Interim Report

30 November 2004

Fiske plc

Chairman's Statement

For the half year to 30 November 2004 our profit before goodwill amortisation amounted to £189,000 and the profit before tax to £114,000. We have declared an interim dividend of 2p per share, the same level as last year. This is not fully covered by earnings, but even though business has been subdued during the first half of the current financial year we are optimistic for the second half. Moreover, we have continued to reduce our cost structure, recruit additional quality revenue generators and to add to funds under management.

We continue to see our way to future growth primarily as agency stockbrokers serving the private client market but with a growing institutional business. We anticipate increasing our funds under management both on the mainstream advisory side and also on the discretionary side through our Ionian Investment Management division.

This is a time when consolidation in our field of private client stockbroking and asset management is all the fashion. It is by no means the first time we have seen such a phenomenon. Your board is keenly aware that there may well be growth opportunities for the company in the fall-out from this situation. The strength of our balance sheet and the value of our funds under management puts us in a good position to take advantage of any such opportunities for expansion.

On 4 January 2005 Stephen Cockburn retired as an executive director and as deputy chairman of the company. We thank Stephen for his contribution and look forward to his continuing involvement as a non-executive director.

M J Allen
Chairman

9 February 2005

Independent Review Report to Fiske plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 November 2004 which comprises the consolidated profit and loss account, the consolidated balance sheet, the consolidated cash flow statement and related notes 1 to 5. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company, in accordance with Bulletin 1999/4 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 conclusion we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are also responsible for ensuring that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom auditing standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 November 2004.

Deloitte & Touche LLP

Chartered Accountants
London

9 February 2005

Consolidated Profit and Loss Account

for the six months ended 30 November 2004

	Notes	**Six months ended 30 November 2004 Unaudited £'000**	Six months ended 30 November 2003 Unaudited £'000	Year ended 31 May 2004 Audited £'000
TURNOVER				
Gross commission receivable		**1,723**	2,026	4,323
Commission payable		**(529)**	(576)	(1,207)
Other income		**210**	179	87
		1,404	1,629	3,203
OPERATING COSTS				
Staff costs		**(640)**	(616)	(1,306)
Depreciation		**(25)**	(30)	(65)
Amortisation of intangible fixed assets	1	**(92)**	(92)	(183)
Other operating charges		**(686)**	(697)	(1,346)
		(1,443)	(1,435)	(2,900)
OPERATING (LOSS)/PROFIT		**(39)**	194	303
Gain on disposal of fixed asset investment		**–**	–	22
Other income from fixed asset investments		**54**	13	23
Interest receivable and similar income		**101**	55	126
Interest payable		**(2)**	–	(8)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**114**	262	466
Taxation on profit on ordinary activities		**(30)**	(83)	(149)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		**84**	179	317
Dividends paid and proposed	3	**(166)**	(165)	(330)
Retained (loss)/profit for the period/year		**(82)**	14	(13)
Retained profit brought forward		**775**	788	788
Retained profit carried forward		**693**	802	775
Basic earnings per share	2	**1.0p**	2.2p	3.9p
Diluted earnings per share	2	**1.0p**	2.2p	3.9p
Headline earnings per share	2	**1.6p**	3.0p	5.0p
Headline diluted earnings per share	2	**1.6p**	3.0p	5.0p

Consolidated Balance Sheet

30 November 2004

	Note	**As at 30 November 2004 Unaudited £'000**	As at 30 November 2003 Unaudited £'000	As at 31 May 2004 Audited £'000
FIXED ASSETS				
Tangible assets		**60**	77	57
Intangible assets	1	**714**	897	806
Investments		**78**	225	74
		852	1,199	937
CURRENT ASSETS				
Market and client debtors		**13,504**	11,844	13,447
Investments		**154**	–	–
Other debtors		**288**	205	158
Cash at bank and in hand		**4,441**	3,355	4,006
		18,387	15,404	17,611
CREDITORS: amounts falling due within one year				
Market and client creditors		**(14,511)**	(11,908)	(13,808)
Other creditors		**(773)**	(655)	(727)
		(15,284)	(12,563)	(14,535)
NET CURRENT ASSETS		**3,103**	2,841	3,076
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,955**	4,040	4,013
CAPITAL AND RESERVES				
Called up share capital		**2,077**	2,068	2,068
Share premium account		**1,185**	1,170	1,170
Profit and loss account		**693**	802	775
EQUITY SHAREHOLDERS' FUNDS		**3,955**	4,040	4,013

Consolidated Cash Flow Statement

for the six months ended 30 November 2004

RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Six months ended 30 November 2004 Unaudited £'000	Six months ended 30 November 2003 Unaudited £'000	Year ended 31 May 2004 Audited £'000
Operating (loss)/profit	**(39)**	194	303
Depreciation charges	**25**	30	65
Amortisation of intangible fixed assets	**92**	92	183
Increase in debtors	**(339)**	(318)	(1,812)
Increase/(decrease) in creditors	**715**	(94)	1,751
Net cash inflow/(ouflow) from operating activities	**454**	(96)	490

CASH FLOW STATEMENT

	Six months ended 30 November 2004 Unaudited £'000	Six months ended 30 November 2003 Unaudited £'000	Year ended 31 May 2004 Audited £'000
Net cash inflow/(outflow) from operating activities	**454**	(96)	490
Returns on investment and servicing of finance	**135**	71	136
Taxation – UK Corporation tax paid	**–**	131	131
Capital expenditure and financial investment	**(14)**	6	171
Equity dividends paid	**(140)**	(108)	(273)
Financing	**–**	75	75
Increase in cash	**435**	79	730
Increase in cash in the period	**435**	79	730
Change in net cash	**435**	79	730
Net funds brought forward	**4,006**	3,276	3,276
Net funds carried forward	**4,441**	3,355	4,006

Notes

for the six months ended 30 November 2004

1. INTANGIBLE FIXED ASSETS

	Goodwill Fund management acquisition £'000	Goodwill Other acquisition £'000	Fiscal licence £'000	Total £'000
Cost				
At 1 June 2004	1,146	300	99	1,545
At 30 November 2004	1,146	300	99	1,545
Accumulated amortisation				
At 1 June 2004	545	150	44	739
Charge for the period	37	38	17	92
At 30 November 2004	**582**	**188**	**61**	**831**
Net book value				
At 30 November 2004	**564**	**112**	**38**	**714**
At 31 May 2004	601	150	55	806

2. EARNINGS PER ORDINARY SHARE

Headline earnings per share have been calculated in accordance with the definition in the Institute of Investment Management Research ("IIMR") Statement of Investment Practice No. 1, "The definition of IIMR Headline Earnings", in order to take out the exceptional gain arising on the disposal of certain fixed asset investments and any effects of goodwill as follows:

	Six months ended 30 November 2004 Unaudited	Six months ended 30 November 2003 Unaudited	Year ended 31 May 2004 Audited
Basic earnings per ordinary share	**1.0p**	2.2p	3.9p
Add: Goodwill write-off	**0.6p**	0.8p	1.3p
Less: Gain on disposal of fixed asset investment after taxation	**–**	–	(0.2)p
Headline earnings per ordinary share	**1.6p**	3.0p	5.0p
Diluted earnings per ordinary share	**1.0p**	2.2p	3.9p
Add: Goodwill write-off	**0.6p**	0.8p	1.3p
Less: Gain on disposal of fixed asset investment after taxation	**–**	–	(0.2)p
Headline diluted earnings per ordinary share	**1.6p**	3.0p	5.0p

3. DIVIDEND

The interim dividend of 2p per share will be paid on 18 March 2005 to shareholders on the register on 25 February 2005. The shares will be marked ex-dividend on 23 February 2005.

4. CONTINGENT LIABILITY

As previously reported in the Annual Report and Accounts for the year ended 31 May 2004, the group has received a small number of claims. The theoretical maximum exposure to the group of these claims is £600,000. The directors continue to be of the opinion that few of these claims will be sustained.

5. BASIS OF PREPARATION

Financial information for the year ended 31 May 2004 has been extracted from the company's statutory accounts which have been delivered to the Registrar of Companies. The audit report on the accounts for the year ended 31 May 2004 was unqualified. The financial information contained in this Interim Report does not constitute the company's statutory accounts within the meaning of section 240 of the Companies Act 1985.