

COMPANY NUMBER 1140727

FLETCHER KING SERVICES LIMITED

ACCOUNTS

**FOR THE YEAR ENDED
30 APRIL 2012**

WEDNESDAY



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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 2012

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 2012

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 2012, the company has prepared its accounts in accordance with International Financial Reporting Standards ("IFRS")

REVIEW OF THE BUSINESS

The transaction business continues at a reasonable pace although it slowed in the second half due to a lack of stock for sale.

Rating instructions continue apace although the Valuation Office is taking longer to settle outstanding appeals and require more detailed submissions as part of the negotiations. Bank valuations continue at a low ebb and there is still no sign of any measurable increase in bank lending to the commercial property sector.

Fund and asset management remain strong and despite the economic downturn we are experiencing a remarkably low level of tenant failures and continue to collect well in excess of 95% of rents due within three days of the quarter day.

We see little change in the coming year which will continue to be challenging. We will keep a steady eye on overhead costs and it will take all our ingenuity and resource to maintain turnover.

We are working hard to expand the recurring income part of our business, namely fund and asset management whilst pushing hard on investment broking.

FLETCHER KING SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2012 (continued)

RESULTS AND DIVIDEND

The statement of comprehensive income is set out on page 8. The balance to be transferred to reserves is £353,992 (2011: £369,596). The Directors recommend the payment of an ordinary final dividend of £1.38 (2011: £1.38) per share. An interim dividend of £17.38 (2011: £1.38) 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

Peter Bailey
24/1/2013

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 2012 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 2012 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

Nexia Smith & Williamson

Stephen Drew
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date 28 JANUARY 2013.

FLETCHER KING SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 APRIL 2012

	Notes	2012 £	2011 £
REVENUE		3,036,037	3,059,408
Staff costs	5	(1,587,366)	(1,510,616)
Depreciation	10	(45,450)	(59,361)
Other operating charges		(965,125)	(1,068,473)
OPERATING PROFIT		438,096	420,958
Income from investments	6	10,693	12,733
Finance income	6	8,600	6,900
Finance charges	7	-	(100)
PROFIT BEFORE TAXATION	4	457,389	440,491
Taxation	8	(103,397)	(70,895)
PROFIT FOR THE PERIOD		353,992	369,596

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 2012

	Notes	2012 £	2011 £
NON-CURRENT ASSETS			
Property, plant and equipment	10	180,093	225,543
Available for sale investments	11	350,002	100,002
Deferred tax asset	17	62,789	73,254
		<hr/> 592,884	<hr/> 398,799
CURRENT ASSETS			
Trade and other receivables	13	1,154,805	1,442,120
Cash and cash equivalents	14	1,397,072	1,718,672
		<hr/> 2,551,877	<hr/> 3,160,792
TOTAL ASSETS		<hr/> 3,144,761	<hr/> 3,559,591
CURRENT LIABILITIES			
Trade and other payables	15	767,884	570,552
Current taxation liabilities	8	46,855	70,895
Other creditors and provision	16	556,439	560,408
		<hr/> 1,371,178	<hr/> 1,201,855
TOTAL LIABILITIES		<hr/> 1,371,178	<hr/> 1,201,855
SHAREHOLDERS' EQUITY			
Share capital	18	50,000	50,000
Profit and loss reserve		1,723,583	2,307,736
		<hr/> 1,773,583	<hr/> 2,357,736
TOTAL SHAREHOLDERS' EQUITY		<hr/> 1,773,583	<hr/> 2,357,736
TOTAL EQUITY AND LIABILITIES		<hr/> 3,144,761	<hr/> 3,559,591

Approved by the Board on 24/1/13 and signed on its behalf

D FLETCHER
Director



FLETCHER KING SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY for the year ended 30 APRIL 2012

	Share capital £	Profit & loss £	Total £
Balance at 1 May 2010	50,000	2,007,216	2,057,216
Net profit for the period	-	369,596	369,596
Total comprehensive income	-	369,596	369,596
Equity dividends paid	-	(69,076)	(69,076)
Balance as at 30 April 2011	50,000	2,307,736	2,357,736
Net profit for the period	-	353,992	353,992
Total comprehensive income	-	353,992	353,992
Equity dividends paid	-	(938,145)	(938,145)
Balance at 30 April 2012	50,000	1,723,583	1,773,583

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 2012

	2012 £	2011 £
Cash flow from operating activities		
Profit before taxation	457,389	440,491
Adjusted for		
Depreciation expense	45,450	59,361
Income from investments	(10,693)	(12,733)
Finance income	(8,600)	(6,900)
Finance charges	-	100
	<hr/> 483,546	<hr/> 480,319
Cashflows from operating activities before movements in working capital		
Decrease/ (Increase) in trade and other receivables	287,315	(138,515)
Increase/(decrease) in trade and other payables	193,363	539,753
	<hr/> 964,224	<hr/> 881,557
Cash generated from operations		
Taxation paid	(116,972)	(111,420)
	<hr/> 847,252	<hr/> 770,137
Net cash Inflow from operating activities		
Investing activities		
Purchase of investments	(250,000)	-
Finance income	8,600	6,900
Income from investments	10,693	12,733
Finance charges	-	(100)
	<hr/> (230,707)	<hr/> 19,533
Net cash inflow from investing activities		
Cash flows used in financing activities		
Dividends paid to shareholder	(938,145)	(69,076)
	<hr/> (938,145)	<hr/> (69,076)
Net cash flows used in financing activities		
	<hr/> (321,600)	<hr/> 720,594
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of year	1,718,672	998,078
	<hr/> 1,397,072	<hr/> 1,718,672
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 2012

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 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 2012

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. Depreciation rates on a straight line basis are as follows -

Motor vehicles	25%
Office furniture and fittings	25%
Computer equipment	33%
Short leasehold premium and improvements	10%

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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 2012 (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 2012 (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.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2012 (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

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	2012 £	2011 £
<i>Is stated after charging</i>		
Depreciation	45,450	59,361
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	286,666	285,998
Rental income	19,200	10,400

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2012 (continued)

5. STAFF COSTS

	£	£
Basic wages and salaries	1,074,146	1,046,479
Performance based payments	350,721	314,506
	<hr/>	<hr/>
	1,424,867	1,360,985
Social security costs	124,622	125,650
Other costs	37,877	23,981
	<hr/>	<hr/>
	1,587,366	1,510,616
	<hr/>	<hr/>

The Company does not operate any pension schemes

Average monthly number of employees were as follows

	No.	No.
Management	4	4
Fee earners	7	7
Administration	7	7
	<hr/>	<hr/>
	18	18
	<hr/>	<hr/>

6. FINANCE INCOME

	2012 £	2011 £
Bank interest	8,600	6,900
Income from trade investments	10,693	12,733
	<hr/>	<hr/>
	19,293	19,633
	<hr/>	<hr/>

7. FINANCE CHARGES

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

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2012 (continued)

8. TAXATION

	£	£
Current tax		
UK Corporation tax - Current year	99,000	108,924
Prior year	(6,068)	(38,029)
	<hr/>	<hr/>
	92,932	70,895
	<hr/>	<hr/>
Deferred tax		
UK deferred tax – current year	10,465	-
	<hr/>	<hr/>
Total tax charge for the year	103,397	70,895
	<hr/>	<hr/>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (24%) The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	457,389	440,491
	<hr/>	<hr/>
Profit on ordinary activities multiplied by corporation tax in the UK of 25.8% (2011 27.8%)	118,006	122,588
Depreciation in excess of capital allowances	4,377	6,819
Expenses not deductible for tax purposes	9,442	6,375
Group losses surrendered	(37,272)	(26,728)
Prior period adjustment	(6,068)	(38,029)
Deferred tax adjustment	10,465	-
Other adjustments	4,447	(130)
	<hr/>	<hr/>
Total tax charge	103,397	70,895
	<hr/>	<hr/>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2012 (continued)

	2012	2011
	£	£
9 DIVIDEND		
Equity dividends on ordinary shares		
Declared and paid during the year		
Final dividend for year ended 30 April 2011	69,076	-
£1 38 per share (2010 £nil)		
Interim dividend for the year ended 30 April 2012	869,069	69,076
£17 38 (2011 £1 38)		
	<hr/>	<hr/>
	938,145	69,076
	<hr/>	<hr/>
Proposed final dividend for the year ended 30 April 2012	69,073	69,076
	<hr/>	<hr/>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2012 (continued)

10 PROPERTY, PLANT AND EQUIPMENT

2012	Furniture, fittings and computers	Motor vehicles	Short leasehold premium and improvements	Total
	£	£	£	£
Cost				
At 1 May 2011	149,971	53,348	276,252	479,571
Additions	-	-	-	-
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2012	149,971	53,348	276,252	479,571
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 May 2011	99,392	53,348	101,288	254,028
Charge for year	17,825	-	27,625	45,450
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2012	117,217	53,348	128,913	299,478
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 30 April 2012	32,754	-	147,339	180,093
	<hr/>	<hr/>	<hr/>	<hr/>
2011				
Cost				
At 1 May 2010	149,971	53,348	276,252	479,571
Additions	-	-	-	-
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2011	149,971	53,348	276,252	479,571
	<hr/>	<hr/>	<hr/>	<hr/>
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	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2011	99,392	53,348	101,288	254,028
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 30 April 2011	50,579	-	174,964	225,543
	<hr/>	<hr/>	<hr/>	<hr/>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2012 (continued)

11. AVAILABLE-FOR-SALE INVESTMENTS	2012 £	2011 £
Fair value		
At 1 May 2011	100,002	100,002
Additions	250,000	-
	<hr/>	<hr/>
At 30 April 2012	350,002	100,002
	<hr/>	<hr/>
Represented by		
Investment in UK Subsidiaries	100,002	100,002
Investment in UK Property Syndicate	250,000	-
	<hr/>	<hr/>
	350,002	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

An amount of £250,000 represents a member's interest in the Stratton House Investment Properties Syndicate (SHIPS II) which was acquired during the year ended 30 April 2012. The investment is stated at cost, which is equal to the fair value of the investment based on the underlying value of the Syndicate's assets

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%	381,434	58,681	30/04/12
Fletcher King LP Limited	England & Wales	100%	1	0	31/03/12
Fletcher King Equity Partners Limited	England & Wales	100%	1	0	31/03/12

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2012 (continued)

13. TRADE AND OTHER RECEIVABLES	2012	2011
	£	£
Trade receivables	652,937	852,565
Less provision for impairment	-	-
	<hr/>	<hr/>
	652,937	852,565
Amounts owed by group undertakings	285,876	399,565
Other receivables	15,754	16,071
Prepayments and accrued income	200,238	173,919
	<hr/>	<hr/>
	1,154,805	1,442,120
	<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 2012, trade receivables of £Nil were considered to be impaired (2011 £ Nil)

The ageing of trade receivables is as follows	£	£
Neither impaired nor past due	287,088	153,627
Not impaired but overdue by less than 30 days	291,929	671,660
Not impaired but overdue by between 30 and 60 days	35,700	27,278
Not impaired but overdue by more than 60 days	38,220	-
Impaired	-	-
	<hr/>	<hr/>
	652,937	852,565
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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 2012 (continued)

14 CASH AND CASH EQUIVALENTS	2012	2011
	£	£
Cash at bank and in hand	10,995	493
Short term deposits	1,386,077	1,718,179
	<hr/>	<hr/>
	1,397,072	1,718,672
	<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	250,984	248,833
Taxation and social security	268,109	292,783
Other payables	46,789	28,936
Amounts due to Group undertakings	202,002	-
	<hr/>	<hr/>
	767,884	570,552
	<hr/>	<hr/>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for credit purchases is 23 days (2011: 25). The directors consider that the carrying amount of trade payable approximates to their fair value.

16. OTHER CREDITORS AND PROVISIONS	2012	2011
	£	£
Bonus accruals	350,721	314,608
Other accruals and deferred income	205,718	245,800
	<hr/>	<hr/>
	556,439	560,408
	<hr/>	<hr/>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2012 (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 2010	3,254	70,000	73,254
Timing differences on provisions	-	-	-
At 30 April 2011	<u>3,254</u>	<u>70,000</u>	<u>73,254</u>
Movement due to change in tax rate	<u>(465)</u>	<u>(10,000)</u>	<u>(10,465)</u>
At 30 April 2012	<u>2,789</u>	<u>60,000</u>	<u>62,789</u>

18. SHARE CAPITAL

	2012 £	2011 £
Authorised		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

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 2012 (2011: none)

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2012 (continued)

20. OPERATING LEASE COMMITMENTS

As at 30 April 2012 and 2011, the Company had outstanding commitments under non-cancellable leases which fall due as follows

	Property leases		Other leases		Total	
	2012 £	2011 £	2012 £	2011 £	2012 £	2011 £
Within 1 year	287,000	287,000	22,000	22,000	309,000	309,000
In one to five years	858,000	1,145,000	8,000	30,000	866,000	1,175,000
	<u>1,145,000</u>	<u>1,432,000</u>	<u>30,000</u>	<u>52,000</u>	<u>1,175,000</u>	<u>1,484,000</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*

	2012 £	2011 £
Short term employee benefits	<u>595,359</u>	<u>670,195</u>
	£	£
Highest paid director	<u>236,229</u>	<u>242,355</u>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2012 (continued)

22. RELATED PARTY TRANSACTIONS

There were no sales of goods or services to other group companies in the year (2011 Nil)

There were no purchases of goods or services from other group companies in the year (2011 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	
	2012	2011	2012	2011
	£	£	£	£
Fletcher King plc	-	128,054	202,002	-
Fletcher King Investment Management plc	28,400	15,656	-	-
Fletcher King LP Limited	257,277	255,656	-	-
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 2012 (continued)

23. FINANCIAL INSTRUMENTS (continued)

Loans and receivables

	2012	2011
	£	£
Trade receivables	652,937	852,565
Amounts owed by group undertakings	285,876	399,565
Other receivables	15,754	16,071
Cash and cash equivalents	<u>1,397,072</u>	<u>1,718,672</u>
	2,351,639	2,986,873

Financial liabilities at amortised cost

	2012	2011
	£	£
Trade payables	250,984	248,833
Other payables	314,898	321,719
Amounts owed to group undertakings	202,000	-
Bonus accruals	350,721	314,608
Other accruals and deferred income	<u>205,718</u>	<u>245,800</u>
	1,324,321	1,130,960

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 2012 (continued)

23. FINANCIAL INSTRUMENTS (continued)

	2012 £	2011 £
Trade receivables	652,937	852,565
Cash and cash equivalents	1,397,072	1,718,672
Other receivables	15,754	16,071
	<hr/>	<hr/>
	2,065,763	2,587,308
	<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 2012, 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 £8,600 (2011: £6,900) 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 £8,600 (2011: £6,900) lower.

The Company's cash and cash equivalents earned interest during the year at an average of 0.5% (2011: 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 2012 (continued)

23. FINANCIAL INSTRUMENTS (continued)

	2011 £	2010 £
Financial liabilities falling due		
Within 1 month	429,521	437,733
From 2 to 3 months	424,691	371,508
From 4 to 6 months	<u>-</u>	<u>28,936</u>
	<u>854,212</u>	<u>838,177</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