FLETCHER KING PLC

("Fletcher King" or the "Company")

Interim Results for the 6 months ended 31 October 2024

Financial Highlights

	Unaudited six months to 31 October 24	Unaudited six months to 31 October 2023	Audited year to 30 April 2024
Turnover:	**£1,603,000**	**£1,326,000**	**£3,826,000**
Earnings before tax:	**£85,000**	**£50,000**	**£452,000**
Basic EPS per share:	**0.52p**	**0.33p**	**2.75p**
Dividend proposed per share:	**nil**	**nil**	**2.25p**

Operational Highlights

- Earnings before tax improved on the comparative period last year.
- Capital markets remained sluggish during the period, with poor volumes, which impacted our transactional fee income.
- Revenues from Property Management, Valuation, Rating, and Planning services have all grown over the period.

Commenting on the results David Fletcher, Chairman of Fletcher King said:
"It is encouraging that we have been able to maintain profitability in these difficult and challenging times and we are pleased to report overall financial performance that is ahead of the comparative period last year. We have been successful in expanding our non-transactional activities, but it remains much too early to predict when the transactional market will improve. Our strong balance sheet continues to provide comfort as well as the potential for investment activity if we find the right opportunity."

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

ENQUIRIES:

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The interim results are available on the Company's website: www.fletcherking.co.uk

CHAIRMAN'S STATEMENT

Results

Turnover for the period was £1,603,000 (2023: £1,326,000) with a profit before tax of £85,000 (2023: £50,000).

Dividend

In view of the continued uncertainty and the low level of profit, the Board is not declaring an interim dividend (2023: no interim dividend).

The Commercial Property Market

As 2024 draws to a close, another year of a sluggish property market grinds on. Over the last 12 months commercial property has produced a total return of 5.4% with capital decline of 0.5% but boosted by a healthy income return of circa 6%. The industrial sector continues to drive the performance with a total return of 7.7% closely followed by retail, (of course off a much lower base) with offices being the laggards with disappointing figures of -1.7% total return and a capital decline of 7.2% (source: MSCI).

Drilling down into the sub-sectors, grade A shopping centres and retail warehousing have performed best along with regional industrial. In the coming year a number of institutions and two of the largest UK property companies have plans for major retail acquisitions as they believe the market has now reached the bottom with signs of green shoots appearing.

The Chancellor's recent announcement that there is to be a consolidation of Local Government Pension Schemes into eight megafunds could also boost market activity as they will be able to invest at a far greater scale.

Whilst the industrial sector is set to continue to provide solid performance in the coming year, there seems to be no light at the end of the tunnel for the office sector which continues to struggle with new technology and green energy costs, accelerating obsolescence and hybrid working. Announcements in the recent budget on increases to National Insurance may also deter companies from expanding as they have to soak up the increased employers' costs.

Rents across the whole market have grown by approximately 3.6% although this figure hides the considerable disparity between specific regions and sectors. However, industrial rental growth has again outperformed all other sectors with over 6% increase in rental values. Despite the considerable challenges the office market faces, occupiers are still prepared to pay inflated prices for top quality grade A space with the latest technology. This is evidenced by the recent letting of 22,500 square feet at 22 Bishopsgate at £122 per square foot which is the highest rent ever achieved in the City of London where vacancy rates have hit near record lows for prime accommodation with availability at 0.5%.

Business Overview

Increasingly, when I sit down to write the year end and interim statements, I find myself repeating what has been said before. However, that is a reflection of what is happening in the market and Fletcher King.

With the exception of transaction fee income, which continues to be affected by the poor capital markets, we are performing well in all other sectors. We are cautiously expanding property management, valuation and planning services to meet growing demand. This cannot be said for many of our competitors.

Outlook

The outlook for our second half is difficult to predict and it remains impossible to accurately forecast the future of the market and the timing of its recovery. However, we are well placed to take advantage of the uplift when it comes.

As always, our balance sheet is strong which gives comfort to clients and staff alike.

DAVID FLETCHER
CHAIRMAN
20 December 2024

Consolidated Interim Statement of Profit or Loss and Comprehensive Income
for the 6 months ended 31 October 2024

	6 months ended 31 October 2024 (Unaudited) £000	**6 months ended 31 October 2023 (Unaudited) £000**	Year ended 30 April 2024 (Audited) £000
Revenue	**1,603**	1,326	3,826
Employee benefits expense	**(967)**	(764)	(2,195)
Depreciation and amortisation expense	**(98)**	(97)	(194)
Other operating expenses	**(514)**	(470)	(1,078)
Other operating income	**22**	27	51
Share based payment expense	**(26)**	(9)	(58)
	(1,583)	(1,313)	(3,474)
Investment income	**-**	7	20
Finance income	**70**	37	94
Finance expense	**(5)**	(7)	(14)
Profit before taxation	**85**	50	452
Taxation	**(32)**	(16)	(170)
Profit for the period	**53**	34	282
Other comprehensive income			
Fair value loss on financial assets through other comprehensive income	**-**	-	(6)
Total comprehensive income for the period	**53**	34	276
Earnings per share (note 4)			
- Basic	**0.52p**	0.33p	2.75p
- Diluted	**0.52p**	0.33p	2.75p
Dividends per share			
Interim dividend proposed	**-**	-	-
Dividends paid	**2.25p**	0.75p	0.75p

Fletcher King Plc
Consolidated Interim Statement of Financial Position
as at 31 October 2024

	31 October 2024 (Unaudited) £000	**31 October 2023 (Unaudited) £000 (restated)***	30 April 2024 (Audited) £000
Assets			
Non-current assets			
Software	**49**	53	58
Property, plant and equipment	**111**	173	142
Right-of-use asset	**206**	321	263
Financial assets	**-**	485	-
Deferred tax asset	**-**	57	-
	366	1,089	463
Current Assets			
Trade and other receivables	**1,220**	1,242	1,968
Cash and cash equivalents	**824**	556	1,327
Fixed term deposits	**2,950**	2,050	2,500
	4,994	3,848	5,795
Total assets	**5,360**	4,937	6,258
Liabilities			
Current liabilities			
Trade and other payables	**716**	419	1,410
Corporation tax	**129**	-	97
Lease liabilities	**120**	141	120
Total current liabilities	**965**	560	1,627
Non current liabilities			
Lease liabilities	**107**	229	192
Shareholders' equity			
Share capital	**1,025**	1,025	1,025
Share premium	**522**	522	522
Investment revaluation reserve	**-**	(145)	-
Share option reserve	**111**	36	85
Reserves	**2,630**	2,710	2,807
Total shareholders' equity	**4,288**	4,148	4,439
Total equity and liabilities	**5,360**	4,937	6,258

* Restated following reclassification of fixed term deposits with a maturity date of greater than three months at inception which on further review did not meet the definition of cash and cash equivalents (see note 2).

Fletcher King Plc

Consolidated Interim Statement of Changes in Equity
for the 6 months ended 31 October 2024

	Share capital £000	Share premium £000	Investment revaluation reserve £000	Share Option Reserve £000	Retained earnings £000	TOTAL EQUITY £000
Balance at 1 May 2024	**1,025**	**522**	**-**	**85**	**2,807**	**4,439**
Profit for the period	-	-	-	-	**53**	**53**
Equity dividends paid	-	-	-	-	**(230)**	**(230)**
Share based payment expense	-	-	-	**26**	-	**26**
Balance at 31 October 2024 (Unaudited)	**1,025**	**522**	**-**	**111**	**2,630**	**4,288**
Balance at 1 May 2023	1,025	522	(145)	27	2,753	4,182
Profit for the period	-	-	-	-	34	34
Equity dividends paid	-	-	-	-	(77)	(77)
Share based payment expense	-	-	-	9	-	9
Balance at 31 October 2023 (Unaudited)	1,025	522	(145)	36	2,710	4,148
Balance at 1 May 2023	1,025	522	(145)	27	2,753	4,182
Profit for the year	-	-	-	-	282	282
Fair value loss on financial assets through other comprehensive income	-	-	(6)	-	-	(6)
Share based payment expense	-	-	-	58	-	58
Equity dividends paid	-	-	-	-	(77)	(77)
Transfer on disposal of financial asset	-	-	151	-	(151)	-
Balance at 30 April 2024 (Audited)	1,025	522	-	85	2,807	4,439

Fletcher King Plc
Consolidated Interim Statement of Cash Flows
for the 6 months ended 31 October 2024

	6 months ended 31 October 2024 (Unaudited) £000	**6 months ended 31 October 2023 (Unaudited) £000 (restated)***	Year ended 30 April 2024 (Audited) £000
Cash flows from operating activities			
Profit before taxation from continuing operations	**85**	50	452
Adjustments for:			
Depreciation and amortisation expense	**98**	97	194
Investment income	**-**	(7)	(20)
Finance income	**(70)**	(37)	(94)
Finance expense	**5**	7	14
Share based payment expense	**26**	9	58
Cash flows from operating activities before movement in working capital	**144**	119	604
Decrease/(increase) in trade and other receivables	**748**	311	(415)
(Decrease)/increase in trade and other payables	**(694)**	(482)	509
Net cash flows from / (used in) operating activities	**198**	(52)	698
Cash flows from investing activities			
Purchase of fixed assets	**-**	-	(14)
Sale of financial asset	**-**	-	479
Increase in fixed term deposits	**(450)**	(563)	(1,013)
Investment income	**-**	7	20
Finance income	**70**	37	94
Net cash flows used in investing activities	**(380)**	(519)	(434)
Cash flows from financing activities			
Lease payments	**(91)**	(64)	(128)
Dividends paid to shareholders	**(230)**	(77)	(77)
Net cash flows used in financing activities	**(321)**	(141)	(205)
Net (decrease)/increase in cash and cash equivalents	**(503)**	(712)	59
Cash and cash equivalents at start of period	**1,327**	1,268	1,268
Cash and cash equivalents at end of period	**824**	556	1,327

* Restated following reclassification of fixed term deposits with a maturity date of greater than three months at inception which on further review did not meet the definition of cash and cash equivalents (see note 2).

Explanatory Notes

1. General information

The Company is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is 19-20 Great Pulteney Street, London W1F 9NF.

These interim financial statements were approved by the Board of Directors on 20 December 2024.

2. Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as endorsed by the UK. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Standards Interpretations Committee (IFRIC) and there is an ongoing process of review and endorsement by the UK Endorsement Board. The financial information has been prepared on the basis of IFRS that the Directors expect to apply for the year ended 30 April 2025.

The accounting policies applied by the Group in this interim report are the same as those applied by the Group in the consolidated financial statements for the year ended 30 April 2024. There are no new standards, interpretations and amendments, effective for the first time from 1 May 2024, that have had a material effect on the financial statements of the Group.

The Statement of Financial Position as at 31 October 2023 and the Statement of Cash Flows for the six month period to 31 October 2023 have been restated following reclassification of fixed term deposits with a maturity date of greater than three months at inception which on further review did not meet the definition of cash and cash equivalents.

3. Non Statutory Accounts

The financial information for the periods ended 31 October 2024 and 31 October 2023 and the year ended 30 April 2024 set out in this interim report does not constitute the Group's statutory accounts for that period. Whilst the financial figures included in this interim report have been computed in accordance with IFRS, this interim report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS34. The statutory accounts for the year ended 30 April 2024 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The financial information for the 6 months ended 31 October 2024 and 31 October 2023 is unaudited.

4. Earnings per share

	6 months to 31 October 2024 Number	**6 months to 31 October 2023 Number**	Year ended 30 April 2024 Number
Weighted average number of shares for basic earnings per share	**10,252,209**	10,252,209	10,252,209
Share options (dilution at prevailing average share price)	**27,545**	-	-
Weighted average number of shares for diluted earnings per share	**10,279,754**	10,252,209	10,252,209
	£000	£000	£000
Earnings for basic and diluted earnings per share:	**53**	24	282
Basic earnings per share	**0.52p**	0.33p	2.75p
Diluted earnings per share	**0.52p**	0.33p	2.75p

Forward Looking Statements

Certain statements in this announcement are forward-looking statements relating to the Company's operations, performance and financial position based on current expectations of, and assumptions and forecasts made by, management. They are subject to a number of risks, uncertainties and other factors which could cause actual results, performance or achievements of the Company to differ materially from any outcomes or results expressed or implied by such forward-looking statements. Undue reliance should not be placed on such forward looking statements. They are made only as of the date of this announcement and no representation, assurance, guarantee or warranty is given in relation to them including as to their accuracy, completeness, or the basis on which they are made.