

FLETCHER KING PLC

Interim Results for the 6 months ended 31 October 2012

Financial Highlights

Turnover :	£1.427m	(2011: £1.420m)
PBT :	£143,000	(2011: £143,000)
EPS :	1.15p per share	(2011: 1.11p per share)
Dividend :	0.75p per share	(2011: 0.75p per share)

Operational Highlights

- **The Market** – Investors remain anxious to only buy what they consider to be relatively risk free, which is predominantly Central London property and bond type property with long leases. Yields on other, secondary properties are therefore rising.
- **Fund Management and Investment** – The Company won a further mandate to manage a portfolio of Central London office buildings. Investment transactions are taking longer to conclude.
- **Valuation and Rating** – Bank valuation instructions have increased over the last few months but rating appeals are taking longer to agree.

Commenting on the results David Fletcher, Chairman of Fletcher King said:

“In view of the difficult market conditions we did well to maintain a level of turnover and profitability equivalent to the same period last year.”

ENQUIRIES:

Fletcher King Plc
David Fletcher
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James Caithie
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The interim results will be available on the Company's website: www.fletcherking.co.uk

CHAIRMAN'S STATEMENT RESULTS

Turnover for the period was £1.43m (2011: £1.42m) with profit before tax of £143,000 (2011: £143,000).

Your Directors have declared an interim dividend of 0.75p per share (2011:0.75p) to be paid on 22nd February 2013 to shareholders on the register at the close of business on 25th January 2013.

Commercial Property Market

My comments on the market have become rather repetitive over the last two years since little has changed over the period of these results.

The market remains polarised as investors remain anxious to de-risk their portfolios and only buy what they consider to be relatively risk free. Property that falls into this category is Central London, bond type long leases with indexed reviews and well let industrial estates. All other geographical locations and property types remain generally out of favour.

The market remains difficult and volumes are relatively low both on lettings and investment sales.

The market for "safe" investments was relatively active in the first half of the calendar year leading up to the Olympics but, after the usual quiet summer months, the expected upsurge in activity in mid September did not materialise and it is still quiet.

Business Overview

Taking into account the slow market I think we did well to maintain a level of profitability equivalent to the same period last year.

We won a further asset management mandate comprising nine office buildings in Central London and a retail property in Gloucester. This maintains our recent unbroken track record of winning the last four pitches we have made.

Surprisingly our bank valuation business has picked up in the last few months and whilst it is still far from the volumes of five years ago it is encouraging that it is at last growing, albeit slowly.

Outlook

We continue to receive a satisfactory flow of regular income from our fund and asset management clients but transaction fees are important and it is these that are difficult to earn in the current market.

Any accurate prediction of our profit for the full year is impossible at this stage but we are hopeful of replicating the first half and coming in somewhere in the order of last year.

DAVID FLETCHER
14 December 2012

Consolidated Interim Statement of Comprehensive Income
for the 6 months ended 31 October 2012

	6 months ended 31 October 2012 (Unaudited) £000	6 months ended 31 October 2011 (Unaudited) £000	Year ended 30 April 2012 (Audited) £000
Revenue	1,427	1,420	3,105
Employee benefits expense	(726)	(738)	(1,673)
Depreciation expense	(17)	(27)	(46)
Other operating expenses	(548)	(522)	(1,012)
Operating profit	136	133	374
Income from investments	3	5	11
Finance income	4	5	10
Profit before taxation	143	143	395
Taxation	(37)	(41)	(115)
Profit for the period	106	102	280
Total comprehensive income for the period	106	102	280
Basic and diluted earnings per share (note 4)			
Continuing operations	1.15p	1.11p	3.04p
Dividends per share			
Interim dividend proposed	0.75p	0.75p	-
Dividends paid	0.75p	0.75p	1.50p

Consolidated Interim Statement of Financial Position
as at 31 October 2012

	31 October 2012 (Unaudited) £000	31 October 2011 (Unaudited) £000	30 April 2012 (Audited) £000
Assets			
Non-current assets			
Property, plant and equipment	163	198	180
Available for sale investments	500	500	500
Deferred tax assets	63	73	63
	726	771	743
Current Assets			
Trade and other receivables	988	868	892
Cash and cash equivalents	2,321	2,297	2,812
	3,309	3,165	3,704
Total assets	4,035	3,936	4,447
Liabilities			
Current liabilities			
Trade and other payables	402	446	576
Current taxation liabilities	103	52	59
Other creditors	257	311	576
Total liabilities	762	809	1,211
Shareholders' equity			
Share capital	921	921	921
Share premium	140	140	140
Reserves	2,212	2,066	2,175
Total shareholders' equity	3,273	3,127	3,236
Total equity and liabilities	4,035	3,936	4,447

Consolidated Interim Statement of Changes in Equity
for the 6 months ended 31 October 2012

	Share capital £000	Share premium £000	Profit and loss £000	TOTAL EQUITY £000
Balance at 1 May 2012	921	140	2,175	3,236
Total comprehensive income for the period	-	-	106	106
Equity dividends paid	-	-	(69)	(69)
Balance at 31 October 2012 (Unaudited)	921	140	2,212	3,273
Balance at 1 May 2011	921	140	2,033	3,094
Total comprehensive income for the period	-	-	102	102
Equity dividends paid	-	-	(69)	(69)
Balance at 31 October 2011 (Unaudited)	921	140	2,066	3,127
Balance at 1 May 2011	921	140	2,033	3,094
Total comprehensive income for the period	-	-	280	280
Equity dividends paid	-	-	(138)	(138)
Balance at 30 April 2012 (Audited)	921	140	2,175	3,236

Consolidated Interim Statement of Cash Flows
for the 6 months ended 31 October 2012

	6 months ended 31 October 2012 (Unaudited) £000	6 months ended 31 October 2011 (Unaudited) £000	Year ended 30 April 2012 (Audited) £000
Cash flows from operating activities			
Profit before taxation from continuing operations	143	143	395
Adjustments for:			
Depreciation expense	17	27	46
Income from investments	(3)	(5)	(11)
Finance income	(4)	(5)	(10)
Cash flows from operating activities before movement in working capital	153	160	420
(Increase)/decrease in trade and other receivables	(96)	196	172
(Decrease)/increase in trade and other payables	(493)	(363)	32
Cash generated from operations	(436)	(7)	624
Taxation received/(paid)	7	(109)	(167)
Net cash flows from operating activities	(429)	(116)	457
Cash flows from investing activities			
Purchase of investments	-	(250)	(250)
Finance income	3	5	10
Income from investments	4	5	11
Net cash flows from investing activities	7	(240)	(229)
Cash flows from financing activities			
Dividends paid to shareholders	(69)	(69)	(138)
Net cash flows from financing activities	(69)	(69)	(138)
Net (decrease)/increase in cash and cash equivalents	(491)	(425)	90
Cash and cash equivalents at start of period	2,812	2,722	2,722
Cash and cash equivalents at end of period	2,321	2,297	2,812

1. General information

The Company is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is 61 Conduit Street, London W1S 2GB.

These interim financial statements were approved by the Board of Directors on 14 December 2012.

2. Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Standards Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 30 April 2013.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2012.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3 Non Statutory Accounts

The financial information for the period ended 30 April 2012 set out in this interim report does not constitute the Group's statutory accounts for that period. The statutory accounts for the year ended 30 April 2012 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The financial information for the 6 months ended 31 October 2012 and 31 October 2011 is unaudited.

4 Earnings per share

	Six Months to 31st October 2012 Number	Six months to 31st October 2011 Number	Year ended 30th April 2012 Number
Weighted average number of shares for basic and diluted earnings per share.	9,209,779	9,209,779	9,209,779
	£'000	£'000	£'000
Earnings for basic and diluted earnings per share:	106	102	280
Continuing Operations			