Half Yearly Financial Report

30 November 2015

Fiske plc

Chairman's Statement

Trading
Our results for the first half of the year are disappointing with a pre-tax loss of £662,000 compared to a loss for the comparable period in the previous year of £162,000. Our trading has suffered as a result of weakening markets which have depressed day to day commission revenues. Conversely fee revenue from our assets under advice and management has risen when compared to the prior year. This has resulted in our total revenue falling by only 7% to £1.226 million (2014: £1.318 million).

The principal cause of the reported loss for the period is the ongoing investment in our major systems change. The majority of these costs have been expensed rather than capitalised as we consider this policy to be more prudent and appropriate. In addition we have incurred exceptional restructuring costs as we have sought to adjust our cost base to the current market environment.

We have further such costs to meet in the second half of the year though on a reduced scale. By the end of this financial year to the end of May 2016 we will be operational on our new system with our ISA's administered in-house and all related investment costs behind us. This will provide us with the opportunity to improve the range of services we can offer our clients and grow our business on this new platform.

In the last annual report and accounts I noted that we would not be paying a second interim dividend and, given that market conditions have not improved, the board has resolved for the time being to continue the policy of not paying a dividend.

Although currency movements have continued to reduce the carrying value of our holding in Euroclear, which is denominated in Euros, the company continues to trade strongly. We remain confident that our investment in the company will be successful.

Despite continued volatility in markets our revenues have remained stable in the first two months of the second half and we maintain our strong financial position with cash of £1.770 million and our holding in Euroclear on the balance sheet.

Markets
In recent years stock markets have been dominated almost entirely by the actions of Central Banks and their unprecedented policies of zero interest rates and quantitative easing. These policies were designed to prevent their respective economies from moving into recession. It is by no means clear whether these actions have achieved the result or whether other factors were at work. However what is clear is that these policies have inflated asset values in both the stock market and property. The Federal Reserve has now changed tack, the Bank of England has moved to neutral, but both the European Central Bank and the Bank of Japan are actively pursuing such policies.

Corporate earnings which in normal times determine market movements have demonstrably failed to justify the current levels of markets. Furthermore the sharp slowdown in Chinese growth and its effect on commodities and other emerging market economies will have a further adverse influence on corporate profitability.

In these circumstances we are taking a cautious attitude to investment for our clients and highlighting that even the search for yield can have pitfalls as many dividends remain vulnerable.

C F Harrison

Chairman

18 February 2016

Independent Review Report to Fiske plc

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2015 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated cash flow statement and the related notes 1 to 3. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report have been prepared in accordance with the accounting policies the Group intends to use in preparing its next annual financial statements.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2015 is not prepared, in all material respects, in accordance with accounting policies the Company intends to use in preparing its next annual financial statements and the AIM Rules of the London Stock Exchange.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

18 February 2015

Consolidated Statement of Comprehensive Income

for the six months ended 30 November 2015

	Six months ended 30 November 2015 Unaudited	Six months ended 30 November 2014 Unaudited	Year ended 31 May 2015 Audited
	£'000	£'000	£'000
Fee and commission income	**1,385**	1,559	3,090
Fee and commission expenses	**(226)**	(301)	(558)
Net fee and commission income	**1,159**	1,258	2,532
Other income	**67**	60	67
Total revenue	**1,226**	1,318	2,599
Profit on disposal of available-for-sale investments	**9**	-	-
(Loss)/profit on investments held for trading	**(14)**	3	-
Operating expenses	**(1,929)**	(1,497)	(3,328)
Operating (loss)/profit	**(708)**	(176)	(729)
Investment revenue	**42**	7	67
Finance income	**4**	10	20
Finance costs	**-**	(3)	(3)
(Loss)/profit on ordinary activities before taxation	**(662)**	(162)	(645)
Taxation	**0**	27	133
(Loss)/profit on ordinary activities after taxation	**(662)**	(135)	(512)
Other comprehensive income/(expense)			
Movement in unrealised appreciation of investments	**(60)**	68	(153)
Deferred tax on movement in unrealised appreciation of investments	**10**	(11)	34
Net other comprehensive (expense)/ income	**(50)**	57	(119)
Total comprehensive (loss)/income for the period/year attributable to equity shareholders	**(712)**	(78)	(631)
Earnings per ordinary share (pence), *excluding other comprehensive income*			
Basic	**(7.8)p**	(1.6)p	(6.1)p
Diluted	**(7.8)p**	(1.6)p	(6.0)p

All results are from continuing operations and are attributable to equity shareholders of the parent company.

Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 December 2014	**2,115**	**1,222**	**1,318**	**373**	**5,028**
Profit on ordinary activities after taxation	-	-	-	(377)	(377)
Other comprehensive income	-	-	(176)	-	(176)
Total comprehensive income for period	-	-	(176)	(377)	(553)
Dividends paid	-	-	-	(20)	(20)
Balance at 31 May 2015	**2,115**	**1,222**	**1,142**	**(24)**	**4,455**
Loss on ordinary activities after taxation	-	-	-	(662)	(662)
Other comprehensive income	-	-	(50)	-	(50)
Total comprehensive income for period	-	-	(50)	(662)	(712)
Dividends paid	-	-	-	-	-
Balance at 30 November 2015	**2,115**	**1,222**	**1,092**	**(686)**	**3,743**

Consolidated Statement of Financial Position

30 November 2015

	As at 30 November 2015 Unaudited £'000	As at 30 November 2014 Unaudited £'000	As at 31 May 2015 Audited £'000
Non-current assets			
Goodwill	**395**	395	395
Other intangible assets	**90**	-	90
Property, plant and equipment	**26**	38	27
Available-for-sale investments	**2,011**	2,438	2,217
Total non-current assets	**2,522**	2,871	2,729
Current assets			
Trade and other receivables	**1,876**	2,923	4,460
Investments held for trading	**79**	90	13
Cash and cash equivalents	**1,770**	3,485	2,456
Total current assets	**3,725**	6,498	6,929
Current liabilities			
Trade and other payables	**2,345**	4,020	5,032
Current tax liabilities	**-**	11	-
Total current liabilities	**2,345**	4,031	5,032
Net current assets	**1,380**	2,467	1,897
Non-current liabilities			
Deferred tax liabilities	**159**	310	171
Total non-current liabilities	**159**	310	171
Net assets	**3,743**	5,028	4,455
Equity			
Share capital	**2,115**	2,115	2,115
Share premium	**1,222**	1,222	1,222
Revaluation reserve	**1,092**	1,318	1,142
Retained earnings	**(686)**	373	(24)
Shareholders' equity	**3,743**	5,028	4,455

Consolidated Cash Flow Statement

For the six months ended 30 November 2015

	Six months ended 30 November 2015 Unaudited £'000	Six months ended 30 November 2014 Unaudited £'000	Year ended 31 May 2015 Audited £'000
Operating activities	**(708)**	(176)	(729)
(Profit) on disposal of available-for-sale investments	**(9)**	-	-
Depreciation of property plant and equipment	**12**	12	24
(Increase)/decrease in investments held for trading	**(66)**	34	111
Decrease/(increase) in receivables	**2,584**	2,887	1,388
(Decrease)/increase in payables	**(2,688)**	(3,190)	(2,179)
Cash (used in)/ generated from operations	**(875)**	(433)	(1,385)
Tax paid	**-**	-	(38)
Net cash (used in)/generated from operating activities	**(875)**	(433)	(1,423)
Investing activities			
Interest received	**4**	10	20
Investment income received	**42**	7	67
Interest paid	**-**	(5)	(3)
Proceeds on disposal of available-for-sale investments	**154**	-	-
Purchases of available-for-sale investments	**-**	(5)	(5)
Purchases of property, plant and equipment	**(11)**	(16)	(16)
Purchases of other intangible assets			(90)
Net cash (used in)/ generated from investing activities	**189**	(9)	(27)
Financing activities			
Dividends paid	**-**	(30)	(51)
Net cash used in financing activities	**-**	(30)	(51)
Net (decrease)/ increase in cash and cash equivalents	**(686)**	(472)	(1,501)
Cash and cash equivalents at beginning of period	**2,456**	3,957	3,957
Cash and cash equivalents at end of period/year	**1,770**	3,485	2,456

Notes to the Interim Financial Statements

1. **Basis of preparation**

The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

The figures and financial information for the period ended 31 May 2015 are extracted from the latest published audited financial statements of the Group and do not constitute the statutory financial statements for that period. The audited financial statements for the period ended 31 May 2015 have been filed with the Registrar of Companies. The report of the independent auditors on those financial statements contained no qualification or statement under section 498(2) or section 498(3) of the Companies Act 2006.

The condensed set of financial statements has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial information has been prepared under the historical cost convention, except for the revaluation of certain financial instruments. The same accounting policies, presentation and methods of computation are followed in these condensed set of financial statements as applied in the Group's latest, and intends to use in preparing its next, annual audited financial statements. While the financial figures included in this half-yearly report have been computed in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing this half-yearly financial report.

2. **Taxation**

The tax charge for the six months to 30 November 2015 reflects all the necessary provisions for current tax, taking into account the availability of losses brought forward, and movements in deferred tax. In arriving at the effective tax rate account has been taken of the change in the rate of tax charged and the disallowance of the cost of share-based payments charged to the consolidated statement of comprehensive income.

3. **Dividends paid**

Dividends paid of £nil (2014 – £30,000) refer to the second interim dividend paid for the preceding year.