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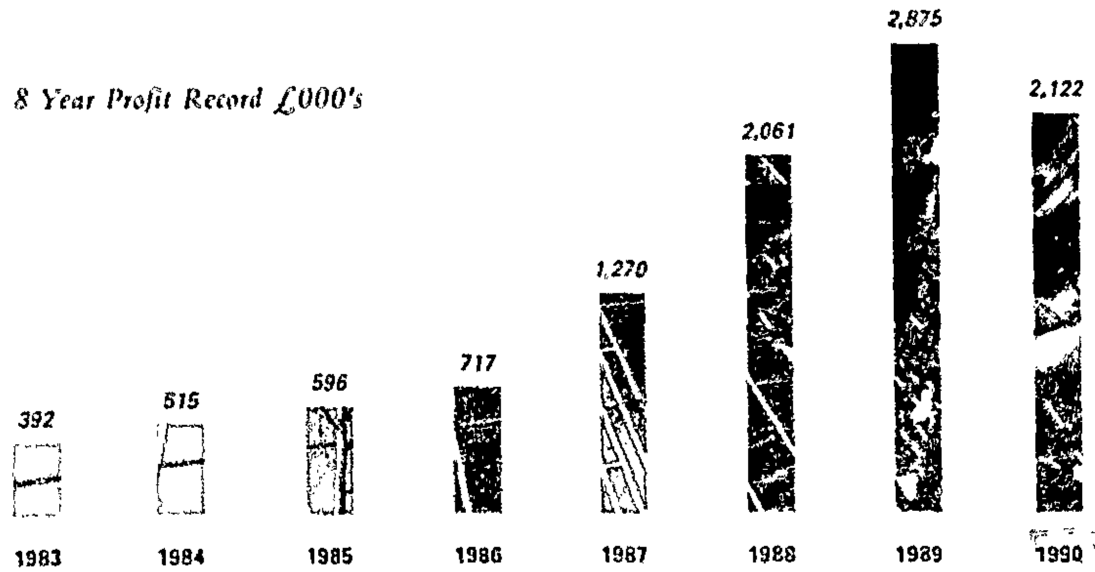
Fletcher King Plc *Financial Highlights*

	Year ended 30 April 1990 £000	Year ended 30th April 1989 £000	Increase (Decrease) %
Turnover	9,166	8,395	9.18
Profit on ordinary activities before taxation	2,122	2,875	(26.19)
Profit after taxation	1,321	1,815	(27.21)
Dividends	766	895	
Dividends per share	9.0p	10.6p	(15.09)
Earnings per share	15.6p	21.5p	(27.44)

8 Year Profit Record £000's



Above: *Hedge End Retail Park*

Right: *Old Bailey, London EC4*

The results of the year to 30th April 1990 are disappointing, reflecting a much sharper slowdown in activity during the second half of the year than we had anticipated, as a consequence of the increasing impact of the Government's high interest rate policy on the property sector in terms of reduced demand and delayed decision-making.

Despite these market uncertainties, we carried out a significant level of business during the year, achieving the highest turnover and second highest profit in our history. The Professional Services Department and Howard Associates (the Group's construction management, project management and quantity surveying subsidiary) both performed exceptionally well, and ahead of targets. The other divisions generally performed well, although unable to meet our original expectations in the face of deteriorating market conditions.

We continued our vigilance on overheads and took firm action early in the second half-year to reduce our costs, particularly in administration and back-up functions.

In view of the continuing uncertainties in the property sector your Directors are proposing the payment of a final dividend of 4.7p per share which will be paid on 1st October 1990, subject to shareholders' approval at the Annual General Meeting, to shareholders on the register at the close of business on 13th July 1990. With the interim dividend already paid the total dividends for the year will amount to 9p per share (1988/89 10.6p).

At the present time our order book is fuller than ever, with increased instructions in hand in most divisions. However, our ability to convert these instructions into fees will depend to a large degree on the rate of take-up in the market. This is currently difficult to predict with both tenants and investment buyers taking longer to reach decisions than at any time in the last ten years.

Our growing reputation and accepted professionalism stands us in good stead in these conditions, with clients looking to us increasingly for in-depth advice on all property decisions. The high level of instructions we are receiving lead us to believe we are increasing our market share.

We run a tight organisation with a dedicated, highly professional and hard working staff and I congratulate them all on their efforts to maintain and develop the quality of our business.

The prospects for the current year are unpredictable and I believe we are likely to see more property companies experiencing financial difficulties. Times like these also, however, offer great opportunities for many of our clients.

The wide spread of our client base and the range of our activities, to which I have referred in previous reports, have been of great value in enabling us to generate better results than some of our specialist competitors in current conditions. I believe these features will continue to provide a stable foundation for our business.

Once again I would like to thank all of our clients for their continued support and our staff for their dedication and effort without which these results would not have been possible.

David Fletcher

Chairman

Investment and Finance

The level of activity in the property investment market has fallen since the strong start at the beginning of the year, with investors preferring cash returns Consequently, prices have fallen in the second half of the year and deals are taking longer to complete

Against this background the department did well to maintain its income for the year. Acquisitions with a value of £140m during the year included some for overseas clients, a Freehold office investment in Golden Square for over £15m for investors introduced by our Dutch associates, and three developments for Danish clients One of these, a joint project with one of our UK Pension Fund clients is an office scheme of 180,000 sq ft of offices in Croydon town centre, due for completion in 1992

Some 40% of our business has been in sales, some as strategic portfolio management, where timing is of critical importance Acting for funds developers and property companies, investments of over £100m were sold including a sale and leaseback on Avis Europe's Bracknell Headquarters raising £18m Manchester has been a centre of activity during the year and there we sold Sunlight House, a multi-let office building for £16m, and two office developments, in Salford Quays Enterprise zone, for £14.8m

Some good investment opportunities will arise in the current climate for those with cash and since the year end we have been active in making strategic acquisitions for property companies and pension funds, including a portfolio of 11 prime High Street Woolworth stores

Industrial and Business Parks

Having started the year in a very buoyant market, and ended it in a more muted one, the Department achieved an increase on last year's fee income In the year a total of 784,000 sq ft was let or acquired with 388,000 sq ft on business parks and 396,000 sq ft of other business use, industrial or warehouse units In addition, rent reviews were undertaken for landlords and tenants on a total of 666,000 sq ft Notable during the year was the sale of a site for a 20 acre business park in Hungerford and the subsequent reinstruction to let the development, the letting of 106,000 sq ft at Capability Green, Luton Hoo to Whitbread & Company Plc and Siemens Communications Systems Limited, the preletting of 165,000 sq ft at the Campus, Hemel Hempstead to Crosfield Electronics Limited and 60,000 sq ft at Winnersh Triangle to Royal Mail Parcel Force

The Department enters what is anticipated to become a more

Above Right: *Select Business Park*

Below: *Waterstones Bookshop*

Above: *Capability Green*

Right: *Charles Street London W1*

Communications. In addition following the year end, the team has sold a headquarters building of 51,000 sq ft on a freehold basis at a figure in excess of £25m. Following the acquisition of a new 150,000 sq ft City headquarters for BDO Binder Hamlyn, the team have sold their existing 80,000 sq ft office building in EC4.

The Decentralised team has seen an increased amount of activity but with a number of transactions taking longer than previously experienced. Significant lettings included Solaris Court, Milton Keynes 50,000 sq ft to Royal Mail Parcels; Trinity Square, Hounslow 30,000 sq ft to TWA and 38,000 sq ft to American Airlines, all at record rentals. We continue to be involved in new large office developments with instructions comprising over 750,000 sq ft. In addition, the 250,000 sq ft project at *Salford Quays* on behalf of Amec Properties Limited will be completed in phases from November 1990 with an encouraging level of interest being expressed in these buildings.

Valuation and Professional Services

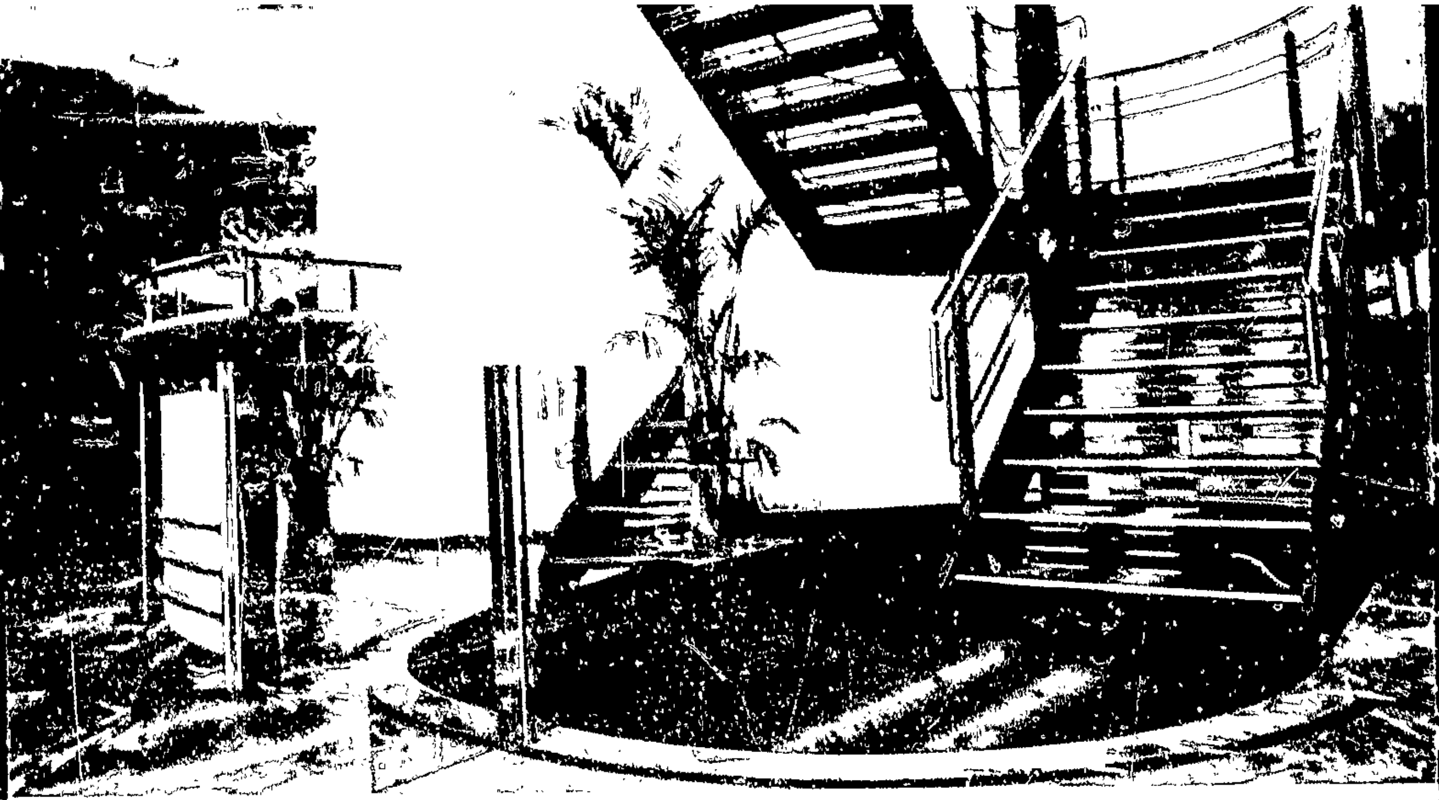
The department achieved a significant increase in income during the year, with valuations being carried out for Vauxhall Motors in respect of substantial production facilities at Elmere Port and Luton, Power Corporation plc and BET Plant Services throughout the country. Professional advice to the Ministry of Agriculture Fisheries and Food concerning the possible privatisation of the Covent Garden Fruit and Vegetable Market at Nine Elms marked the first instruction for a Government body. Annual revaluations were carried out for our major clients whose property portfolios are advised by the Management department.

The impact of the 1990 Rating Revaluation is finally being realised by the occupiers of commercial premises and instructions have increased substantially, both in number and value, notably from Waterstone, Avis and subsidiary companies within the Electro-Components Group.

Management

The income from the department's Pension Fund, Insurance Company and Family Trust clients was maintained during the year despite some sales which were offset by new lettings and rent review increases. Further new lettings will contribute to the department's income during the current year.

Negotiations and Court proceedings under the Landlord and Tenant Acts have provided vacant possession on properties in Old Bond Street, and redevelopment and refurbishment programmes are in hand. An office



building for Eutectic Limited and an international size Ice Rink at Blackburn for Arena Associates valued at £4m. Recent appointments include a Fitness Centre for Espree Leisure at Royal Mint Court for £2.5m.

Hawards Quantity Surveyors have completed many traditional contracts during the year including a £4m Distribution Centre at Chester, the first phase of the new Northampton High School and four industrial units at Nottingham for Arkwright Developments Plc valued at £3m. Work has started on the £8m extension to the Northampton Guildhall, the £10m second phase of the High School and on 800,000 sq ft of offices being built at East India Dock.

In addition to these main activities and following clients requests, advice on Materials Handling Systems for Distribution Centres is provided and prospects appear good to expand this activity.

International

Our international association with Grubb & Ellis in America and our Network throughout Europe continues to operate most satisfactorily and we are now acting in the UK for new clients from Holland, Scandinavia, France, America and Japan.

These new clients are producing a flow of fee income and there is every indication that this will continue and increase in the years ahead.

Our strategy is to work with local organisations around the world, since our stock in trade is local knowledge, and they will always know their own markets better than we could ever hope to. Whilst we had feared that this approach would be difficult to market as there is not a common name, this has not proved a problem and we are more than satisfied with the results to date.

In addition to Grubb & Ellis' 160+ offices throughout America, our Associates in Europe now represent us throughout Germany, France, Italy and the Netherlands. We are hopeful of extending this network to Spain and Scandinavia in the future.

We have a close working relationship in Tokyo and we are working on expanding representation in the Pacific basin and the Far East.

Sport

Sporting activities continue to flourish with the company actively involved in various competitions, including tennis, football, softball, cricket, squash and golf. Entry into the mixed hockey league this year proved successful, as was the annual London Estate Agents 7-A-Side Tournament.

Fletcher King Plc *Directors' Report*

for the year ended 30 April 1990

The directors present their report and the audited financial statements for the year ended 30 April 1990.

Principal Activities

The group carries on the business of commercial estate agency surveying and construction management, providing a comprehensive range of services and expert advice throughout the United Kingdom.

A review of the group's business and activities during the period and future prospects are contained in the Chairman's statement.

Results and Dividend

The consolidated profit and loss account is set out on page twelve. The directors recommend the payment of a final dividend of 4.7p per share (1989 – 6.3p) which, together with the interim dividend of 4.3p per share (1989 – 4.3p) already paid to shareholders, will absorb £766,000. This leaves an amount of £555,000 to be retained in the business and transferred to reserves.

Fixed Assets

Details of the movement in tangible fixed assets are set out in note 7 to the financial statements.

Political and Charitable Contributions

During the period donations to charities by the group totalled £2,449 (1989 – £2,845). There were no political contributions.

Share Capital

A summary of the movements in share capital during the year is given in note 14 to the financial statements.

Directors

The current directors of the company are listed on the inside front cover. Changes in directors during the year are set out in note 17 to the financial statements together with details of their interests in the shares of the company and the unexpired period of their service contracts.

No director had any material interest in contracts during the year with the company, apart from service contracts.

Messrs M C Sabey, S R E Pilgrim and P M Hunter retire by rotation in accordance with the company's articles of association and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

J W Campbell retires at the Annual General Meeting and will continue to lead the Project Coordination department.

Close Company Status

In the opinion of the directors the company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

Substantial Shareholdings

Up to 6 June 1990, other than the interests of certain directors detailed in note 17 to the financial statements and the persons noted below, the directors are aware of no interests of 3% or more in the share capital of the company.

	Number of ordinary shares held	%
Mr R J Ruddell	510,760	6.00
Mr J Williams	322,695	3.79
Mr N Orme	301,609	3.54
TSB Group Plc	295,000	3.47
Prudential Portfolio Managers Limited	285,000	3.35

Authority to Allot Unissued Shares

In accordance with normal practice the directors propose to take the usual authorities under Section 80 and 95 of the Companies Act 1985. Therefore it is proposed to extend the Section 80 authority given at the last Annual General Meeting in September 1989 for a further year in respect of ordinary 10p shares up to a maximum of 2,320,721 shares (£232,072).

Apart from the Employee Share Option Scheme and the post balance sheet event referred to in note 12 to the financial statements, there is at present no intention of issuing any further ordinary shares. In any event, no issue will be made which would effectively alter the control of the company without the prior approval of the company in general meeting.

Fletcher King Plc *Directors' Report*

for the year ended 30 April 1990

…hase of shares Your directors, in line with other boards of directors of listed companies, consider that it would be appropriate for the company to have the authority to purchase its own shares as one of a range of investment options available to them, more especially if the purchase of its own shares produced an improvement in earnings per share. Shareholders should be assured that the board will commence purchasing shares only after careful consideration and after taking account of the overall financial position of the group.

An ordinary resolution will be proposed to authorise the company to make market purchases of up to a maximum of 420,000 of its own shares, representing less than 5% of the existing issued ordinary shares. The maximum price to be paid on any exercise of the authority will be restricted to 5% above the average of the middle market quotations as derived from The Stock Exchange Daily Official List for the ordinary shares for the ten dealing days immediately prior to the purchase. The minimum price that may be paid for the ordinary shares is the nominal value of 10p per share. The authority for the purchase sought at the Annual General Meeting expires at the conclusion of the next Annual General Meeting which is expected to take place in August 1991. The intention of the board is to seek to renew the authority at all future Annual General Meetings.

Auditors A resolution for the reappointment of BDO Binder Hamlyn as auditors of the company will be proposed to the Annual General Meeting.

By order of the Board

D M Evans
Secretary

6 June 1990

Fletcher King Plc *Auditors' Report*

for the year ended 30 April 1990

We have audited the financial statements on pages 12 to 24 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group at 30 April 1990 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Binder Hamlyn
Chartered Accountants
8 St Bride Street London EC4A 4DA

BDO Binder Hamlyn

6 June 1990

Fletcher King Plc *Consolidated Profit and Loss Account*

for the year ended 30 April 1990

Notes		1990	1989
		£000	£000
	Turnover	**9,166**	8,395
18	Staff costs	**(4,385)**	(3,202)
7	Depreciation	**(376)**	(281)
	Other operating charges	**(2,467)**	(2,168)
	Trading profit	**1,938**	2,744
	Other interest receivable and similar income	**286**	208
	Finance charges	**(102)**	(77)
2	**Profit on ordinary activities before taxation**	**2,122**	2,875
4	Tax on profit on ordinary activities	**(801)**	(1,060)
	Profit on ordinary activities after taxation	**1,321**	1,815
5	Dividends	**(766)**	(895)
	Amount transferred to reserves	**555**	920
6	Earnings per share	**15.6p**	21.5p

Fletcher King Plc *Consolidated Balance Sheet*

at 30 April 1990

Notes		1990		1989	
		£000	£000	£000	£000
	Fixed Assets				
7	Tangible assets		1,675		1,411
	Current Assets				
9	Debtors	2,587		2,469	
	Cash at bank and in hand	1,379		2,004	
		3,966		4,473	
10	**Creditors** (amounts falling due within one year)	(2,398)		(3,085)	
	Net Current Assets		1,568		1,388
	Total Assets less Current Liabilities		3,243		2,799
11	**Creditors** (amounts falling due after more than one year)		(299)		(369)
13	Provisions for Liabilities and Charges		(99)		(78)
	Net Assets		2,845		2,352
	Capital and Reserves				
14	Called up share capital		851		844
15	Share premium account		49		49
15	Other reserve		(524)		(455)
15	Profit and loss account		2,469		1,914
			2,845		2,352

Signed on behalf of the Board

D J R Fletcher
Director

M C Sabey
Director

Fletcher King Plc *Balance Sheet*

[illegible]

Notes		1990		1989	
		£000	£000	£000	£000
	Fixed Assets				
8	Investments		749		650
	Current Assets				
9	Debtors	2,114		1,822	
	Cash at Bank and in hand	1		–	
		2,115		1,822	
10	**Creditors**				
	(amounts falling due within one year)	(534)		(715)	
	Net Current Assets		1,581		1,107
	Total Assets less Current Liabilities		2,330		1,787
11	**Creditors**				
	(amounts falling due after more than one year)		(17)		(28)
	Net Assets		2,313		1,759
	Capital and Reserves				
14	Called up share capital		851		844
16	Share premium account		49		49
16	Profit and loss account		1,413		866
			2,313		1,759

Signed on behalf of the Board

D J R Fletcher
Director

M C Sabey
Director

Fletcher King Plc *Consolidated Statement of Source and Application of Funds*

for the year ended 30 April 1990

	1990	1989
	£000	£000
Funds generated from operations		
Profit on ordinary activities before taxation	2,122	2,875
Items not involving the movement of funds		
Depreciation	376	281
(Profit) on sale of fixed assets	(10)	(12)
Total generated from operations	2,488	3,144
Other Sources		
Issue of loan stock	–	28
Issue of shares net of expenses	7	1,198
Proceeds on sale of fixed assets	185	117
Taxation liabilities of subsidiary at acquisition	–	48
Applications		
Redemption of loan stock	(11)	–
Deferred consideration	(69)	–
Purchase of goodwill	–	(1,464)
Purchase of fixed assets	(816)	(1,042)
Taxation paid	(1,379)	(995)
Dividends	(898)	(737)
	(492)	297
(Decrease)/Increase in working capital		
Debtors	165	479
Creditors	(32)	(742)
	133	(263)
(Decrease)/Increase in net liquid funds	(625)	560
	(492)	297

1 Accounting Policies

The significant accounting policies adopted in preparing the financial statements are as follows

(a) Accounting convention and basis of consolidation
The group financial statements have been prepared under the historical cost convention. They include the financial statements of the company and all its subsidiaries made up to 30 April. The results of subsidiary companies acquired during the year are included from the effective date of acquisition. Any goodwill arising on consolidation is written off directly to reserves

(b) Turnover
Turnover consists of 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, except that fees for quantity surveying, construction management and project management are included in turnover in proportion to the value of work completed. This represents a change of treatment to comply with the revised version of Statement of Standing Accountant Practice No. 9 ("SSAP 9") but the change had no material effect on turnover and no effect on the recognition of profit and accordingly the comparative figures have not been restated

(c) Depreciation
Depreciation is calculated to write off the cost less residual value of assets over their useful lives at the following rates

Fixtures and fittings	15% per annum reducing balance
Motor cars	25% per annum reducing balance
Computers and word processors	15% per annum straight line
Lease premiums	Over the life of the related lease

(d) Deferred taxation
Provision is made using the liability method for taxation deferred by timing differences to the extent that it is considered that a liability will crystallise in the foreseeable future

(e) Long term contracts
Long term contracts relating to quantity surveying, construction management and project management are valued at cost plus attributable profit less any foreseeable losses. To comply with the revised version of SSAP 9, the amount recoverable on contracts is included in debtors, rather than being shown as a separate item, and the comparative figures have been restated accordingly

(f) Finance leases and hire purchase agreements
Assets held under finance leases and hire purchase agreements are included in tangible fixed 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 profit and loss account so that the annual rate of charge on the outstanding obligation is approximately constant

2 Profit on Ordinary Activities Before Taxation

	1990	1989
	£000	£000
After charging		
Directors' emoluments (see note 3)	588	582
Depreciation	376	281
Hire of plant and machinery	84	89
Operating lease payments relating to property	285	289
Auditors' remuneration	26	23
Interest payable on finance leases and hire purchase agreements	102	77
After crediting		
Profit on sale of fixed assets	10	12

3 Directors' Remuneration

	1990	1989
	£000	£000
Remuneration as executives	868	582

Directors' fees and remuneration are as follows:

Chairman and highest paid director	146	87
Other directors' fees and remuneration are within the following bands	Number	Number
£30,001-£35,000	—	1
£60,001-£65,000	1	1
£70,001-£75,000	—	2
£75,001-£80,000	—	2
£80,001-£85,000	1	2
£130,001-£135,000	4	—
£150,001-£155,000	1	—

The company makes no pension contributions on behalf of directors or staff

Following the substantial increase in salaries throughout the profession an independent report on Directors' salaries was carried out by Towers Perrin and their recommendations were implemented from 1 May 1989

The Directors have waived for the year their entitlement to a bonus which would have amounted to £18,000

4 Tax on Profit on Ordinary Activities

	1990	1989
	£000	£000
UK corporation tax at 35% (1989 — 35%)	780	1,051
Transfer to deferred tax (note 13)	21	9
	801	1,060

5 Dividends

	1990	1989
Interim of 4.[illegible] (1989 — 4.3p) per share — paid	366	363
Final of 4.7p (1989 — 6.3p) per share — proposed	400	532
	766	895

6 Earnings per Share

The earnings per share are based on the profit after taxation for the year ended 30 April 1990 of £[illegible] (1989 – £1,815,000) and on 8,495,757 (1989 – 8,438,382) ordinary shares being the weighted average number of shares in issue during the period.

7 Tangible Fixed Assets — Group

	Plant and machinery £000	Vehicles £000	Short term lease premiums £000	Total £000
Cost				
At 1 May 1989	1 190	934	75	2 199
Additions	239	576	–	815
Disposals	(27)	(273)	–	(300)
At 30 April 1990	1,402	1 237	75	2,714
Depreciation				
At 1 May 1989	522	261	5	788
Charge for the year	140	232	4	376
Disposals	(15)	(110)	–	(125)
At 30 April 1990	647	383	9	1,039
Net book value				
At 30 April 1990	**755**	**854**	**66**	**1,675**
At 30 April 1989	668	673	70	1,411

Tangible fixed assets include assets acquired under finance leases and hire purchase agreements as follows

	1990 £000	1989 £000
Net book value	1,098	724
Depreciation charge for the year	286	181

8 Investments – Company

	Cost £000	Provision £000	Net book value £000
Shares in subsidiaries			
At 1 May 1989	840	160	680
Deferred consideration for acquisition of subsidiary (note 12)	69	—	69
At 30 April 1990	909	160	749

The company's principal subsidiaries, all of which are wholly owned and incorporated in Great Britain, are

(i) Fletcher King Services Limited which acts as the trading subsidiary through which the Fletcher King business is carried on;

(ii) Ernest Howard Limited which acts as quantity surveyors, construction managers and project managers, and,

(iii) Fletcher King Financial Services Limited which provides property investment advice and is a member of The Securities Association.

9 Debtors

	Group 1990 £000	Company 1990 £000	Group 1989 £000	Company 1989 £000
Trade debtors	2,024	—	1,951	—
Amounts owed by group companies	—	681	—	285
Other debtors	13	—	9	—
Amounts recoverable on contracts	275	—	169	—
Prepayments and accrued income	142	—	160	—
Dividends receivable	—	1,300	—	1,360
Taxation recoverable	133	133	180	177
	2,587	2,114	2,46	1,822

With the exception of taxation recoverable of £133,000 (1989 – £177,000) all amounts are due within one year

10 Creditors: (amounts falling due within one year)

	Group 1990 £000	Company 1990 £000	Group 1989 £000	Company 1989 £000
Obligations under finance leases and hire purchase agreements	404	–	341	–
Amounts owed to group companies	–	1	–	1
Trade creditors	96	–	32	–
Corporation tax	655	133	1,301	177
Other taxes and social security	341	–	260	–
Progress payments	151	–	82	–
Accruals and deferred income	351	–	537	5
Proposed dividend	400	400	532	532
	2,398	534	3,085	715

11 Creditors: (amounts falling due after more than one year)

	Group 1990 £000	Company 1990 £000	Group 1989 £000	Company 1989 £000
Obligations under finance leases and hire purchase agreements	282	–	341	–
Convertible unsecured loan stock 1991 (note 12)	17	17	28	28
	299	17	369	28

12 Convertible Unsecured Loan Stock 1991

As part of the consideration for Ernest Howard Limited, the company issued £[illegible] Convertible Unsecured Loan Stock 1991.

The stock is interest free and is convertible into a maximum of 28[illegible] ordinary shares of 10p each [illegible] prior to redemption dependent upon the profitability of Ernest Howard Limited. During the year £[illegible] of loan stock was converted into 113,894 ordinary shares of 10p each in the company. However, the agreement for the deferred consideration was amended so that in respect of this 74,791 ordinary shares of 10p each in the company were issued and the balance of the amount due on conversion was satisfied by the payment of £[illegible] in cash, being the market value of the shares not being issued. Subsequent to 30 April 1990, £16,[illegible] of loan stock, being the balance in issue, is due to be converted into 166,106 ordinary shares of 10p each in the company.

13 Provisions for Liabilities and Charges

	Group £000
Deferred taxation	
At 1 May 1989	78
Transfer from profit and loss account (note 4)	21
At 30 April 1990	99

The potential deferred taxation at 30 April, which has been provided in full, is made up as follows

	Group 1990 £000	Group 1989 £000
Timing differences		
Accelerated capital allowances	28	46
Other	71	32
	99	78

There is no potential deferred taxation in the company (1989 – nil).

14 Called up Share Capital

	£
Authorised 11,000,000 ordinary shares of 10p each	1,100,000
Allotted and fully paid 8,513,173 ordinary shares of 10p each	851,317

(a) Summary of movements

	Authorised £	Allotted and fully paid Number	£
At 1 May 1989	1,100,000	8,438,382	843,838
Further allotment to shareholders of Ernest Howard Limited on acquisition of that company (note 12)	–	74,791	7,479
At 30 April 1990	1,100,000	8,513,173	851,317

(b) Employee share option scheme

At 30 April 1990 the following options in respect of the company's ordinary shares of 10p each were outstanding under the company's Employee Share Option Scheme

	Number of shares	Exercise price	Exercise dates from	to
Date of grant				
1 December 1986	59,997	175p	December 1989	December 1996
31 July 1987	11,572	221p	July 1990	July 1997
10 March 1988	137,000	175p	March 1991	March 1998
31 July 1988	181,430	215p	July 1991	July 1998
12 February 1989	155,000	180p	February 1992	February 1999
1 September 1989	75,000	195p	September 1992	September 1999
	619,999			

15 Reserves — Group

	Share premium account £000	Other reserve £000	Profit and loss account £000
At 1 May 1989	49	(455)	1,914
Goodwill arising on payment of deferred consideration	—	(69)	—
Retained profit for the year	—	—	555
At 30 April 1990	**49**	**(524)**	**2,469**

16 Reserves — Company

	Share premium account £000	Profit and loss account £000
At 1 May 1989	49	866
Retained profit for the year	—	547
At 30 April 1990	**49**	**1,413**

In accordance with Section 228 (7) of the Companies Act 1985 a separate profit and loss account for the company is not presented. The amount of profit attributable to the company, which has been dealt with in its own accounts, is £1,313,000 from which dividends paid and proposed of 9p per share for the year, totalling £[illegible] will be deducted.

17 Directors

The directors of the company at 30 April 1990 are shown below, together with their and their families' beneficial interests in the company's ordinary shares of 10p each:

	Number of shares		Options to acquire shares	
	30 April 1990	1 May 1989	30 April 1990	1 May 1989
D J R Fletcher	1,324,360	1,324,360	—	—
M C Sabey	1,224,360	1,224,360	—	—
A J White	325,440	325,440	25,000	25,000
M E P Parry	200,440	200,440	25,000	25,000
S R J Pilgrim	203,400	203,400	80,000	80,000
J W Campbell	191,800	181,800	10,000	10,000
P M Hunter	301,609	301,609	—	—

Mr N T Orme resigned as a director on 31 October 1989.

There have been no changes in the shareholdings of any of the directors between 1 May 1990 and 6 June 1990. Mr P M Hunter has a service contract expiring on 5 November 1990. All other directors have service contracts subject to 6 months notice.

18 Employees

The average number of persons (including directors) employed by the group was [illegible]

	1990 £000	1989 £000
Wages and salaries	**3,953**	2,907
Social security costs	**432**	295
	4,385	3,202

19 Contingent Liabilities and Financial Commitments

(a) Contingent liabilities
There were no contingent liabilities

(b) Financial commitments
At 30 April the group had annual commitments under non-cancellable operating leases as follows

	1990		1989	
	Property £000	**Other £000**	Property £000	Other £000
Operating leases which expire				
Within one year	**43**	**23**	-	10
In the second to fifth years inclusive	**16**	**9**	75	47
After five years	**198**	**—**	214	—
	257	**32**	289	57

The future payments, net of future finance charges, to which the group was committed at 30 April under finance leases and hire purchase agreements are due as follows

	1990 £000	1989 £000
Within one year	**404**	341
In the second year	**234**	278
Between three and five years	**48**	63
	686	682

The company has no lease obligations

20 Approval of the Financial Statements

These financial statements were approved at a directors' meeting held on 6th June 1990

Fletcher King Plc *5-Year Summary of Results*

for the year ended 30 April 1990

	1986 £000	1987 £000	1988 £000	1989 £000	**1990** **£000**
Turnover	2,240	3,399	5,771	8,395	**9,104**
Profit before tax (i)	717	1,270	2,061	2,875	**2,122**
Profit after tax (ii)	410	810	1,294	1,815	**1,321**
Earnings per share	6.7p	12.6p	18.4p	21.5p	**15.6p**

(i) Profit before tax is on the basis that the present group structure had been in existence throughout the period and includes notional directors' emoluments on the basis of contracts with directors presently or previously in force.

(ii) Profit after tax has been arrived at after deducting a notional charge for taxation based on the profit on ordinary activities as though the Fletcher King partnership had carried on the business as a company throughout the period.

Notice is hereby given that the Fourth Annual General Meeting of Fletcher King Plc will be held at Stratton House, Stratton Street, London W1X 5FE on Friday 24 August 1990 at 12 noon for the following purposes

Ordinary Business

1 To receive and consider the report of the directors and financial statements for the year to 30 April 1990

2 To declare a dividend

3 To re-elect the following directors who retire in accordance with the company's articles of association
(i) Mr M C Sabey
(ii) Mr S R E Pilgrim
(iii) Mr P M Hunter

4 To re-appoint BDO Binder Hamlyn as auditors and authorise the directors to fix their remuneration

Special Business

To consider and, if thought fit, to pass the following resolutions of which resolutions under number 5 and number 7 will be proposed as ordinary resolutions and resolution number (6) will be proposed as a special resolution

5 That the directors of the company be and are hereby authorised generally and unconditionally for the purpose of Section 80 of the Companies Act 1985 (such authority to be in substitution for all previous authorities granted to the directors for the purpose of the said Section 80) to allot relevant securities (as defined in that Act) up to a maximum number of 2,320,721 of the unissued ordinary shares of 10p each of the company with a nominal value of £232,072, such authority to expire at the conclusion of the next Annual General Meeting of the company and at any time thereafter pursuant to any offer or agreement made by the company before the expiry of this authority

6 That the directors of the company be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (as defined in Section 94 of that Act) pursuant to the authority conferred by the immediately preceding resolution as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment, provided that this power shall be limited

(a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them but subject to such other exclusion or arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or any stock exchange in any country, and,

(b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £42,565 (being 5% of the said issued capital of the company),

and shall expire at the conclusion of the next Annual General Meeting of the company unless it is renewed by special resolution of the company in general meeting, provided that if the company before such expiry makes an offer or agreement which would or might require equity securities to be allotted after such expiry, the directors of the company may allot equity securities in pursuance of such offer or agreements as if the power conferred hereby had not expired

7 That, the company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 10p each in the capital of the company ("ordinary shares") provided that

(a) the maximum number of ordinary shares hereby authorised to be purchased is 420,000,

(b) the maximum price which may be paid for each ordinary share is 5% above the average of the middle market quotations for shares of the same class derived from The Stock Exchange Daily Official List for the 10 dealing days immediately prior to the date of the purchase of such shares and the minimum price that may be paid for the ordinary shares is the nominal value of 10p per share,

(c) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the company to be held in 1991 unless such authority is renewed prior to such time, and

(d) the company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of the authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract

By order of the Board

D M Evans
Secretary

6 June 1990

Notes

(a) A member of the company entitled to attend and vote is entitled to appoint a proxy or proxies to attend and on a poll to vote instead of him or her. A proxy need not be a member of the company. To be valid the form of proxy must be completed, signed and deposited at the office of the company's registrars not less than 48 hours before the time appointed for the meeting

(b) The following information, which is available for inspection during the normal business hours at the registered office of the company on any weekday (Saturdays and public holidays excepted) from the date of this notice until the date of the Annual General Meeting, will also be available at the place of the Annual General Meeting from 11.45 am on the date of the meeting until the conclusion of the meeting

(i) register of interests of directors in the share capital of the company, and

(ii) copies of contracts of service under which directors of the company are employed

Fletcher King Plc *Form of Proxy*

For use at the Annual General Meeting of the Company to be held at 12 noon on 24 August 1990.

I/We *(Block capitals please)* ______________________________

of ______________________________

____

being (a) member(s) of the Company, hereby appoint the Chairman of the Meeting or (see Note 5) ________

____

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on 24 August 1990 and at any *adjournment* thereof.

I/We direct my/our proxy to vote on the Resolutions set out in the notice convening the Annual General Meeting as follows:

	For	Against
To adopt Ordinary Resolution 1		
To adopt Ordinary Resolution 2		
To adopt Ordinary Resolution 3(i)		
To adopt Ordinary Resolution 3(ii)		
To adopt Ordinary Resolution 3(iii)		
To adopt Ordinary Resolution 4		
To adopt Ordinary Resolution 5		
To adopt Special Resolution 6		
To adopt Ordinary Resolution 7		

Signature ______________________________ Dated ______________

Notes

1 Please indicate with an 'X' in the spaces provided how you wish your votes to be cast. If you do not indicate how your votes are to be cast the proxy will vote as he thinks fit or abstain

2 In the case of a corporation, this *form* of proxy must be under the common seal or under the hand of an officer or duly authorised attorney. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other registered holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members

3 To be effective this form of proxy, and the power of attorney or other authority (if any) under which it is signed, or a notarilly certified or office copy of such power or authority, must be deposited at the office of the company's registrars, not less than 48 hours before the time of the meeting

4 Any alterations made to this form of proxy should be initialled

5 If you wish to appoint a proxy other than as above please delete the reference to the Chairman and insert the name of your proxy or proxies, who need not be members of the company, in the space provided. A proxy must attend the meeting in person to represent you. Your appointment of a proxy will not preclude you from attending and voting at the meeting

Third fold and tuck in

BUSINESS REPLY SERVICE
Licence No. BS 2282

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First fold

National Westminster Bank PLC
Registrar's Department
Registrars of Fletcher King Plc
PO Box No. 82
Caxton House
Redcliffe Way
Bristol
BS99 7NH

Second fold