

COMPANY NUMBER: 1140727

FLETCHER KING SERVICES LIMITED

ACCOUNTS

**FOR THE YEAR ENDED
30 APRIL 2018**



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
P J Andrews

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

AUDITOR

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 2018

REGISTERED NUMBER 1140727

The Directors present their annual report on the affairs of Fletcher King Services Limited ("the Company"), together with the accounts and auditor's report for the year ended 30 April 2018.

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 2018, the Company has prepared its accounts in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union.

REVIEW OF THE BUSINESS

The results for the year were disappointing and did not meet management expectations. Whilst the Company continued to benefit from good recurring revenue, it was not able to match the strong performance of the previous couple of years which benefited from increased transactional revenue on property sales and ratings appeals, and significant fees and profits earned on the sale of a SHIPS property.

Brexit uncertainty and the outcome of the General Election will undoubtedly continue to influence the market and it is impossible at this stage to estimate that impact. Uncertainty is never positive and we expect transactions will prove more difficult to complete. However, this may produce interesting buying opportunities for SHIPS and other clients.

It is very difficult to forecast what might happen in the coming year but we have a strong balance sheet, very loyal clients and hardworking staff so we are well placed for the challenges ahead.

FLETCHER KING SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2018 (continued)

RESULTS AND DIVIDEND

The statement of comprehensive income is set out on page 9. The balance to be transferred to reserves is £351,440 (2017: £724,135). The Directors recommend the payment of an ordinary final dividend of £1.38 (2017: £5.53) per share. An interim dividend of £1.84 (2017: £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 9 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
P J Andrews

DISCLOSURE OF INFORMATION TO THE AUDITORS

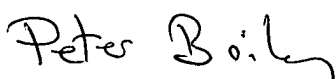
In the case of each person who was a director at the time this report was approved, so far as that director was aware there was no relevant available information of which the Company's auditor was unaware; and that director had taken all steps that the director ought to have taken as a director to make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

AUDITOR

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

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out within Part 15 of the Companies Act 2006.

By order of the Board



Peter Bailey
Secretary

Date: 25/1/19

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; and
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLETCHER KING SERVICES LIMITED**Opinion**

We have audited the financial statements of Fletcher King Services Limited (the 'company') for the year ended 30 April 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLETCHER KING SERVICES LIMITED (continued)

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

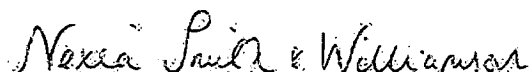
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLETCHER KING SERVICES LIMITED (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Jacqueline Oakes
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 31 January 2019

FLETCHER KING SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 APRIL 2018

	Notes	2018 £	2017 £
REVENUE	2	3,079,799	4,093,961
Staff costs	5	(1,523,257)	(2,043,129)
Depreciation	9	(18,484)	(34,044)
Other operating charges		(1,121,693)	(1,149,255)
OPERATING PROFIT		416,365	867,533
Income from investments	6	-	11,789
Finance income	6	249	4,286
PROFIT BEFORE TAXATION	4	416,614	883,608
Taxation	7	(65,174)	(159,473)
PROFIT FOR THE PERIOD		351,440	724,135

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

There is no other comprehensive income for the current or prior year.

FLETCHER KING SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION as at 30 APRIL 2018

	Notes	2018 £	2017 £
NON-CURRENT ASSETS			
Property, plant and equipment	9	11,718	15,556
Investment in group undertakings	10	100,000	100,000
Available for sale investments	11	1,588,000	1,588,000
Deferred tax asset	17	15,814	15,814
		<hr/>	<hr/>
		1,715,532	1,719,370
CURRENT ASSETS			
Trade and other receivables	13	917,144	1,495,921
Cash and cash equivalents	14	1,267,065	1,295,840
		<hr/>	<hr/>
		2,184,209	2,791,761
TOTAL ASSETS			
		<hr/>	<hr/>
		3,899,741	4,511,131
CURRENT LIABILITIES			
Trade and other payables	15	780,810	1,005,566
Current taxation liabilities		43,082	97,577
Accruals and deferred income	16	471,682	786,870
		<hr/>	<hr/>
TOTAL LIABILITIES		1,295,574	1,890,013
SHAREHOLDERS' EQUITY			
Share capital	18	50,000	50,000
Retained earnings		2,554,167	2,571,118
		<hr/>	<hr/>
TOTAL SHAREHOLDERS' EQUITY		2,604,167	2,621,118
TOTAL EQUITY AND LIABILITIES			
		<hr/>	<hr/>
		3,899,741	4,511,131

Approved by the Board on 25/1/19 and signed on its behalf

REG GOODE
Director



Registered number: 1140727 England and Wales

FLETCHER KING SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY for the year ended 30 APRIL 2018

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 May 2016		50,000	2,031,178	2,081,178
Total comprehensive income		-	724,135	724,135
Equity dividends paid	8	-	(184,195)	(184,195)
Balance as at 30 April 2017		50,000	2,571,118	2,621,118
Total comprehensive income		-	351,440	351,440
Equity dividends paid	8	-	(368,391)	(368,391)
Balance at 30 April 2018		50,000	2,554,167	2,604,167

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 2018

	2018	2017
	£	£
Cash flow from operating activities		
Profit before taxation	416,614	883,608
Adjusted for:		
Depreciation expense	18,484	34,044
Income from investments	-	(11,789)
Finance income	(249)	(4,286)
	<hr/> 434,849	<hr/> 901,577
Cashflows from operating activities before movements in working capital		
Decrease/(increase) in trade and other receivables	578,777	(616,488)
(Decrease)/increase in trade and other payables	(539,944)	488,581
	<hr/> 473,682	<hr/> 773,670
Cash generated from operations		
Taxation paid	(119,669)	(338,245)
	<hr/> 354,013	<hr/> 435,425
Net cash flow from operating activities		
Investing activities		
Purchase of investments	-	(313,500)
Purchase of fixed assets	(14,646)	-
Finance income	249	4,286
Income from investments	-	11,789
	<hr/> (14,397)	<hr/> (297,425)
Net cash used in investing activities		
Cash flows used in financing activities		
Dividends paid to shareholder	(368,391)	(184,195)
	<hr/> (368,391)	<hr/> (184,195)
Net cash flows used in financing activities		
Net decrease in cash and cash equivalents	(28,775)	(46,195)
Cash and cash equivalents at beginning of year	1,295,840	1,342,035
Cash and cash equivalents at end of year (note 14)	<hr/> 1,267,065	<hr/> 1,295,840

Cash and cash equivalents (which are presented as a single class of asset on the face of the Statement of financial position) comprise cash at bank and short term deposits.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018

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 company limited by shares and 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 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 400(1) 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.

New and amended standards and interpretations

At the date of authorisation of these financial statements, the following new and amended standards and interpretations are relevant to the Group. They are mandatory for accounting periods beginning on or after 1 January 2018 and have not been early adopted:

IFRS 15 "Revenue from contracts with customers" – the standard establishes a principles based approach for revenue recognition and is based on recognising revenue for obligations only when they are satisfied and the control of goods or services is transferred. The implementation of IFRS 15 may result in some refinement in the timing of recognition of certain fee income, however the impact of any refinement is not likely to be material.

IFRS 9 "Financial instruments" – this standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The application of IFRS 9 will not have a material impact on the amounts reported in the Group's consolidated financial statements.

IFRS 16 "Leases" – the standard addresses the classification, measurement and recognition of leases with the objective of ensuring the lessees and lessors provide relevant information that faithfully represents those transactions. The standard is expected to have a significant impact on the consolidated financial statements of the Group. On adoption, lease agreements will give rise to both a right of use asset and a lease liability for future lease payables. Depreciation of the right of use will be recognised in the statement of comprehensive income on a straight-line basis, with interest recognised on the lease liability. This will result in a change to the profile of the net charge taken to the statement of comprehensive income over the life of the lease. These charges will replace the lease costs currently charged to the statement of comprehensive income. The Group continues to assess the full impact of IFRS 16 and the impact will greatly depend on the facts and circumstances at the time of adoption and upon transition choices adopted. It is therefore not yet practicable to provide a reliable estimate of the financial impact on the Group's consolidated results.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018

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:-

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 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.

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 Company 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 2018 (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.

iv) 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.

v) Share capital

Ordinary shares are classified as equity.

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, management fees and fees receivable excluding value added tax and is measured at fair value. Fees on property transactions and other contingent fee arrangements are recognised as earned on the unconditional completion of a contract or when a fee is contractually due. Fees for other professional services are recognised on completion of the assignment.

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 2018 (continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Operating profit

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

Employee benefits

Contributions to employees' money-purchase pension schemes are made on an arising basis where these form part of contractual remuneration obligations. The 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 400(1) 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:

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018 (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

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. The Directors have made provision for impairment where there is objective evidence that fair value is less than cost.

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.

There have not been any provisions for impairment of available for sale investments or trade receivables in the year.

4. PROFIT BEFORE TAXATION	2018 £	2017 £
<i>Is stated after charging:</i>		
Depreciation	18,484	34,044
Fees payable to the Company's auditor for the audit of the Company's financial statements	17,000	15,500
Fees payable to the Company's auditor and its associates for other services		
- tax services	3,000	2,800
Operating lease rentals	295,388	293,578
Rental income	(61,213)	(28,283)

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018 (continued)

5. STAFF COSTS	2018 £	2017 £
Basic wages and salaries	1,082,848	1,033,502
Performance based payments	209,342	726,051
	<hr/>	<hr/>
	1,292,190	1,759,553
Social security costs	164,494	226,223
Pension costs	5,057	3,652
Other costs	61,516	53,701
	<hr/>	<hr/>
	1,523,257	2,043,129
	<hr/>	<hr/>

Average monthly number of employees were as follows:

	No.	No.
Management	4	4
Fee earners	6	7
Administration	6	7
	<hr/>	<hr/>
	16	18
	<hr/>	<hr/>

Directors' emoluments

	2018	2017
Salaries and benefits	419,516	391,076
Performance-related bonuses	205,783	611,050
	<hr/>	<hr/>
	625,299	1,002,126
	<hr/>	<hr/>

Two executive directors (2017: 2) received pension entitlements under money purchase schemes in the year of £838 (2017: £558).

The highest paid director received aggregate remuneration of £187,985 (2017: £350,176).

6. FINANCE INCOME	2018 £	2017 £
Bank interest	249	4,286
Income from trade investments	-	11,789
	<hr/>	<hr/>
	249	16,075
	<hr/>	<hr/>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018 (continued)

7. TAXATION	2018 £	2017 £
Current tax		
UK Corporation tax - Current year	66,000	161,000
Prior year	(826)	(3,150)
	<hr/> 65,174	<hr/> 157,850
Deferred tax		
UK deferred tax – current year	-	1,623
	<hr/>	<hr/>
Total tax charge for the year	<hr/> 65,174	<hr/> 159,473

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	416,614	883,608
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	79,157	176,722
Depreciation in excess of capital allowances	1,771	4,575
Expenses not deductible for tax purposes	8,638	8,589
Deferred tax adjustment	-	1,623
Group losses surrendered	(27,168)	(29,062)
Prior period adjustment	(826)	(3,150)
Other adjustments	<hr/> 3,602	<hr/> 176
Total tax charge	<hr/> 65,174	<hr/> 159,473

The corporation tax rate was reduced to 19% with effect from 1 April 2017 and will be further reduced to 17% from 1 April 2020, which were substantially enacted by Finance (No. 2) Act 2015 and Finance Act 2016 respectively.

FLETCHER KING SERVICES LIMITED**NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018 (continued)**

8. DIVIDEND	2018	2017
	£	£
Equity dividends on ordinary shares:		
Declared and paid during the year		
Final dividend for year ended 30 April 2017: £5.52 per share (2016: £1.84)	276,294	92,098
Interim dividend for the year ended 30 April 2018: £1.84 (2017: £1.84)	92,097	92,097
	<hr/>	<hr/>
	368,391	184,195
	<hr/>	<hr/>
Proposed final dividend for the year ended 30 April 2018	69,073	
	<hr/>	

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018 (continued)

9. PROPERTY, PLANT AND EQUIPMENT

2018	Furniture, fittings and computers £	Short leasehold premium and improvements £	Total £
Cost			
At 1 May 2017	176,910	276,252	453,162
Additions	-	14,646	14,646
	<hr/> 176,910	<hr/> 290,898	<hr/> 467,808
Depreciation			
At 1 May 2017	170,573	267,033	437,606
Charge for year	6,337	12,147	18,484
	<hr/> 176,910	<hr/> 279,180	<hr/> 456,090
Net book value at 30 April 2018	<hr/> -	<hr/> 11,718	<hr/> 11,718
2017			
Cost			
At 1 May 2016 and at 30 April 2017	176,910	276,252	453,162
Depreciation			
At 1 May 2016	164,153	239,409	403,562
Charge for year	6,420	27,624	34,044
	<hr/> 170,573	<hr/> 267,033	<hr/> 437,606
Net book value at 30 April 2017	<hr/> 6,337	<hr/> 9,219	<hr/> 15,556

FLETCHER KING SERVICES LIMITED**NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018 (continued)**

10. INVESTMENT IN GROUP UNDERTAKINGS	2018	2017
	£	£
Shares in Group undertakings at cost		
At 1 May	100,000	100,001
Disposals	-	(1)
	<hr/>	<hr/>
At 30 April	100,000	100,000
	<hr/>	<hr/>

The investment in group undertakings relates to full ownership of Fletcher King Investment Management plc, a company incorporated in England and Wales (see note 12).

11. AVAILABLE-FOR-SALE INVESTMENTS	2018	2017
	£	£
Investment in UK Property Syndicates at fair value		
At 1 May	1,588,000	1,274,500
Additions	-	313,500
	<hr/>	<hr/>
At 30 April	1,588,000	1,588,000
	<hr/>	<hr/>

An amount of £973,000 (2017: £973,000) represents a syndicate interest in the Stratton House Investment Properties Syndicate (SHIPS 15). This investment is stated at fair value, which is equal to the cost of the investment based on the underlying value of the Syndicate's assets.

An amount of £615,000 (2017: £615,000) represents a syndicate interest in the Stratton House Investment Properties Syndicate (SHIPS 16). This investment is stated at fair value, which is equal to the cost of the investment based on the underlying value of the Syndicate's assets.

Available-for-sale investment properties are stated at fair value as determined by professional valuers at Fletcher King Services Limited. Valuations are reviewed and challenged by the Group's Executive Committee and Audit Committee to verify that the fair value represents the amount at which the assets could be exchanged by a knowledgeable willing buyer and a knowledgeable willing seller in an arms-length transaction. Valuations are inherently subjective and the amounts which may ultimately be realised in respect of any given property may differ from the valuations shown in the Statement of Financial Position. Under IFRS7 Financial instruments: Disclosures and IFRS13 Fair value measurements, UK unlisted equity investments are classified under the fair value hierarchy as Level 3.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018 (continued)

12. INVESTMENT IN SUBSIDIARIES

The Company owns 100% of the ordinary share capital of Fletcher King Investment Management PLC.

	County of Incorporation	Ownership	Reserves	Profit for the year	Year end
Fletcher King Investment Management plc	England & Wales	100%	522,216	(7,476)	30/04/18

The Company also owns 100% of the ordinary share capital of the following dormant nominee companies in which the Company has no beneficial interest: Stratton One Limited, Stratton Two Limited, Stratton 9 Limited, Stratton 10 Limited, Stratton 11 Limited, Stratton 12 Limited.

The registered office of all the above named companies is 61 Conduit Street, London, W1S 2GB.

13. TRADE AND OTHER RECEIVABLES

	2018 £	2017 £
Trade receivables	786,447	1,425,267
Amounts owed by group undertakings	12,086	13,286
Other receivables	6,456	7,499
Prepayments and accrued income	112,155	49,869
	<hr/>	<hr/>
	917,144	1,495,921
	<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 2018, trade receivables of £nil were considered to be impaired (2017: £nil).

The ageing of trade receivables is as follows:	£	£
Neither impaired nor past due	424,612	661,310
Not impaired but overdue by less than 30 days	235,925	632,773
Not impaired but overdue by between 30 and 60 days	91,453	119,223
Not impaired but overdue by more than 60 days	34,457	11,961
Impaired	-	-
	<hr/>	<hr/>
	786,447	1,425,267
	<hr/>	<hr/>

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.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018 (continued)

14. CASH AND CASH EQUIVALENTS	2018	2017
	£	£
Cash at bank and in hand	<u>1,267,065</u>	<u>1,295,840</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	2018	2017
	£	£
Trade payables	129,060	155,349
Taxation and social security	359,807	482,421
Amounts due to Group undertakings	291,943	367,796
	<u>780,810</u>	<u>1,005,566</u>

The Directors consider that the carrying amount of trade payable approximates to their fair value.

16. ACCRUALS AND DEFERRED INCOME	2018	2017
	£	£
Bonus accruals	177,280	551,051
Other accruals and deferred income	294,402	235,819
	<u>471,682</u>	<u>786,870</u>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018 (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
	£	£	£
Timing differences on provisions			
At 1 May 2016	2,325	15,112	17,437
Movement in year	(117)	(1,506)	(1,623)
At 30 April 2017	2,208	13,606	15,814
Movement in year	-	-	-
At 30 April 2018	2,208	13,606	15,814

18. SHARE CAPITAL AND OTHER RESERVES

	2018 £	2017 £
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.

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

19. FINANCIAL COMMITMENTS

As at 30 April 2018 and 30 April 2017 the Company had no capital commitments.

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018 (continued)

20. OPERATING LEASE COMMITMENTS

As at 30 April 2018 and 2017, the Company had outstanding commitments under non-cancellable leases which fall due as follows:

	Property leases	
	2018	2017
	£	£
Within 1 year	314,480	235,860
In one to five years	943,440	1,257,920
	<hr/>	<hr/>
	1,257,920	1,493,780
	<hr/>	<hr/>

Property leases relate to office premises occupied by the Company.

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*.

	2018	2017
	£	£
Short term employee benefits	664,727	1,017,477
	<hr/>	<hr/>
	£	£
Highest paid director	187,985	350,176
	<hr/>	<hr/>

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2018 (continued)

22. RELATED PARTY TRANSACTIONS

There were no sales of goods or services to other group companies in the year (2017: Nil). There were no purchases of goods or services from other group companies in the year (2017: Nil). Transactions in the year related to the settlement by the Company of certain services and taxation liabilities on behalf of other group companies.

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	
	2018	2017	2018	2017
	£	£	£	£
Fletcher King plc	-	-	291,943	367,796
Fletcher King Investment Management plc	12,086	13,286	-	-
Fletcher King LP Limited	-	-	-	-
Fletcher King EP Limited	-	-	-	-

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 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 2018 (continued)****23. FINANCIAL INSTRUMENTS (continued)****Financial assets at amortised cost**

	2018	2017
	£	£
Trade receivables	786,447	1,425,267
Amounts owed by group undertakings	12,086	13,286
Other receivables	6,456	7,499
Cash and cash equivalents	<u>1,267,065</u>	<u>1,295,840</u>
	<u>2,072,054</u>	<u>2,741,892</u>

Financial liabilities at amortised cost

	2018	2017
	£	£
Trade payables	129,060	155,349
Amounts owed to group undertakings	291,943	367,796
Bonus accruals	177,280	551,051
Other accruals	<u>294,402</u>	<u>235,819</u>
	<u>892,685</u>	<u>1,310,015</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 leading banks.

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

FLETCHER KING SERVICES LIMITED

NOTES TO THE ACCOUNTS for the period ended 30 APRIL 2018 (continued)

23. FINANCIAL INSTRUMENTS (continued)

	2018 £	2017 £
Trade receivables	786,447	1,425,267
Cash and cash equivalents	1,267,065	1,295,840
Other receivables	6,456	7,499
	<hr/> 2,059,968	<hr/> 2,728,606

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 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 2018, 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 £6,500 (2017: £6,500) 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 £6,500 (2017: £6,500) lower.

The Company's cash and cash equivalents earned interest during the year at an average of 0.02% (2017: 0.33%).

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 2018 (continued)

23. FINANCIAL INSTRUMENTS (continued)

	2018 £	2017 £
Financial liabilities falling due:		
Within 1 month	273,462	198,168
From 2 to 3 months	<u>327,280</u>	<u>744,051</u>
	<u>600,742</u>	<u>942,219</u>

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.

The largest and smallest group in which the results of the Company are consolidated is that headed by Fletcher King Plc, incorporated in England and Wales.