

COMPANY NUMBER: 1140727

FLETCHER KING SERVICES LIMITED

ACCOUNTS

**FOR THE YEAR ENDED
30 APRIL 2008**

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FLETCHER KING SERVICES LIMITED

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FLETCHER KING SERVICES LIMITED

DIRECTORS AND ADVISERS

DIRECTORS

D J R Fletcher
R E G Goode
R A Dickman

SECRETARY

P E Bailey

REGISTERED OFFICE

61 Conduit Street
London
W1S 2GB

BANKERS

National Westminster Bank plc
PO Box 2AG
63 Piccadilly
London
W1A 2AG

ACCOUNTANTS AND FINANCIAL ADVISER

Smith & Williamson
25 Moorgate
London
EC2R 6AY

AUDITORS

Nexia Smith & Williamson
Chartered Accountants
25 Moorgate
London
EC2R 6AY

COMPANY'S REGISTERED NUMBER

1140727

FLETCHER KING SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2008

ACCOUNTS

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report for the year ended 30 April 2008.

PRINCIPAL ACTIVITIES

During the year under review the company has acted as a trading subsidiary of Fletcher King Plc to carry on the business of commercial estate agency and surveying, providing a comprehensive range of services and expert advice throughout the United Kingdom. The Company is registered in England and Wales.

INTERNATIONAL ACCOUNTING STANDARDS

For the year ended 30 April 2008, the company has prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS").

REVIEW OF THE BUSINESS

The Fund Management and Investment Department had a year of two halves. The first was one of enormous activity and a very buoyant market and the second produced the well publicised dramatic fall in values resulting in a significant reduction in transaction volume. The transaction business in the coming year is likely to be significantly lower.

The Asset Management department met its targets and the company has implemented operational efficiencies to further strengthen the team and service.

The Professional Services department gained a number of notable appointments to valuation panels and the demand for rating and valuation advice remained strong during the year.

The Landlord and Tenant department was closed during the year. Work was reallocated to Asset Managers and external consultants in order to deliver an improved service to clients and enhanced profitability for the company.

The forthcoming year is likely to be more challenging for the company in light of the deteriorating market conditions and financial performance will be affected accordingly. However, the company has a strong balance sheet and cash position and is positioned to perform well through the economic downturn.

RESULTS AND DIVIDEND

The income statement is set out on page 7. The balance to be transferred to reserves is £647,933 (2007: £479,054). The Directors recommend the payment of an ordinary final dividend of £1.75 (2007: £6.91) per share. An interim dividend of £2.30 (2007: £1.84) per share has already been paid to the shareholder.

FLETCHER KING SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2008 (continued)

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment are set out in note 10 to the accounts.

POST BALANCE SHEET EVENTS

None.

DIRECTORS

The directors during the year were:

D J R Fletcher
R E G Goode
R A Dickman
D Hall (resigned 30 August 2008)
B D Glickman (resigned 19 February 2008)

Messrs Fletcher, Goode and Dickman are directors of Fletcher King Plc and their interests in the shares of that company are disclosed in its financial statements.

No director has any beneficial interest in the shares of any group company.

DISCLOSURE OF INFORMATION TO THE AUDITORS

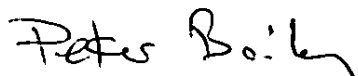
In the case of each person who was a Director at the time this report was approved, so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware; and that Director had taken all steps that the Director ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

AUDITORS

A resolution to re-appoint Nexia Smith & Williamson will be proposed at the next Annual General Meeting.

By order of the Board

Secretary



FLETCHER KING SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position for the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nexia Smith & Williamson

Independent auditors' report to the shareholders of Fletcher King Services Limited

We have audited the accounts of Fletcher King Services Limited for the year ended 30 April 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Change in Shareholders' Equity and the related notes 1 to 24. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union applied in accordance with the provisions of the Companies Act 1985.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We read the information contained within the Directors' Report and consider whether it is consistent with the audited accounts.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We state in our report whether in our opinion the information given in the Directors' Report is consistent with the accounts. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

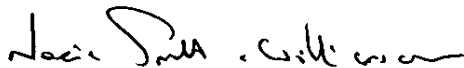
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:

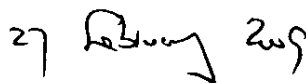
- the accounts give a true and fair view, in accordance with IFRSs as adopted by the European Union applied in accordance with the provisions of the Companies Act 1985, of the state of the company's affairs as at 30 April 2008 and of its profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.



Nexia Smith & Williamson
Chartered Accountants
Registered Auditors

25 Moorgate
London
EC2R 6AY

Date



FLETCHER KING SERVICES LIMITED

INCOME STATEMENT for the year ended 30 APRIL 2008

	Notes	2008 £	2007 £
REVENUE		4,540,731	5,385,476
Staff costs	5	(2,432,423)	(2,952,773)
Depreciation	10	(55,175)	(84,738)
Other operating charges		(1,492,774)	(1,707,740)
OPERATING PROFIT		560,359	640,225
Profit on disposal of non-current assets held for sale	11	164,617	131,877
Finance income	6	123,255	64,407
Finance charges	7	-	(112)
PROFIT BEFORE TAXATION	4	848,231	836,397
Taxation	8	(200,298)	(357,343)
PROFIT FOR THE PERIOD		647,933	479,054

All the company's activities are considered to be continuing.

Gains and/or losses in either year which are not reflected in the income statement are included in the Statement of Changes in Equity on page 9.

FLETCHER KING SERVICES LIMITED

BALANCE SHEET as at 30 APRIL 2008

	Notes	2008 £	2007 £
NON-CURRENT ASSETS			
Property, plant and equipment	10	431,959	81,115
Available for sale investments	11	261,435	730,402
		693,394	811,517
CURRENT ASSETS			
Trade and other receivables	13	1,039,313	1,253,155
Cash and cash equivalents	14	1,602,602	1,560,928
Deferred tax asset	17	47,068	-
		2,688,983	2,814,083
TOTAL ASSETS		3,382,377	3,625,600
CURRENT LIABILITIES			
Trade and other payables	15	375,608	244,763
Current taxation liabilities		128,380	195,768
Other creditors and provision	16	1,214,725	1,324,288
		1,718,713	1,764,819
NON-CURRENT LIABILITIES			
Deferred taxation liabilities	17	-	108,263
TOTAL LIABILITIES		1,718,713	1,873,082
SHAREHOLDERS' EQUITY			
Share capital	18	50,000	50,000
Fair value reserve		-	276,298
Profit and loss reserve		1,613,664	1,426,220
TOTAL SHAREHOLDERS' EQUITY		1,663,664	1,752,518
TOTAL EQUITY AND LIABILITIES		3,382,377	3,625,600

Approved by the Board on 26/2/09 and signed on its behalf

D FLETCHER
Director



FLETCHER KING SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY for the year ended 30 APRIL 2008

	Share capital £	Fair value reserve £	Profit & loss £	Total £
Balance at 1 May 2006	50,000	340,780	1,231,518	1,622,298
Net profit for the period	-	-	479,054	479,054
Fair value gain on investments	-	50,883	-	50,883
Deferred taxation adjustment	-	(15,265)	-	(15,265)
Realisation of investment	-	(100,100)	-	(100,100)
Total income and expense for the year	-	(64,482)	479,054	414,572
Equity dividends paid	-	-	(284,352)	(284,352)
Balance as at 30 April 2007	50,000	276,298	1,426,220	1,752,518
Net profit for the period	-	-	647,933	647,933
Fair value loss on investments	-	(52,000)	-	(52,000)
Deferred taxation adjustment	-	15,601	-	15,601
Realisation of investment	-	(342,711)	-	(342,711)
Deferred taxation on realised investment	-	102,812	-	102,812
Total income and expense for the year	-	(276,298)	647,933	371,635
Equity dividends paid	-	-	(460,489)	(460,489)
Balance at 30 April 2008	50,000	-	1,613,664	1,663,664

The profit and loss reserve comprises the undistributed profits of the Company.

FLETCHER KING SERVICES LIMITED

CASH FLOW STATEMENT for the year ended 30 APRIL 2008

	2008 £	2007 £
Cash flow from operating activities		
Profit before taxation	848,231	836,397
Adjusted for:		
Depreciation expense	55,175	84,738
Profit on disposal of available for sale investments	(164,617)	(131,877)
Finance income	(123,255)	(64,407)
Finance expense	-	112
	<hr/>	<hr/>
Cashflows from operating activities before movements in working capital	615,534	724,963
Decrease in trade and other receivables	213,842	39,269
Increase in trade and other payables	21,282	472,788
	<hr/>	<hr/>
Cash generated from/absorbed by operations	850,658	1,237,020
Finance paid	-	(112)
Taxation paid	(267,686)	(284,648)
	<hr/>	<hr/>
Net cash flow from operating activities	582,972	952,260
	<hr/>	<hr/>
Investing activities		
Finance received	123,255	64,407
Purchases of property, plant and equipment	(421,516)	(76,576)
Proceeds on disposal of non-current assets held for sale	-	383,013
Purchase of available for sale investments	(2)	(83,750)
Proceeds on disposal of property, plant and equipment	16,500	-
Proceeds on disposal of available for sale investments	200,954	-
	<hr/>	<hr/>
Net cash used in investing activities	(80,809)	287,094
	<hr/>	<hr/>
Cash flows from financing activities		
Dividends paid to shareholder	(460,489)	(284,352)
	<hr/>	<hr/>
Net cash flows from financing activities	(460,489)	(284,352)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	41,674	955,002
Cash and cash equivalents at beginning of year	1,560,928	605,926
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Cash and cash equivalents at end of year	1,602,602	1,560,928
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Cash and cash equivalents (which are presented as a single class of asset on the face of the balance sheet) comprise cash at bank and short term deposits.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008

1. GENERAL INFORMATION

Fletcher King Services Limited ('the Company') carries on the business of property fund management, property asset management, rating valuations and surveying throughout the United Kingdom. The Company is a private limited company incorporated and domiciled in England and Wales. The registered office address is 61 Conduit Street Street, London W1S 2GB. These financial statements are presented in sterling which is the Company's functional currency. The Company has no overseas operations.

2. 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 preparation

The Company is a wholly owned subsidiary of a listed Group. In common with other European listed companies, the Group is required to prepare its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue and relevant to the company, but not yet mandatorily effective.

IAS 1 (revised version – effective 1 January 2009). The revised standard introduces the concept of a statement of comprehensive income, which enables users of the financial statements to analyse changes in a company's equity resulting from transactions with owners separately from non-owner changes. The revised standard provides the option of presenting items of income and expense and components of other comprehensive income either as a single statement of comprehensive income or in two separate statements.

The Directors anticipate that the adoption of these standards will only impact disclosure and presentation in the Company's financial statements in the period of initial application.

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

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. 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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and Depreciation (continued)

Motor vehicles, office furniture and fittings, computer equipment and acquired software licences, are depreciated at rates between 25% and 33% per annum on a straight line basis in order to allocate the cost of each asset to its residual value over its estimated useful life. Previously motor vehicles were depreciated at 25% per annum on a reducing balance basis, and office furniture and fittings, computer equipment and acquired software licences were depreciated at rates between 15% and 25% per annum on a straight line basis. Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the income statement.

Financial instruments

Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

i) Trade and other receivables

Trade and other receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due. The amount of any provision is recognised in the income statement.

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

ii) Cash and cash equivalents

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

iii) Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company 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 Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

a) Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

b) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

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 financial statements. Deferred income tax is determined using tax rates applicable at the balance sheet date which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax and deferred tax are reflected in the income statement, unless they relate to items recognised in equity, in which case they are recognised in equity.

Provisions

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

Revenue recognition

Revenue comprises commissions and fees receivable excluding value added tax. Fees on property transactions for clients are recognised as earned on completion of the transaction, except in the case of long-term developments where non-returnable fees are recognised when they become payable during the course of the development. Fees for other professional services are recognised when they become due.

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

Operating profit

Operating profit is stated before compensation received, finance income and costs, profit on disposals and taxation.

Employee benefits

No pension schemes are operated by the Company. Contributions to employees' money-purchase pension schemes are made on an arising basis where these form part of contractual remuneration obligations. The Company recognises a liability and an expense for cash-settled bonuses when contractually obliged or when there is a past practice creating a constructive obligation.

Leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Assets held under finance leases and hire purchase agreements are capitalised and included in non-current assets and are amortised in accordance with the depreciation policies detailed above. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. Finance charges are debited to the income statement so that the annual rate of charge on the outstanding obligation is approximately constant.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Dividend distributions

Dividends distributed to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are paid or approved by the Company's shareholders.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

a) Impairment of available-for-sale investments

The fair value of available-for-sale investments is determined by reference to the underlying value of the assets of those investments, as detailed in note 11 on page 19. The Directors consider that the charge for impairment recognised in equity and in profit and loss fully reflects the diminution of value of these assets.

b) Provisions for impairment of trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. The Directors have made provisions for impairment where there is objective evidence that the Company will not be able to collect all amounts due.

c) Recognition of deferred tax assets

Deferred income tax is provided in full using the liability method, on temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for the tax base. A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred income tax assets and liabilities are not discounted. Deferred income tax is determined using the tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

d) Revenue recognition

The Directors regularly review the basis for recognition of revenue, which comprises commissions and fees receivable excluding value added tax. The directors consider that the basis for recognition of revenue will only materially affect the carrying amounts of assets and liabilities where quantity surveying, construction management and project management are concerned, due to the estimates and assumptions which underlie the value of work yet to be completed.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

4. PROFIT BEFORE TAXATION	2008	2007
	£	£
<i>Is stated after charging:</i>		
Depreciation	55,175	84,738
Directors' emoluments	1,188,166	1,504,606
Fees payable to the Company's auditor for the audit of the Company's financial statements	12,460	10,228
Fees payable to the Company's auditor and its associates for other services		
- other services supplied pursuant to legislation	4,870	4,250
- tax services	3,980	3,835
- other services	3,700	1,900
Operating lease rentals	365,782	176,945
Rental income	23,041	26,000
Profit on disposal of available for sale investments	164,617	131,877
	<hr/>	<hr/>
5. EMPLOYEE BENEFITS EXPENSE	£	£
Basic wages and salaries	1,284,938	1,545,668
Performance based payments	974,948	1,203,054
	<hr/>	<hr/>
	2,259,886	2,748,722
Social security costs	149,985	185,135
Other costs	22,552	18,916
	<hr/>	<hr/>
	2,432,423	2,952,773
	<hr/>	<hr/>
The Company does not operate any pension schemes.		
Average monthly number of employees were as follows:	No.	No.
Management	5	7
Fee earners	8	8
Administration	11	11
	<hr/>	<hr/>
	24	26
	<hr/>	<hr/>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

6. FINANCE INCOME	2008	2007
	£	£
Bank interest	86,778	45,867
Income from trade investments	30,927	15,979
Dividends received	5,550	2,561
	123,255	64,407
7. FINANCE CHARGES	£	£
Bank interest payable	-	112
Loans from group undertakings	-	-
	-	112
8. INCOME TAX	£	£
Current tax		
UK Corporation tax - Current year	253,400	378,113
Prior year	(16,184)	(20,770)
	237,216	357,343
Deferred tax		
UK deferred tax – current year	(36,918)	-
	200,298	357,343

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

8. INCOME TAX (continued)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	848,231	836,397
Profit on ordinary activities multiplied by corporation tax in the UK of 30% (2007: 30%)	254,469	250,919
Depreciation in excess of capital allowances	-	13,730
Capital allowances in excess of depreciation	(8,002)	-
Expenses not deductible for tax purposes	26,999	141,531
Income not taxable for tax purposes	(48,912)	-
Group losses surrendered	(39,335)	(44,962)
Chargeable gains	69,846	17,663
Franked investment income	(1,665)	(768)
Prior period adjustment	(16,184)	(20,770)
Deferred tax adjustment	(36,918)	-
Total actual amount of tax	200,298	357,343

9. DIVIDEND

	£	£
Equity dividends on ordinary shares:		
Declared and paid during the year		
Final dividend for year ended 30 April 2007: £6.91 per share (2006: £3.85)	345,367	192,254
Interim dividend for the year ended 30 April 2008: £2.30 per share (2007: £1.84)	115,122	92,098
	460,489	284,352
Proposed final dividend for the year ended 30 April 2008	161,171	345,367

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

10. PROPERTY, PLANT AND EQUIPMENT

2008	Furniture, fittings and computers	Motor vehicles	Short leasehold premium and improvements	Total
	£	£	£	£
Cost				
At 1 May 2007	687,126	121,251	130,672	939,049
Additions	145,264	-	276,252	421,516
Disposals	(687,126)	(46,493)	(130,672)	(864,291)
At 30 April 2008	145,264	74,758	276,252	496,274
Depreciation				
At 1 May 2007	687,126	40,136	130,762	857,934
Charge for year	18,068	18,690	18,417	55,175
Disposals	(687,126)	(30,996)	(130,762)	(848,794)
At 30 April 2008	18,068	27,830	18,417	64,315
Net book value at 30 April 2008	127,196	46,928	257,835	431,959
2007				
Cost				
At 1 May 2006	663,898	67,903	130,672	862,473
Additions	23,228	53,348	-	76,576
At 30 April 2007	687,126	121,251	130,672	939,049
Depreciation				
At 1 May 2006	620,473	22,050	130,672	773,195
Charge for year	66,653	18,086	-	84,739
At 30 April 2007	687,126	40,136	130,672	857,934
Net book value at 30 April 2007	-	81,115	-	81,115

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

11. AVAILABLE-FOR-SALE INVESTMENTS	2008	2007
	£	£
Fair value		
At 1 May	730,402	596,905
Additions	2	83,750
Disposals	(345,788)	-
Revaluation gain/ (loss) reflected in equity	(52,000)	49,747
Impairment loss reflected in profit and loss	(71,181)	-
	<hr/>	<hr/>
At 30 April	261,435	730,402
	<hr/>	<hr/>
Represented by:		£
UK listed equity securities	-	345,788
UK unlisted investments classified as available-for-sale	177,683	300,864
Investment in UK Subsidiaries	83,752	83,750
	<hr/>	<hr/>
	261,435	730,402
	<hr/>	<hr/>

The listed investments were disposed of during the year. As at 30 April 2007 they were carried at fair value which was based on their market value at the balance sheet date.

The unlisted investments of £177,683 relate to a 2.5% holding in Stratton House Investment Property Syndicate '04 (2007: £300,864). This represents the fair value of the investment and is based on the most recent set of audited accounts for the Syndicate.

The investment in the subsidiaries relates to full ownership of Fletcher King Investment Management PLC, Fletcher King Equity Partners Limited and Fletcher King LP Limited.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

12. INVESTMENT IN SUBSIDIARIES

The company owns 100% of the ordinary share capital of FK Management Services Limited, Fletcher King LP Limited, Fletcher King Equity Partners Limited and Fletcher King Investment Management PLC.

13. TRADE AND OTHER RECEIVABLES	2008	2007
	£	£
Trade receivables	584,936	724,537
Less provision for impairment	(29,697)	(5,691)
	555,239	718,846
Amounts owed by group undertakings	266,259	359,861
Other receivables	61,754	80,514
Prepayments and accrued income	156,061	93,934
	1,039,313	1,253,155

Trade receivables constitute the only financial assets within the category "Loans and receivables" as defined by IAS 39.

The directors estimate that the carrying amount of trade debtors approximates to their fair value.

As at 30 April 2008, trade receivables of £29,697 were considered to be impaired (2007: £5,691).

The ageing of trade receivables is as follows:	£	£
Neither impaired nor past due	174,571	304,710
Not impaired but overdue by less than 30 days	202,830	314,688
Not impaired but overdue by between 30 and 60 days	153,178	64,006
Not impaired but overdue by more than 60 days	24,660	35,442
Impaired	29,697	5,691
	584,936	724,537

The maximum exposure to credit risk in relation to trade receivables at the reporting date is the fair value of trade receivables. The Company does not hold any collateral as security.

Other receivables do not contain impaired assets.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

14. CASH AND CASH EQUIVALENTS	2008	2007
	£	£
Cash at bank and in hand	38,778	(73,248)
Short term deposits	1,563,824	1,634,176
	<u>1,602,602</u>	<u>1,560,928</u>

The directors consider that the carrying amount of these assets approximates to their fair value. The credit risk on liquid funds is limited because the counter-party is a bank with a high credit rating.

15. TRADE AND OTHER PAYABLES	£	£
Trade payables	108,854	55,878
Taxation and social security	181,184	99,719
Other payables	64,198	64,556
Amounts due to Group undertakings	21,372	24,610
	<u>375,608</u>	<u>244,763</u>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for credit purchases is 14 days (2007: 14). The directors consider that the carrying amount of trade payable approximates to their fair value.

16. OTHER CREDITORS AND PROVISIONS	2008	2007
	£	£
Bonus accruals	974,948	1,203,054
Other accruals and deferred income	239,777	121,234
	<u>1,214,725</u>	<u>1,324,288</u>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

17. DEFERRED TAXATION

The following are the major deferred tax assets/(liabilities) recognised by the Company and movements thereon during the current and prior reporting period:

	Holiday pay accrual £	Revaluation of investments £	Total £
At 1 May 2006	10,150	(146,048)	(135,898)
Tax charged to equity in the year	-	27,635	27,635
At 1 May 2007	10,150	(118,413)	(108,263)
Tax (charged to)/released from equity in the year	-	118,413	118,413
Timing differences on provisions	(4,436)	41,354	36,918
At 30 April 2008	5,714	41,354	47,068

18. SHARE CAPITAL

	2008 £	2007 £
Authorised		
50,000 ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
50,000 ordinary shares of £1 each	50,000	50,000

The company has one class of ordinary share which carry no rights to fixed income.

19. FINANCIAL COMMITMENTS

There were no capital commitments as at 30 April 2008 (2007: none).

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

20. OPERATING LEASE COMMITMENTS

As at 30 April 2008 and at 30 April 2007, the Company had outstanding commitments under non-cancellable leases which fall due as follows:

	Property leases		Other leases		Total	
	2008 £	2007 £	2008 £	2007 £	2008 £	2007 £
Within 1 year	287,000	223,000	22,000	13,300	309,000	236,300
In one to five years	1,147,000	1,207,000	58,000	13,300	1,205,000	1,220,300
After five years	859,000	1,660,000	-	-	859,000	1,660,000
	<u>2,293,000</u>	<u>3,090,000</u>	<u>70,000</u>	<u>26,600</u>	<u>2,373,000</u>	<u>3,116,600</u>

Property leases relate to office premises occupied by the Company. Other leases relates to office equipment. Leases are negotiated for periods averaging approximately five years, usually with fixed rentals.

The company sublets office space to a third party. The future minimum operating lease rentals receivable under the sublease amount to £6,000, which is receivable within one year.

21. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2008 £	2007 £
Short term employee benefits	<u>1,188,166</u>	<u>1,706,612</u>
	£	£
Highest paid director	<u>437,766</u>	<u>568,135</u>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2008 (continued)

22. RELATED PARTY TRANSACTIONS

During the year the company had the following transactions with other group companies:

	Sales of goods and services		Purchases of goods and services	
	2008	2007	2008	2007
	£	£	£	£
Fletcher King Howard Limited	-	-	48,000	42,163
FK Management Services Limited	-	34,371	-	-
FK Investment Management Plc	-	-	-	15,000

Amounts in the balance sheet at the year end in respect of group companies are as follows:

	Amounts owed by related parties		Amounts owed to related parties	
	2008	2007	2008	2007
	£	£	£	£
Fletcher King Howard Limited	-	91,309	17,400	10,800
FK Management Services Limited	-	7,960	-	-
Fletcher King plc	16,259	10,591	-	-
Fletcher King Investment Management plc	-	-	3,970	13,810
Fletcher King LP Limited	250,000	250,000	-	-

Sale of goods and services to related parties were made at the Company's usual list prices. Purchases were made at market price.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

23. FINANCIAL INSTRUMENTS

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

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

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the period ended 30 APRIL 2008 (continued)

23. FINANCIAL INSTRUMENTS (continued)

Loans and receivables

	2008	2007
	£	£
Trade receivables	555,239	718,846
Amounts owed by group undertakings	266,259	359,861
Other receivables	61,754	80,514
	<hr/> 883,252 <hr/>	<hr/> 1,159,221 <hr/>

Financial liabilities at amortised cost

	2008	2007
	£	£
Trade payables	108,854	55,878
Other payables	373,762	360,043
Amounts owed to group undertakings	21,372	24,610
Bonus accruals	974,948	1,203,054
Other accruals and deferred income	239,777	121,234
	<hr/> 1,718,713 <hr/>	<hr/> 1,764,819 <hr/>

Credit risk

The Company's credit risk is attributable both to trade receivables and to cash balances held. The Company 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 banks with AA rating.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the period ended 30 APRIL 2008 (continued)

23. FINANCIAL INSTRUMENTS (continued)

	2008 £	2007 £
Trade receivables	555,239	718,846
Cash and cash equivalents	1,602,602	1,560,298
Other receivables	61,754	80,514
	<hr/>	<hr/>
	2,219,595	2,359,658
	<hr/>	<hr/>

Interest rate risk

The Company has 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 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 Company is exposed to interest rate risk as a result of these positive cash balances. As at 30 April 2008, if LIBOR had increased by 0.5% with all other variables held constant, post tax profit and equity for the Company would have been £3,627 (2007: £3,781) higher. Conversely, if LIBOR had decreased by 0.5% with all other variables held constant, post tax profit and equity for the Company would have been £3,627 (2007: £3,781) lower.

The Company's cash and cash equivalents earned interest during the year at an average of 5.1% (2007: 4.5%).

Liquidity risk

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

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

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the period ended 30 APRIL 2008 (continued)

23. FINANCIAL INSTRUMENTS (continued)

	2008 £	2007 £
Financial liabilities falling due:		
Within 1 month	354,236	415,921
From 2 to 3 months	1,124,700	1,227,664
From 4 to 6 months	239,777	121,234
	<hr/> 1,718,713	<hr/> 1,764,819

Market risk and sensitivity analysis

Equity price risk

The Company is exposed to equity price risk because of investments held by the Company and classified as available for sale.

As at 30 April 2008, the Company did not hold a material holding in an equity investment listed on the London Stock Exchange, as this was sold during the year. At 30 April 2007, the holding was valued at £345,788.

The Company's continuing investments are sensitive to movements in property prices; a 15% increase in the commercial property index would have increased equity by £18,000 (2007: an increase of £36,000); an equal change in the opposite direction would have decreased equity by £16,000 (2007: a decrease of £27,500).

24. ULTIMATE PARENT UNDERTAKING

The directors regard Fletcher King Plc, registered in England and Wales, as the ultimate parent company. Copies of the accounts are available by application to the Company Secretary at 61 Conduit Street, London W1S 2GB.