

COMPANY NUMBER 1140727

FLETCHER KING SERVICES LIMITED

ACCOUNTS

**FOR THE YEAR ENDED
30 APRIL 2011**

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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 2011

REGISTERED NUMBER

The company's registered number is 1140727

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 2011

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 2011, the company has prepared its accounts in accordance with International Financial Reporting Standards ("IFRS")

REVIEW OF THE BUSINESS

The transaction business performed well during the year and we have started the new year with a good level of sales instructions.

It is still a challenging market in which to acquire properties but we made a significant acquisition in the City for one of our discretionary funds and one or two smaller properties were acquired for clients.

Until the level of lending by the Banks increases, the market in secondary and tertiary property (which has been traditionally debt financed) is unlikely to improve significantly. Those purchasers seeking prime investments are being frustrated by the lack of supply and may start to look at very good secondary properties later in the year.

Fund management mandates continue to perform well.

Meghraj Properties Limited who last year appointed us to manage a portfolio of properties have added to that portfolio during the year.

We have also been appointed to manage six prime office buildings in Mayfair and the City for an offshore European investor.

Despite the difficulties in the economy and the cutbacks we continue to collect 96% of all rents due within three days of the quarter day. Although bank valuations remain at a very low level our quarterly and annual portfolio valuations continue apace.

Rating has been active this year with some significant reductions achieved for a number of our clients. Our client list continues to expand and we expect the forthcoming year to be good for that part of our business.

The coming year will be challenging and it will not be easy to match the performance of this year.

FLETCHER KING SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2011 (continued)

We have started the new year with a good level of investment sale instructions, the majority of which are in the "difficult to sell" sector. Rating remains strong but the Banks are lending very little into the sector and our valuation business remains subdued. We are working hard to grow assets under management and we are looking for some growth in investment broking.

RESULTS AND DIVIDEND

The statement of comprehensive income is set out on page 8. The balance to be transferred to reserves is £369,596 (2010 £365,299). The Directors recommend the payment of an ordinary final dividend of £1.38 (2010 £1.84) per share. An interim dividend of £1.38 (2010 £1.84) per share has already been paid to the shareholders.

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

DISCLOSURE OF INFORMATION TO THE AUDITORS

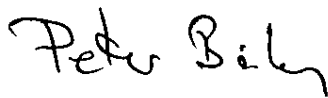
In the case of each person who was a Director at the time this report was approved, so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware, and that Director had taken all steps that the Director ought to have taken as a Director to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

Peter Bailey
Secretary


29/11/11

FLETCHER KING SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the accounts unless they are satisfied that they 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 these accounts, 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 that the financial statements comply with IFRSs as adopted by the European Union,
- 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 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 accounts comply with the Companies Act 2006. 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 AUDITOR'S REPORT TO THE MEMBERS OF FLETCHER KING SERVICES LIMITED

We have audited the financial statements of Fletcher King Services Limited for the year ended 30 April 2011 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the 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 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

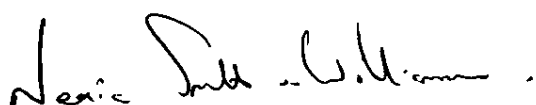
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Nexia Smith & Williamson

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



Michael Bishop
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date 29 November 2011

FLETCHER KING SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 APRIL 2011

	Notes	2011 £	2010 £
REVENUE		3,059,408	2,790,768
Staff costs	5	(1,510,616)	(1,429,583)
Depreciation	10	(59,361)	(73,428)
Other operating charges		(1,068,473)	(796,250)
OPERATING PROFIT		420,958	491,507
Income from investments	6	12,733	16,528
Finance income	6	6,900	6,655
Finance charges	7	(100)	-
PROFIT BEFORE TAXATION	4	440,491	514,690
Taxation	8	(70,895)	(149,391)
PROFIT FOR THE PERIOD		369,596	365,299

All the company's activities are considered to be continuing

There is no other comprehensive income and therefore does not present a statement of comprehensive income

FLETCHER KING SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION as at 30 APRIL 2011

	Notes	2011 £	2010 £
NON-CURRENT ASSETS			
Property, plant and equipment	10	225,543	284,904
Available for sale investments	11	100,002	100,002
		<u>325,545</u>	<u>384,906</u>
CURRENT ASSETS			
Trade and other receivables	13	1,442,120	1,303,605
Cash and cash equivalents	14	1,718,672	998,078
Deferred tax asset	17	73,254	73,254
		<u>3,234,046</u>	<u>2,374,937</u>
TOTAL ASSETS		<u>3,559,591</u>	<u>2,759,843</u>
CURRENT LIABILITIES			
Trade and other payables	15	570,552	306,260
Current taxation liabilities	8	70,895	111,320
Other creditors and provision	16	560,408	285,047
		<u>1,201,855</u>	<u>702,627</u>
TOTAL LIABILITIES		<u>1,201,855</u>	<u>702,627</u>
SHAREHOLDERS' EQUITY			
Share capital	18	50,000	50,000
Profit and loss reserve		2,307,736	2,007,216
		<u>2,357,736</u>	<u>2,057,216</u>
TOTAL SHAREHOLDERS' EQUITY		<u>2,357,736</u>	<u>2,057,216</u>
TOTAL EQUITY AND LIABILITIES		<u>3,559,591</u>	<u>2,759,843</u>

Approved by the Board on 29/11/11 and signed on its behalf

D FLETCHER
Director



FLETCHER KING SERVICES LIMITED**STATEMENT OF CHANGES IN EQUITY for the year ended 30 APRIL 2011**

	Share capital £	Profit & loss £	Total £
Balance at 1 May 2009	50,000	1,826,112	1,876,112
Net profit for the period	-	365,299	365,299
Total comprehensive income	-	365,299	365,299
Equity dividends paid	-	(184,195)	(184,195)
Balance as at 30 April 2010	50,000	2,007,216	2,057,216
Net profit for the period	-	369,596	331,567
Total comprehensive income	-	369,596	331,567
Equity dividends paid	-	(69,076)	(69,076)
Balance at 30 April 2011	50,000	2,307,736	2,319,707

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

FLETCHER KING SERVICES LIMITED

STATEMENT OF CASH FLOWS for the year ended 30 APRIL 2011

	2011	2010
	£	£
Cash flow from operating activities		
Profit before taxation	440,491	514,690
Adjusted for		
Depreciation expense	59,361	73,428
Income from investments	(12,733)	(16,528)
Finance income	(6,900)	(6,655)
	<hr/> 480,219	<hr/> 564,935
Cashflows from operating activities before movements in working capital		
(Increase) in trade and other receivables	(138,515)	(155,845)
Increase/(decrease) in trade and other payables	539,753	(349,804)
	<hr/> 881,457	<hr/> 59,286
Cash generated from operations		
Taxation paid	(111,320)	(38,071)
	<hr/> 770,137	<hr/> 21,215
Net cash Inflow from operating activities		
Investing activities		
Finance received	6,900	6,655
Income from investments	12,733	16,528
Finance charges	(100)	-
	<hr/> 19,533	<hr/> 23,183
Net cash inflow from investing activities		
Cash flows used in financing activities		
Dividends paid to shareholder	(69,076)	(184,195)
	<hr/> (69,076)	<hr/> (184,195)
Net cash flows used in financing activities		
Net increase/(decrease) in cash and cash equivalents	<hr/> 720,594	<hr/> (139,797)
Cash and cash equivalents at beginning of year	998,078	1,137,875
	<hr/> 1,718,672	<hr/> 998,078
Cash and cash equivalents at end of year (note 14)		

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 2011

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 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 Group, 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.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group. The company and its subsidiaries are included within the consolidated accounts of Fletcher King plc, a company incorporated in the England and Wales.

At the date of authorisation of these financial statements, the following new Standards and Interpretations were in issue and relevant to the group.

New standards and interpretations

At the date of authorisation of these financial statements, the following new standards and interpretations have been issued but are not yet effective and have not been applied in these financial statements -

- IFRS 7 (Amended) - Financial Instruments Disclosure (effective 1 July 2011)
- IFRS 9 Financial instruments (effective 1 January 2013)
- IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
- IFRS 11 Joint Arrangements (effective 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements. Certain of these standards and interpretations will require additional disclosures over and above those currently included in these financial statements in the period of 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.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011

2. PRINCIPAL ACCOUNTING POLICIES (continued)

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 statement of comprehensive income during the financial period in which they are incurred.

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.

Investments

Investments held by the Company in subsidiary entities, not held for sale, are shown at cost less any provision for impairment.

The Directors determine the classification of investments held by the Group at initial recognition and re-evaluate this designation at each reporting date. At the balance sheet date all these investments were classified as available-for-sale. Available-for-sale investments are initially recognised at the fair value of the consideration given, including associated acquisition costs, which may equate to cost. On subsequent measurement, available-for-sale investments are measured at either fair value or at cost where fair value is not readily ascertainable. Changes in fair value are recognised in equity, together with the related deferred tax asset or liability. When such investments are disposed of, the accumulated gains or losses, previously recognised in equity, are transferred to the income statement.

Available-for-sale financial assets are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

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.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

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.

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 the tax rates 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.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (continued)

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.

Group accounts

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group. The company and its subsidiaries are included within the consolidated accounts of Fletcher King plc, a company incorporated in England and Wales.

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 statement of comprehensive income on a straight-line basis over the period of the lease.

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 21. The Directors consider that the charge for

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

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 differences 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 tax is measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

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.

4. PROFIT BEFORE TAXATION	2011 £	2010 £
<i>As stated after charging</i>		
Depreciation	59,361	73,428
Fees payable to the Company's auditor for the audit of the Company's financial statements	21,000	21,000
Fees payable to the Company's auditor and its associates for other services		
- tax services	2,800	2,800
- other services	950	950
Operating lease rentals	285,998	316,501
Rental income	10,400	6,900

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (continued)

5. STAFF COSTS

	£	£
Basic wages and salaries	1,046,479	906,782
Performance based payments	314,506	395,118
	<u>1,360,985</u>	<u>1,301,900</u>
Social security costs	125,650	107,034
Other costs	23,981	20,649
	<u>1,510,616</u>	<u>1,429,583</u>

The Company does not operate any pension schemes

Average monthly number of employees were as follows

	No.	No.
Management	4	4
Fee earners	7	6
Administration	7	8
	<u>18</u>	<u>18</u>

6. FINANCE INCOME

	2011 £	2010 £
Bank interest	6,900	6,655
Income from trade investments	12,733	16,528
	<u>19,633</u>	<u>23,183</u>

7. FINANCE CHARGES

	£	£
Bank interest payable	100	-
	<u>100</u>	<u>-</u>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (continued)

8. TAXATION

	£	£
Current tax		
UK Corporation tax - Current year	108,924	104,930
Prior year	(38,029)	24,461
	<hr/>	<hr/>
	70,895	129,931
	<hr/>	<hr/>
Deferred tax		
UK deferred tax – current year	-	20,000
	<hr/>	<hr/>
Total tax charge for the year	70,895	149,391
	<hr/>	<hr/>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (26%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	440,491	514,690
	<hr/>	<hr/>
Profit on ordinary activities multiplied by corporation tax in the UK of 27.8% (2010 28%)	122,588	144,113
Depreciation in excess of capital allowances	6,819	4,300
Expenses not deductible for tax purposes	6,375	7,086
Expenses not deductible for tax purposes – fixed assets	-	4,078
Group losses surrendered	(26,728)	(48,257)
Prior period adjustment	(38,029)	24,461
Deferred tax adjustment	-	20,000
Other adjustments	(130)	(6,390)
	<hr/>	<hr/>
Total tax charge	70,895	149,391
	<hr/>	<hr/>

FLETCHER KING SERVICES LIMITED**NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (continued)****9 DIVIDEND**

	£	£
Equity dividends on ordinary shares		
Declared and paid during the year		
Final dividend for year ended 30 April 2011	-	92,097
nil per share (2010 £1 84)		
Interim dividend for the year ended 30 April 2011	69,076	92,098
£1 38 (2010 £1 84)		
	<hr/>	<hr/>
	69,076	184,195
	<hr/>	<hr/>
Proposed final dividend for the year ended 30 April 2011	69,076	-
	<hr/>	<hr/>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (continued)

10 PROPERTY, PLANT AND EQUIPMENT

2011	Furniture, fittings and computers	Motor vehicles	Short leasehold premium and improvements	Total
	£	£	£	£
Cost				
At 1 May 2010	149,971	53,348	276,252	479,571
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 April 2011	149,971	53,348	276,252	479,571
Depreciation				
At 1 May 2010	72,284	48,718	73,665	194,667
Charge for year	27,108	4,630	27,623	59,361
Disposals	-	-	-	-
At 30 April 2011	99,392	53,348	101,288	254,028
Net book value at 30 April 2011	50,579	-	174,964	225,543
2010				
Cost				
At 1 May 2009	149,971	53,348	276,252	479,571
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 April 2010	149,971	53,348	276,252	479,571
Depreciation				
At 1 May 2009	45,176	30,022	46,041	121,239
Charge for year	27,108	18,696	27,624	73,428
Disposals	-	-	-	-
At 30 April 2010	72,284	48,718	73,665	194,667
Net book value at 30 April 2010	77,687	4,630	202,587	284,904

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (continued)

11. AVAILABLE-FOR-SALE INVESTMENTS	2011 £	2010 £
Fair value		
At 1 May 2010	100,002	100,002
Additions	-	-
Disposals	-	-
Revaluation (loss)/gain reflected in equity	-	-
Impairment loss reflected in profit and loss	-	-
	<hr/>	<hr/>
At 30 April 2011	100,002	100,002
	<hr/>	<hr/>
Represented by		
Investment in UK Subsidiaries	100,002	100,002
	<hr/>	<hr/>
	100,002	100,002
	<hr/>	<hr/>

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, companies incorporated in England and Wales

12. INVESTMENT IN SUBSIDIARIES

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

	County of Incorporation	Ownership	Reserves	Profit for the year	Year end
Fletcher King Investment Management plc	England & Wales	100%	174,769	97,289	30/04/11
Fletcher King LP Limited	England & Wales	100%	1	0	31/03/11
Fletcher King Equity Partners Limited	England & Wales	100%	1	0	31/03/11

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (continued)

13. TRADE AND OTHER RECEIVABLES	2011	2010
	£	£
Trade receivables	852,565	806,379
Less provision for impairment	-	-
	<hr/>	<hr/>
	852,565	806,379
Amounts owed by group undertakings	399,565	317,323
Other receivables	16,071	17,447
Prepayments and accrued income	173,919	162,456
	<hr/>	<hr/>
	1,442,120	1,303,605
	<hr/>	<hr/>

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 2011, trade receivables of £Nil were considered to be impaired (2010 £ Nil)

The ageing of trade receivables is as follows	£	£
Neither impaired nor past due	153,627	248,284
Not impaired but overdue by less than 30 days	671,660	351,766
Not impaired but overdue by between 30 and 60 days	27,278	201,788
Not impaired but overdue by more than 60 days	-	4,541
Impaired	-	-
	<hr/>	<hr/>
	852,565	806,379
	<hr/>	<hr/>

The maximum exposure to credit risk in relation to trade receivables at the reporting date is the fair 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 2011 (continued)

14. CASH AND CASH EQUIVALENTS	2011	2010
	£	£
Cash at bank and in hand	493	248,900
Short term deposits	1,718,179	749,178
	<hr/>	<hr/>
	1,718,672	998,078
	<hr/>	<hr/>

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	248,833	178,168
Taxation and social security	292,783	60,092
Other payables	28,936	64,233
Amounts due to Group undertakings	-	3,767
	<hr/>	<hr/>
	570,552	306,260
	<hr/>	<hr/>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for credit purchases is 25 days (2010: 27). The directors consider that the carrying amount of trade payables approximates to their fair value.

16. OTHER CREDITORS AND PROVISIONS	2011	2010
	£	£
Bonus accruals	314,608	48,096
Other accruals and deferred income	245,800	236,951
	<hr/>	<hr/>
	560,408	285,047
	<hr/>	<hr/>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (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 2009	5,714	87,540	93,254
Tax charged to equity in the year	-	-	-
Timing differences on provisions	(2,460)	(17,540)	(20,000)
At 1 May 2010 and 30 April 2011	3,254	70,000	73,254

18. SHARE CAPITAL

	2011 £	2010 £
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 shares which carry no rights to fixed income

19. FINANCIAL COMMITMENTS

There were no capital commitments as at 30 April 2011 (2010 none)

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (continued)

20. OPERATING LEASE COMMITMENTS

As at 30 April 2011 and 2010, the Company had outstanding commitments under non-cancellable leases which fall due as follows

	Property leases		Other leases		Total	
	2011 £	2010 £	2011 £	2010 £	2011 £	2010 £
Within 1 year	287,000	287,000	22,000	22,000	309,000	309,000
In one to five years	1,145,000	1,147,000	30,000	14,000	1,175,000	1,161,000
After five years	-	285,000	-	-	-	285,000
	<u>1,432,000</u>	<u>1,719,000</u>	<u>52,000</u>	<u>36,000</u>	<u>1,484,000</u>	<u>1,755,000</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.

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*

	2011 £	2010 £
Short term employee benefits	<u>670,195</u>	<u>645,979</u>
	£	£
Highest paid director	<u>242,355</u>	<u>245,430</u>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2011 (continued)

22. RELATED PARTY TRANSACTIONS

There were no sales of goods or services to other group companies in the year (2010 Nil)

There were no purchases of goods or services from other group companies in the year (2010 Nil)

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	
	2011	2010	2011	2010
	£	£	£	£
Fletcher King plc	128,054	62,913	-	-
Fletcher King Investment Management plc	15,656	-	-	3,767
Fletcher King LP Limited	255,656	254,211	-	-
Fletcher King EP Limited	199	199	-	-

Sale of goods and services to related parties were made at the Company's usual list prices. Purchases were made at market price. Transactions in the year related to the settlement by the Company of certain services and taxation liabilities on behalf of other group companies.

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 2011 (continued)

23. FINANCIAL INSTRUMENTS (continued)

Loans and receivables

	2011 £	2010 £
Trade receivables	852,565	806,379
Amounts owed by group undertakings	399,565	317,323
Other receivables	16,071	17,447
Cash and cash equivalents	<u>1,718,672</u>	<u>998,078</u>
	<u>2,986,873</u>	<u>2,139,227</u>

Financial liabilities at amortised cost

	2011 £	2010 £
Trade payables	248,833	178,168
Other payables	321,719	124,325
Amounts owed to group undertakings	-	3,767
Bonus accruals	314,608	48,096
Other accruals and deferred income	<u>245,800</u>	<u>236,951</u>
	<u>1,130,960</u>	<u>591,307</u>

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 2011 (continued)

23. FINANCIAL INSTRUMENTS (continued)

	2011 £	2010 £
Trade receivables	852,565	806,379
Cash and cash equivalents	1,718,672	998,073
Other receivables	16,071	17,449
	<u>2,587,308</u>	<u>1,821,901</u>

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 2011, if interest rates had increased by 0.5% with all other variables held constant, post tax profit and equity for the Company would have been £6,900 (2010: £6,655) higher. Conversely, if interest rates had decreased by 0.5% with all other variables held constant, post tax profit and equity for the Company would have been £6,900 (2010: £6,655) lower.

The Company's cash and cash equivalents earned interest during the year at an average of 0.5% (2010: 0.5%).

Liquidity risk

The Company actively maintains 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 2011 (continued)

23 FINANCIAL INSTRUMENTS (continued)

	2011 £	2010 £
Financial liabilities falling due		
Within 1 month	437,733	358,719
From 2 to 3 months	371,508	104,496
From 4 to 6 months	<u>28,936</u>	<u>68,000</u>
	<u>838,177</u>	<u>531,215</u>

Market risk

Equity price risk

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

The Company's continuing investments are sensitive to movements in property prices. The investment in Stratton House Investment Property Syndicate '04 was written down to Nil in the prior year based on property price movements and the underlying value of assets in the syndicate.

24. CAPITAL RISK MANAGEMENT

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

The company defines capital as being share capital plus reserves. The Board of Directors monitors the level of capital employed in order to achieve these objectives.

25. 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.