(158)</b>	14
Expenses not deductible for tax purposes	<b>1</b>	7
Share based payment expense	-	13
Fair value gain	-	19
Prior year adjustment	-	(11)
Unrelieved losses	<b>11</b>	-
Other adjustments	-	(2)
Group total tax (credit)/charge for the year	<b>(146)</b>	40

### 10. Dividends

<b>Year ended 30 April</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Equity dividends on ordinary shares:</b>		
<b>Declared and paid during year</b>		
Ordinary final dividend for the year ended 30 April 2020: 0.50p per share (2019: 0.75p)	<b>46</b>	<b>69</b>
Interim dividend for the year ended 30 April 2021: nil per share (2020: 1.00p)	-	<b>92</b>
	<b>46</b>	<b>161</b>
Proposed ordinary final dividend for the year ended 30 April 2021: nil per share	-	

**11. Earnings per share**

<i>Number of shares</i>	<b>2021</b>	2020
	<b>No</b>	No
Weighted average number of shares for basic earnings per share	<b>9,209,779</b>	9,209,779
Share Options	-	-
Weighted average number of shares for diluted earnings per share	<b>9,209,779</b>	9,209,779
	<b>£000</b>	£000
<i>Earnings</i>		
(Loss)/profit after tax for the year (used to calculate the basic and diluted earnings per share)	<b>(688)</b>	36
Add back: Share based payment expense	-	68
Include: Fair value (loss)/gain on financial assets through OCI	<b>(101)</b>	99
Adjusted (loss)/profit after tax for the year (used to calculated adjusted basic and diluted earnings per share)	<b>(789)</b>	203
<i>Earnings per share</i>		
Basic	<b>(7.47p)</b>	0.39p
Diluted	<b>(7.47p)</b>	0.39p
<i>Adjusted earnings per share</i>		
Basic	<b>(8.57p)</b>	2.20p
Diluted	<b>(8.57p)</b>	2.20p

All share options were surrendered in April 2020. The share options were non-dilutive for the year ending 30 April 2020 and as a result were not included within the weighted average number of shares for the diluted earnings per share calculation.

**12. Property, plant and equipment - Group**

	Right of use £000	Furniture, fittings and computers £000	Leasehold improvements £000	Total £000
<b>Cost</b>				
At 1 May 2020	816	199	290	1,305
Additions	-	-	-	-
As at 30 April 2021	816	199	290	1,305
<b>Depreciation</b>				
At 1 May 2020	272	184	284	740
Charge for the year	272	6	3	281
At 30 April 2021	544	190	287	1,021
<b>Net book value at 30 April 2021</b>	<b>272</b>	<b>9</b>	<b>3</b>	<b>284</b>
<b>Cost</b>				
At 1 May 2019	816	181	290	1,287
Additions	-	18	-	18
As at 30 April 2020	816	199	290	1,305
<b>Depreciation</b>				
At 1 May 2019	-	181	281	462
Charge for the year	272	3	3	278
At 30 April 2020	272	184	284	740
<b>Net book value at 30 April 2020</b>	<b>544</b>	<b>15</b>	<b>6</b>	<b>565</b>

Lease liabilities relating to the right of use asset are £577k and all current. Maturity analysis is disclosed in note 25.

**13. Investments in Group undertakings - Company**

<b>Year ended 30 April</b>	<b>2021</b>	2020
	<b>£000</b>	£000
Shares in Group undertakings	<b>118</b>	118

As at 30 April 2021, 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**

<b>Year ended 30 April</b>	<b>2021</b>	2020
	<b>£000</b>	£000
At 1 May	<b>630</b>	1,603
Disposals	-	(973)
Decrease in fair value in year	<b>(101)</b>	-
At 30 April	<b>529</b>	630

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

An amount of £529,000 (2020: £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 King Services Limited based primarily on the expected rental value and yield of the underlying properties. Valuations are reviewed and challenged by the Group's Executive Committee and Audit Committee to verify that the fair value represents the amount at which the assets could be exchanged by a knowledgeable willing buyer and a knowledgeable willing seller in an arms-length transaction. Valuations are inherently subjective with uncertainty with regard to future yields and the amounts which may ultimately be realised in respect of any given property may differ from the valuations shown in the Statement of Financial Position. A movement of approximately 0.35% 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Trade and other receivables

	<b>Group</b>	Group	<b>Company</b>	Company
<b>Year ended 30 April</b>	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£000</b>	£000	<b>£000</b>	£000
Trade receivables	<b>983</b>	544	-	-
Other receivables	<b>4</b>	2	<b>2</b>	2
Prepayments	<b>126</b>	79	<b>12</b>	12
Accrued income	<b>35</b>	55	-	-
	<b>1,148</b>	680	<b>14</b>	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 2021, there were expected credit losses of £nil (2020: £nil).

As at 30 April 2021, trade receivables of £567,000 (2020: £412,000) 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:

	<b>Group</b>	Group	<b>Company</b>	Company
<b>Year ended 30 April</b>	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£000</b>	£000	<b>£000</b>	£000
Up to 3 months past due	<b>343</b>	394	-	-
3 to 6 months past due	<b>224</b>	18	-	-
Over 6 months past due	-	-	-	-
	<b>567</b>	412	-	-

### 16. Cash and cash equivalents

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£000</b>	£000	<b>£000</b>	£000
Cash at bank and in hand	<b>2,892</b>	3,624	<b>1,291</b>	1,370
	<b>2,892</b>	3,624	<b>1,291</b>	1,370

Cash and cash equivalents are all denominated in Sterling. The effective interest rate on Group cash balances for the year ended 30 April 2021 was 0.07% (2020: 0.38%). There is no material difference between the fair value and book value of cash and cash equivalents.

**17. Trade and other payables**

	<b>Group</b>	Group	<b>Company</b>	Company
<b>Year ended 30 April</b>	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£000</b>	£000	<b>£000</b>	£000
Trade payables	<b>432</b>	113	<b>1</b>	1
Amount owed by group undertakings	-	-	<b>288</b>	199
Other taxation and social security	<b>175</b>	221	-	-
Accruals	<b>160</b>	304	<b>39</b>	14
Deferred income	<b>141</b>	51	-	-
	<b>908</b>	689	<b>328</b>	214

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

**18. Provisions - Group**

<b>Year ended 30 April</b>	<b>2021</b>	2020
	<b>£000</b>	£000
Current liabilities		
At 30 April	<b>100</b>	-

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

Movements in the provision were as follows:

	<b>2021</b>	2020
	<b>£000</b>	£000
Provision as at 1 May	-	-
Increase in provision	<b>100</b>	-
Provision as at 30 April	<b>100</b>	-

**19. Deferred taxation (non-current) - Group**

<b>Year ended 30 April</b>	<b>2021</b>	2020
	<b>£000</b>	£000
Deferred taxation asset:		
Temporary differences on provisions		
At 1 May	-	16
Movement during year	-	(16)
At 30 April	-	-



## NOTES TO THE FINANCIAL STATEMENTS

### 20. Share capital and other reserves

	<b>30 April 2021</b>	30 April 2020	<b>30 April 2021</b>	30 April 2020
	<b>Number</b>	Number	<b>£000</b>	£000
Ordinary shares of 10p each: Authorised	<b>11,000,000</b>	11,000,000	<b>1,100</b>	1,100
Issued and fully paid	<b>9,209,779</b>	9,209,779	<b>921</b>	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.

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

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

### 21. Share Options

In April 2020, the holders of all 1,240,000 options issued under the Company's Enterprise Management Incentive ("EMI") plan surrendered their options. As a result, a charge of £68,000 was recognised in the year ended 30 April 2020. No charge was recognised in the year ended 30 April 2021 and this amount has been transferred to retained earnings.

At 30 April 2020 and 30 April 2021 there were no options in issue.

### 22. Capital Commitments

As at 30 April 2021 and 30 April 2020 neither the Group nor the Company had any capital commitments.

### 23. Related party transactions

Transactions between the Company and its subsidiaries are in the normal course of business. Such transactions are eliminated on consolidation. Total inter-company balances between the Company and its subsidiaries, which are unsecured and which relate to the provision of working capital, are disclosed in the notes to the accounts.

Group companies hold investments in a number of property funds (see note 14) in which Group

companies also act as fund manager. During the year, Group companies received fees and were owed amounts as follows:-

	Fees		Amount Due	
	2021	2020	2021	2020
	£000	£000	£000	£000
SHIPS 04 Fund	-	52	-	-
SHIPS 15 Fund	-	171	-	-
SHIPS 16 Fund	<b>70</b>	62	<b>37</b>	-

All transactions were made in the ordinary course of business.

Compensation paid to the Company's Board of Directors and key management is disclosed in note 7 and in the Directors Report.

#### 24. Subsequent events

On 2 July 2021 the Company announced, in response to press speculation, that it was in discussions with Elliott Bernerd in respect of a potential purchase of existing shares, issue of new shares (together, constituting no more than 29.99% of the Company's issued share capital) and new board appointments (the "Potential Transaction"). Discussions remain ongoing, including regarding price, and while there can be no certainty that the Potential Transaction will proceed, the Board will make further announcements in due course.

#### 25. Financial instruments

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

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

Financial assets at amortised cost	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade receivables	<b>983</b>	544	-	-
Other receivables	<b>4</b>	2	<b>2</b>	2
Cash and cash equivalents	<b>2,892</b>	3,624	<b>1,291</b>	1,370
	<b>3,879</b>	4,170	<b>1,293</b>	1,372

## NOTES TO THE FINANCIAL STATEMENTS

### Financial liabilities at amortised

cost	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade payables	432	113	1	1
Amount due to group undertakings	-	-	288	199
Accruals	160	304	39	14
Provisions	100	-	-	-
Lease liabilities	577	561	-	-
	<b>1,269</b>	978	<b>328</b>	214

### Financial assets at fair value through other comprehensive income

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Unlisted investments	529	630	-	-

### 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
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade receivables	983	544	-	-
Cash and cash equivalents	2,892	3,624	1,291	1,370
Other receivables	4	2	2	2
	<b>3,879</b>	4,170	<b>1,293</b>	1,372

**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 2021, if LIBOR had increased by 0.5% with all other variables held constant, post tax profit and equity for the Group would have been £15,000 (2020: £13,000) higher, and for the Company £6,000 (2020: £6,000) higher. Conversely, if LIBOR had decreased by 0.5% with all other variables held constant, post tax profit and equity for the Group would have been £15,000 (2020: £13,000) lower, and for the Company £6,000 (2020: £6,000) lower.

The Group's cash and cash equivalents earned interest during the year at an average of 0.07% (2020: 0.38%), and the Company's cash and cash equivalents earned interest during the year at an average of 0.49% (2020: 0.49%).

**Liquidity risk**

The Group and the Company actively maintain cash and cash equivalents to ensure that there are sufficient funds available for a period of at least six months to meet liabilities when they fall due.

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

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£000</b>	£000	<b>£000</b>	£000
<i>Financial liabilities falling due:</i>				
Within 1 month	<b>592</b>	262	<b>40</b>	15
From 2 to 3 months	-	224	-	-
	<b>592</b>	486	<b>40</b>	15

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£000</b>	£000	<b>£000</b>	£000
<i>Lease liabilities falling due:</i>				
Within 6 months	<b>465</b>	150	-	-
From 6 to 12 months	<b>112</b>	149	-	-
After 12 months	-	262	-	-
	<b>577</b>	561	-	-

**26. Capital risk management**

The Group and the Company seek, when managing capital, to safeguard the Group's and the Company's ability to continue as going concerns, in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group and the Company define capital as being share capital plus reserves. The Board of Directors monitors the level of capital employed in order to achieve these objectives.

**27. Reconciliation of liabilities arising from financing activities - Group**

	As at 1 May 2019	Cashflow	Non-cash movements	As at 30 April 2020	Cashflow	Non-cash movements	As at 30 April 2021
	£000	£000	£000	£000	£000	£000	£000
<b>Current liabilities</b>							
Lease liabilities	299	(314)	314	<b>299</b>	-	278	<b>577</b>
<b>Non-current liabilities</b>							
Lease liabilities	549	-	(287)	<b>262</b>	-	(262)	-
	<b>848</b>	<b>(314)</b>	<b>27</b>	<b>561</b>	<b>-</b>	<b>16</b>	<b>577</b>

**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 4 November 2021 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, as the country continues to recover from the COVID-19 pandemic, in the interests of maintaining the safety of our shareholders, colleagues and AGM support staff, the Board proposes that only a limited number of Company representatives will attend the AGM in person to ensure that a valid meeting is held and we strongly encourage shareholders to carefully consider whether it is appropriate for them to travel to and attend the AGM in person this year.

To ensure the safety of all our stakeholders, we will follow the latest guidelines on the holding of public meetings and we may ask attendees to confirm that they (or members of their household, support bubble or childcare bubble) have not recently developed Covid-19 symptoms or been exposed to someone who has either tested positive for Covid-19 or is displaying Covid-19 symptoms. We may also put in place other security measures including social distancing measures. We will continue to monitor developments, including the latest Government measures, and in the event that our AGM arrangements have to change, the Company will issue a further communication via a regulatory information service

Voting at the AGM

The Board is keen to ensure that you are still able to exercise your right to vote at the meeting should you choose not to attend in person. Therefore, if you wish to vote at the AGM, the Board suggests that you 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. You may choose to appoint a proxy other than 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 59 must be received by Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 13.00 on Tuesday 2 November 2021.

**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.

## **NOTICE OF ANNUAL GENERAL MEETING**

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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 2021.

2 To re-elect R EG Goode 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.

3 To re-elect RA Dickman 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.

4 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.

5. THAT, in accordance with paragraph 42(2)(b) of Schedule 2 of the Companies Act 2006 (Commencement No 8, Transitional Provisions and Savings) Order 2008, the restriction on the authorised share capital of the Company set out in paragraph 6 of the memorandum of association of the Company, which by virtue of section 28 of the Companies Act 2006 is treated as a provision of the Company's articles of association, is hereby revoked and deleted.

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

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By order of the Board

**P E Bailey**

Secretary

Fletcher King Plc

30 September 2021

Registered Office:

61 Conduit Street

London W1S 2GB

Registered Number:

02014432

### Notes

- (a) As the country continues to recover from the COVID-19 pandemic, the Board strongly encourages shareholders to carefully consider whether it is appropriate for them to travel to and attend the AGM in person this year. Every eligible shareholder has 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 any alternative arrangements that the Board considers necessary to ensure the validity of the meeting.
- (b) Shareholders who wish to vote at the meeting are encouraged to appoint the Chairman of the meeting as their proxy in order to do so in order to reduce the number of people attending the meeting in person. You may attend in person or choose to appoint a proxy other than the Chairman of the meeting
- (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 2 November 2021 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 29 September 2021 (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 29 September 2021 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/](http://www.fletcherking.co.uk/investor-relations/).



FORM OF PROXY

For use at the Annual General Meeting of the Fletcher King Plc to be held at 9.00 am on 4 November 2021

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 4 November 2021 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.

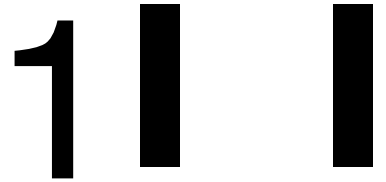
Signature ..... Date.....

**Notes**

- 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.
- 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. 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
- 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. 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.
- Any alterations made to this form of proxy should be initialled.
- 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.
- If you choose to 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*

