Fiske PLC

Final Results and Notice of AGM

RNS Number : 4481Z
Fiske PLC
31 August 2018

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Fiske Plc

('Fiske' or 'the Company')

Final Results and Notice of AGM

Fiske is pleased to announce its final results for the twelve months ended 31 May 2018. Copies of the 2018 Annual Report and Accounts, including the Notice of AGM and Proxy Voting form will be posted to shareholders next week.

In accordance with rule 26 of the AIM Rules for Companies, this information is also available under the Investor Relations section of the Company's website, http://www.fiskeplc.com.

The Annual General Meeting of the Company will be held at Salisbury House, London Wall, London EC2M 5QS on 4 October 2018 at 12.30 pm.

For further information please contact:

- Samantha Harrison, Harrison Clarke Grant Thornton UK LLP (Nominated Adviser)

(tel: 020 7383 5100)

• Gerard Luchini, Fiske Plc - Compliance Officer

(tel: 020 7448 4700)

Chairman's Statement

Trading

We are pleased to report an increase in revenues of 30% to £4.38m (2017: £3.37m) following what has been a significant year of progress with the acquisition of Fieldings Investment Management ('Fieldings') in August 2017. The clients of Fieldings are being migrated onto the Fiske plc platform.

In recent years, investment management fees have formed a steadily increasing proportion of our total revenues. In the year to May 2018 there has been a step change with an 89% increase from 2017 in investment management fees which now comprise 42% of our total revenues (2017: 29%). A large proportion of the increase has come from the acquisition of Fieldings which contributed to the Group results for three quarters of the year. In addition there was a general market appreciation of our assets under management and the continued migration of clients to a fee based charging structure. In parallel our commission revenues rose by 10% to £2.45m (2017: £2.23m).

The Fieldings personnel have been integrated into our offices and this has enabled much better utilisation of fixed overheads. This has resulted in a further improvement in our profitability for the year to May 2018 with a rise in our pre-tax profits to £464,000 (2017: £31,000).

In line with current accounting policies relating to the amortisation of intangible assets attributed to customer relationships, in this case Fielding's clients, we have taken a charge of £131,000 (2017: nil) in the year.

Asset Management

During the year we invested in the launch, in May 2018, of our first UCITS fund 'Ocean UK Equity'. The fund will invest predominantly in shares of companies in the UK although has scope, which will be actively used, to invest outside the UK for up to 20% of the fund. Its objective is to achieve a balance of capital and income growth predominantly in a portfolio of high quality companies offering strong and sustainable cash-flows. The dividend yield is estimated to be around 2.75%.

In March 2018 we won an investment management mandate for The Investment Company plc, an investment trust established in 1868. Although this company has an annual continuation vote we are working with the new directors to optimise the prospects for the company.

Investment Managers

In addition to the Fieldings team during the year we welcomed two other investment managers with their clients. We believe that with our traditional values, modern systems and up to date regulatory outlook we provide an attractive place to work for aspiring, independently minded private client investment managers.

Euroclear

We received total dividends from Euroclear of £103,000 (2017: £168,000) during the year. This comprised the main part of the dividend for 2018 along with the withholding tax reclaim on the dividend for 2017. Currency movements over the year have led to a modest appreciation in the carrying value of our Euro denominated holding in Euroclear. We have left the underlying valuation of our holding unchanged. It is currently valued at £2.47 million (2017:£2.44 million) which is a 30% discount to the prevailing Net Asset Value as published by Euroclear.

Balance Sheet

We maintain our strong financial position with a further improvement in our cash balances to £2.45m as at 31 May 2018. This is up from £2.25m as at 30 November 2017 and £1.04m as at 31 May 2017.

Strategy

Following the successful acquisition of Fieldings we continue to implement our ongoing strategy to welcome new portfolio managers with established client relationships to increase our assets under management and advice.

Dividend

The Board has resolved not to pay a second interim dividend for the year ended 31 May 2018.

Regulation

As referred to in the Interim statement, significant time and effort has been and continues to be devoted across the company to the implementation of new regulations. This has focussed in particular on Markets in Financial Instruments Directive II ('MiFID II') which came into force in January 2018 and General Data Protection Regulation (GDPR) which became effective in May 2018. We have upgraded our systems and our staff members have received appropriate training during the year. Most of these software and training related costs, which have been absorbed by the business, are non-recurring. However we will be required to implement the new Senior Managers Certification Regime in 2019 which will require further exceptional costs to be incurred.

Directors

During the year one of our longest standing directors, Alan Meech, retired after 33 years with the company and 29 years as a director. Alan spent nearly 50 years in the market beginning his career as a Blue Button on the London Stock Exchange floor. We wish him a long and happy retirement.

Staff

Following a very busy few years, including the integration of the Fieldings team and their clients into our business, I would like to extend my thanks to all the team for their hard work and commitment to the future success of the Company.

Markets

Since our interim report at the end of February 2018 the FTSE 100 Index has appreciated by a little over 4%. This has been in spite of much over hyped doom and gloom surrounding the Brexit negotiations. However the turmoil in emerging markets sparked off by the problems in Turkey, but ultimately caused by the strength of the US$, is a more serious cause for concern. Substantial US$ debt has accumulated in emerging market economies during an elongated period of easy US monetary policy. This has now reached an all-time peak and with President Trump's aggressive trade policy could be the catalyst that leads to a correction in US, UK and European markets.

In previous reports we have expressed concerns about market levels as we approach the final quarter of the calendar year. We have also highlighted the longevity of the current bull market which we have enjoyed since the financial crisis of 2008/9. These concerns remain very much in the forefront of our present thinking. Whilst a market correction would appear overdue, such events are inherently difficult to time with any precision. However we do feel a growing caution is likely to serve our clients well over the coming months.

Outlook

We anticipate continuing operational and financial efficiencies from the migration of Fieldings clients onto the Fiske platform along with further improvements in the quality of our revenues through the conversion of clients to fee based investment management services. The first quarter of our current financial year to May 2019 has begun in a positive fashion with business levels in line with the year just reported.

Clive Fiske Harrison

Chairman

31 August 2018

Strategic Report

The Directors set out below their Strategic Report on the Company for the year ended 31 May 2018.

Activities and business Strategy

The principal activity of Fiske plc and its subsidiary undertakings is the provision of financial intermediation which consists of private client and institutional stockbroking, and private client investment management. Fiske plc is the trading entity of the Group and is authorised and regulated by the Financial Conduct Authority and is a member of The London Stock Exchange.

The firm's core strategy is to focus on delivering a high quality service to clients. This entails giving both private and institutional clients a personalised service delivered by experienced individuals. The Board intends to maintain a strong balance sheet and to provide clear, unbiased advice to clients.

The firm is capitalised with equity capital, with no debt and does not use financial instruments except its intra-day Crest cap.

Business Review

A combination of market conditions and higher trading volumes resulted in an increase in commissions receivable. The significant increase in investment management fees has materialised as expected as a result of the investment in the firm's IT infrastructure and the acquisition of Fieldings Investment Management.

This increase in revenues combined with the return of operational expenses to normal levels has led to a positive result for the financial year to 31 May 2018.

Financial review and key performance indicators

The firm's activities resulted in a profit before tax of £464,000 compared to a profit of £31,000 in the prior year. No dividends were paid to shareholders in the year.

The results of the Group for the year are set out on page 18 and the Consolidated Statement of Financial Position on page 19.

Future developments

As we have expressed before, the focus of our future growth will be in the area of private client investment management. We believe that we have the expertise to expand in this area and we expect that this will be achieved both organically and by very selective and probably small acquisitions which our strong balance sheet can readily support. This will not only increase our recurring fee income but also our commissions.

Risk management

The Group is exposed to a number of business risks. The risk appetite of the Group is determined by the Board, members of whom are also the principal shareholders. Monitoring of risks applicable to the business is delegated to the Risk Committee whose principal function is to identify and evaluate the key risk areas of the business and ensure those risks can be managed at a level acceptable to the Board.

The Group has identified the following as the key risks and their mitigation:

- **Credit risk**

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to the Group.

Third party receivables consist of customer balances, spread across institutional and private clients. Ongoing credit evaluation is performed on the financial condition of accounts receivable and stock is held until settlement is effected.

The Group does not have any significant credit risk exposure to any group of third parties having similar characteristics.

- **Market risk**

The Group is mainly exposed to market risk in respect of its trading as agent in equities and debt instruments and in its exposure to counterparties in the market. Market exposure arising from unsettled trades is closely monitored and managed during each trading day.

Market risk also gives rise to variations in asset values and thus management fees, and variations in the value of investments held by Fiske, acting as principal.

- **Loss of staff**

Staff are a key asset in the business and retaining the services of key staff is essential to ongoing revenue generation and development of the business. All Directors are shareholders in the business with longstanding commitment to its prosperity.

- **Operational risk**

There is a whole range of operational risks to which the Group is exposed, including reputational risks and the Group seeks to mitigate operational risk to acceptable residual levels, in accordance with its risk appetite policy, by maintenance of its control environment, which is managed through the Group's operational risk management framework. The Group's controls include appropriate segregation of duties and supervision of employees; ensuring the suitability and capability of the employees; relevant training programmes that enable employees to attain and maintain competence, and identifying risks that arise from inadequacies or failures in processes and systems.

The Group has a business continuity and disaster recovery plan which provides, inter alia, back-up premises and back-office systems and which is regularly reviewed.

Pillar 3 disclosures are published on the Company's website at www.fiskeplc.com.

This Strategic Report was approved by the Board of Directors and authorised for issue on 31 August 2018.

Signed on behalf of the Board of Directors

Clive Fiske Harrison

Chairman

Directors' Report

The Directors present their report together with the audited financial statements for the year ended 31 May 2018. The Corporate Governance Statement on page 8 forms part of this report.

Directors' interests - Shares

The Directors who served during the year and to the date of this report and their beneficial interests, including those of their spouses, at the end of the year in the shares of the Company were as follows:

---------------	**Ordinary 25p shares at the date of this report**	**Ordinary 25p shares at 31 May 2018**	Or 25p at 31 May
J P Q Harrison†	**2,280,802**	**2,280,802**	2,1
C F Harrison*	**2,184,828**	**2,184,828**	2,3
A R Fiske-Harrison	**299,000**	**299,000**	3
A D Meech (retired February 2018)	**100,000**	**100,000**	1
F G Luchini	**54,990**	**54,990**	
M H W Perrin	**35,000**	**35,000**	

* Including 218,000 (2017: 218,000) shares held by Mrs B Harrison, wife of Mr C F Harrison at the date of this report.

† Including 2,133,802 (2017: 2,133,802) shares held by LongSand Limited, a company controlled by JPQ Harrison and 7,000 (2017: 7,000) shares held by Mrs A Harrison wife of Mr J P Q Harrison at the date of this report.

Directors' interests - Share options

Details of Directors' options over ordinary shares are as follows:

	Number of options							
	At start	Granted during	Exercised during	Expired during	At end	Exercise	Market price on date of	Date from exercisa

	of year	year	year	year	of year	price	exercise	
F G Luchini - Unapproved	75,000	-	-	-	75,000	28.75p	-	1 Ma
J P Q Harrison - Approved	-	250,000	-	-	250,000	70.00p	-	1 Jun

The closing mid-market price of the Company's ordinary 25p shares at 31 May 2018 was 82.5p (2017: 50.0p).

Major shareholdings

Shareholders holding more than 3% of the shares of the Company at the date of this report were:

	Ordinary shares	**%**
J P Q Harrison	2,280,802	19.73
C F Harrison	2,184,828	18.90
Craven Hill Investments Limited	1,096,413	9.48
P G Turner	734,500	6.35
Miton Group	610,000	5.28
S J Cockburn*	481,227	4.16
Mrs C M Short	386,029	3.34

***** Including 15,000 (2017: 15,000) shares held by Mrs J A Cockburn, wife of Mr S J Cockburn at the date of this report

Capital Structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 22.

The holders of Ordinary Shares are entitled to receive notice of and to attend and vote at any General Meeting of the Company. Every member present at such a meeting shall, upon a show of hands, have one vote. Upon a poll, holders of all shares shall have one vote for every share held. All ordinary shares are entitled to participate in any distributions of the Company's profits or assets.

There are no restrictions on the transfer of the Company's ordinary shares. Fiske plc's ordinary 25p shares are traded solely on the AIM market.

Going Concern

After making due and careful enquiry, the Directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements as set out in note 1 to the accounts.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were renewed during the year and remain in force at the date of this report.

Disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this annual report confirms that:

(i) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(ii) the Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section s418 of the Companies Act 2006.

Auditor

The Directors review the terms of reference for the auditor and obtain written confirmation that the firm has complied with its relevant ethical guidance on ensuring independence. Deloitte LLP provide audit services to the Company and Group as well as tax compliance and advisory services. The Board reviews the level of their fees to ensure they remain competitive and to ensure no conflicts of interest arise.

Deloitte LLP has expressed a willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

J P Q Harrison

Chief Executive Officer

31 August 2018

Salisbury House

London Wall

London EC2M 5QS

Corporate Governance

The Board has given consideration to the code provisions set out in the UK Corporate Governance Code issued, from time to time, by the Financial Reporting Council. Following the revisions to the AIM Rules for Companies in March 2018 pursuant to which all AIM companies will be required to comply with a recognised corporate governance code, the decision has been made by the Company that by 28 September 2018 it will adopt the QCA Code which is believed to be the most appropriate recognised governance code for the Company.

Board Composition

The Board currently comprises five people. The non-executive directors are Martin Perrin and Alexander Fiske-Harrison. The Board considers each non-executive director to be independent in character and judgement. Notwithstanding that Martin Perrin has been non-executive director of Fiske plc for over ten years the Board believes that he takes an independent view of issues concerning the Company and is expected to, and does, challenge executive directors as and when necessary. It is believed that no individual or small group of individuals can determine the Board's decisions.

Biographies of directors are set out at the back of these Report and Accounts immediately prior to the Notice of Annual General Meeting. In proposing retiring directors for re-election at the Annual General Meeting, the Board has considered the skills, experience and contribution of each, as part of an ongoing process.

Board Duties

It is the responsibility of Board members to discharge their duties in the best interests of the Company and to accept their collective responsibility for the long-term success of the Company. The Board, under the leadership of the Chairman, decides the strategic aims of the Company, ensures that the necessary financial and human resources are in place in order to meet the Company's objectives and ensures that obligations to shareholders are met.

Management is responsible for the day-to-day running of the Company, including the terms and conditions of employment; interviewing and hiring of staff; the systems and controls in place to provide a suitable service to our clients (as required by the regulator), and ensuring the firm has sound administrative and accounting procedures in place.

Whilst much of their work is either executed formally within full board metings, or in informal working parties, in line with the provisions of the Corporate Governance Code, the Board has formally established three committees namely the Remuneration and Nomination Committee, Audit Committee and the Risk Committee as described below. The terms of reference of these committees can be viewed on our website at www.fiskeplc.com.

Remuneration and Nomination Committee

The principal function of this committee is to determine the policy on key executives' remuneration in order to attract, retain and motivate high calibre individuals with a competitive remuneration package. It evaluates the skills, experience, independence and knowledge of current and prospective board members and makes recommendations to the Board as to the composition thereof. The Committee consists of C F Harrison (Chairman), A R Fiske-Harrison and M H W Perrin.

Fiske has not used any external search consultancy nor open advertising in the past appointments of directors. This has been deemed unnecessary as the executive directors are promoted from existing staff members. The non-executive directors are well known to the Company and fulfil the criteria set down by the Nomination Committee.

Remuneration for executives comprises basic salary, a performance-related bonus, share options and other benefits in kind. Full details of Directors' remuneration and share options granted are given in the notes to the financial statements and the Directors' Report.

Audit Committee

The Audit Committee, comprises M H W Perrin (Chairman), C F Harrison and A R Fiske-Harrison. The Committee meets at least twice a year. The committee reviews the Company's external audit arrangements, including the cost-effectiveness of the audit and the independence and objectivity of the external auditor. It also reviews the interim and full year financial statements prior to their submission to the Board, the application of the Group's accounting

policies, any changes to financial reporting requirements and such other related matters as the Board may direct. The external auditor and executive Directors may be invited to attend the meetings.

Given the size of the Company, Fiske does not have an internal audit function.

Risk Committee

The Risk Committee, comprising M H W Perrin (Chairman), C F Harrison and J P Q Harrison, meets at least twice a year. The committee identifies and evaluates the key risk areas of the business and ensures those risks can be managed at a level acceptable to the Board. It makes recommendations to the Board in relation to capital adequacy matters.

Attendance at meetings

In the year to 31 May 2018, attendance at meetings can be quantified as:

	Scheduled Board meetings	Remuneration and Nomination committee	Audit committee	Risk Comm
Number of meetings in the year	12	3	2	2
Clive Fiske Harrison	12/12	3/3	2/2	0/2
James Harrison	11/12	-	-	2/2
Alan Meech	11/12	-	-	-
Gerard Luchini	12/12	-	-	-
Martin Perrin	8/12	3/3	2/2	2/2
Alexander Fiske-Harrison	7/12	2/3	2/2	-

Included in the 12 scheduled Board meetings were 4 special meetings related to formal administration of the acquisition of Fieldings Investment Management Limited where the non-executive directors were not required to attend.

Internal Control

The Board of Directors recognises that it is responsible for the Group's systems of internal control and for reviewing their effectiveness. Such systems, which include financial, operational and compliance controls and risk management, have been designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- the ongoing identification, evaluation and management of the significant risks faced by the Group;
- regular consideration by the Board of actual financial results;
- compliance with operating procedures and policies;
- annual review of the Group's insurance cover;
- defined procedures for the appraisal and authorisation of capital expenditure and capital disposals; and
- regular consideration of the Group's liquidity position.

When reviewing the effectiveness of the systems of internal control, the Board has regard to:

- a quarterly report from the Compliance Director covering FCA regulatory matters and conduct of business rules;
- the level of customer complaints;
- the prompt review of daily management reports including previous days' bargains, unsettled trades and outstanding debtors;
- the regular reconciliation of all bank accounts, internal accounts and stock positions; and
- Management Committee meetings of Executive Directors for the day-to-day running of the business.

Customers

The Directors set it as a priority that customers and their affairs are well looked after, and customers and their treatment is specifically reviewed at each Board meeting. The Board believes that building good relationships with clients over a sustained period of time creates a better investment environment and basis for the Company's future.

Further information

Shareholders may review more detail on Fiske's Corporate Governance on our website at www.fiskeplc.com.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 to enable them to ensure that the financial statements 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;

- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and

- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy.

This responsibility statement was approved by the board of directors on 31 August 2018 and is signed on its behalf by:

J P Q Harrison

Chief Executive Officer

31 August 2018

Independent Auditor's Report to the Members of Fiske plc

Report on the audit of the financial statements

Opinion

In our opinion:

- **the financial statements of Fiske plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2018 and of the group's profit for the year then ended;**

- **the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;**

- **the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and**

- **the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.**

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;

- the consolidated and parent company balance sheets;

- the consolidated and parent company statements of changes in equity;

- the consolidated and parent company cash flow statements; and

- the related notes 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopte the European Union and; as regards the parent company financial statements, as applied in accordance with provisions 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 responsibilities under those standards are further described in the auditor's responsibilities for the audit of the fina statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are rele to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Stan as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requireme We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of Euroclear shares • Impairment of goodwill • Accounting in relation to the acquisition of Fieldings Investment Management Ltd

	• Revenue Recognition
Materiality	The materiality that we used for the group financial statements was £112,050 which was determined on the basis of 2.6% of revenue.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where: • the directors' use of the going concern basis of accounting in 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 group's or the parent 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.	**We have nothing to report in respect of these matters.**

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit o financial statements of the current period and include the most significant assessed risks of material misstater (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forminc opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Euroclear shares	
Key audit matter description	The key audit matter is the inaccurate valuation of the investment held in Euroclear plc. As available-for-sale financial asset the shares are held at fair value with movements goinc Other Comprehensive income and taken to the Income Statement only when sold. The valua of illiquid equities is a key audit matter given the inherent uncertainty when estimating the value of an unlisted investment. For unlisted shares, fair value is a matter of accoun judgement, management need to decide what value to hold the shares at, and also justify price at which the choose. The balance held as at 31 May 2018 in relation to the Euroc shareholding was £2,470,000.

	Further details are included within the audit committee report on page 8, critical accoun estimates and judgements note in note 2 and note 18 to the financial statements.
How the scope of our audit responded to the key audit matter	• We have tested the design and implementation of the controls around the valuation of the Euroclear shares. • We have reviewed the Euroclear financial statements to 30 June 2018 and our valuation specialists have performed procedures to assess whether the valuation is reasonable. • Our Financial Instrument Specialists have challenged the basis of the valuation considering alternative valuation methods such as using the weighted average met of shares bought in the latest share buy-back. • We reviewed the financial statement disclosures to assess complicity with the requirements of the IFRS's.
Key observations	Based on our procedures performed, we believe management's estimate of the valuation of Euroclear shares is appropriate as at 31 May 2018.
Impairment of goodwill	
Key audit matter description	The key audit matter is that goodwill is impaired. It is a judgemental area and must be tes annually for impairment. Goodwill reflects cost, less any impairment provisions recognised. Goodwill is allocated to a cash generating unit ("CGU"), which is the Company itself and recoverable amount of the CGU is determined by calculating the fair value less costs to sell The carrying value of goodwill of £395,000 has been tested by management by comparing carrying value to the estimated market value of the business. This valuation assumes that market value equates to 2.5% of the relevant funds under management. Management h carried out this review based upon the Ionian & Vor portfolios as at 31 May 2018, and bel that no impairment has occurred, as the carrying value of goodwill is exceeded by the estima fair value of the underlying businesses (Ionian: £237,100, Vor: £231,800k). Further details are included within the audit committee report on page 9, critical accoun estimates and judgements note in note 2 and note 12 to the financial statements.
How the scope of our audit responded to the key audit matter	• We have assessed the design and implementation of the controls over the goodwill valuation. • We have assessed the reasonableness of management's methodology, whilst considering the market value of Fiske plc. • We have critically assessed the 2.5% used by the client and compared it to market rates. • Performed an analytical review, looking at the sensitivity of the percentage use and the total funds under management to indicate how much of a drop is necessar indicate impairment.

Key observations	Based on the procedures performed we deem the 2.5% used by management in the calcula is reasonable. We concur with management's conclusion that the goodwill held in relation to the th businesses is not impaired.
Accounting in relation to the acquisition of Fieldings Investment Management Ltd	
Key audit matter description	On 17 August 2017, Fiske acquired Fieldings Investment Management Ltd for the in estimated consideration of £2,575,230 and deferred consideration of £627,892. Under IFRS 3, Business Combinations, where an acquirer obtains control of a business, s business combinations are accounted for using the 'acquisition method', which requires as acquired and liabilities assumed to be measured at their fair values at the acquisition date al with the recognition and measurement of identifiable intangibles and goodwill. Our key audit matter focusses on the valuation of intangible assets and the fair value ("FV" the acquired assets and liabilities. Further details are included within the audit committee report on page 10, critical accoun estimates and judgements note in note 2 and note 18 to the financial statements.
How the scope of our audit responded to the key audit matter	• We reviewed and challenged the approach with management to identify and va intangible assets by reviewing in detail their models produced to justify the split; • We challenged management for the exclusion of other intangible assets; • We utilised Deloitte valuation specialists to assess management's approach to t fair value assessment, including appropriateness of the discount rate used; and • We reviewed the financial statement disclosures to assess compliance with the requirements of the IFRS's.
Key observations	Based on the procedures performed we concluded that the balances related to the acquisi of Fieldings Investment Management Ltd have been correctly recognised.
Revenue recognition	
Key audit matter description	In accordance with ISA 240 "The auditor's responsibilities relating to fraud in an audit of finan statements", there is a presumed risk of fraudulent financial reporting in relation to reve recognition.

	Our focus in relation to revenue recognition is on the accuracy of the revenue recognised ISA commissions and management fees, which could lead to a material misstatement, du the manual calculation of commission earnt by associates. Fiske earns commission revenue by charging a percentage on the value of the trade. standard commission rates can sometimes vary at the particular broker's discretion. The and commission expense relates to the amount owed to the brokers in the period. Since expense is directly related to the fee and commission income earnt we consider it appropr that the same risk level is used. Namely, the accuracy assertion has been assessed as signific due to the presumed risk of fraud related to revenue and the fact that the commission charges vary. We note that net fee and commission income has increased from £3,200,000 as at 31 May 2 to £3,750,000 as at 31 May 2018, due to an increase in trading activity. Further details are included within the audit committee report on page 11, critical accoun estimates and judgements note in note 2 and note 3 to the financial statements.
How the scope of our audit responded to the key audit matter	• We have held discussions with management and confirmed that the accounting treatment for commissions and management fees is consistent and appropriate. • We have assessed the design and implementation of controls over the revenue business cycle. We have performed an analytical review of commissions and fees a have not noted any unusual movements. • We selected a sample of commissions and management fees to ensure that revenue was recorded in the correct period. We have also performed recalculations the commissions' receivable based on the agreed commission structure to assess whether the commission recognised is accurate.
Key observations	Based on the procedures performed, we do not consider revenue to be materially misstate

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£112,050	£86,016
Basis for determining materiality	2.6% of the total revenue.	2.6% of revenue.
Rationale for the benchmark applied	*Fiske plc is an entity which is mainly focused on revenue and profit numbers. As with many other competitors operating in this industry, Fiske's focus lays in growing their revenue and profit numbers in the coming years. The acquisition of Fieldings during the year has not changed this approach, with Fieldings very much operating in the same way as Fiske.* *As we look back at prior years, we note that net profit numbers of Fiske possess an element of relative volatility. Due to a number of reasons such as incorporation of new systems, market volatility and increased competition these numbers have fluctuated in recent years. In contrast, historic revenue numbers have displayed an element of consistency and predictability over the last few years.* *Given management's focus on revenue as well as the relatively low levels of volatility it exhibits, we have decided to use revenue as our benchmark. This approach has remained consistent with the approach as adopted in the prior year.*	*We have used the same basis for calculating materiality for parent as we have done for the group.* *The rationale behind this is because the parent company is very similarly aligned to the operations of the group as a whole.*

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £4,300, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment including internal control, and assessing risks of material misstatements. Audit work to respond to the risks of material missatatement was performed directly by the audit engagement team.

The Group is made up of 5 different entities, the parent company Fiske Plc, along with subsidiaries, Fieldings Investment Management Limited, VOR Financial Strategy, Ionian Group Limited and Fiske Nominees Limited. VOR, Ionian & Fiske Nominees are non-trading companies with their assets and liabilities fully absorbed by Fiske Plc. In the current financial year Fiske purchased Fieldings which was subsequently deemed a significant component due to its size.

As a new significant component was recognised in the year we performed a full scope audit, applying a lower materiality to the balances held at Fieldings based on 70% of Fiske's materiality, giving a materiality figure of £60,211 for Fieldings. A risk assessme was performed on all of the Fieldings balances as well as detailed reconciliations of the consolidated figures.

Other information

We have nothing to repor respect of these matters.

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 group's and the parent 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 group or the parent 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.

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

Report on other legal and regulatory requirements

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

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.

Atif Yusuf FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

31 August 2018

Consolidated Statement of Total Comprehensive Income

For the year ended 31 May 2018

	Notes	2018	
		£'000	
Continuing Operations			
Fee and commission income		**4,283**	3
Other income		**80**	
Profit on investments held for trading		**18**	
Total Revenue	3	**4,381**	3
Operating expenses		**(4,020)**	(3,
Operating profit / (loss)	6	**361**	(
Investment revenue		**103**	
Finance income	7	**-**	
Finance costs	8	**-**	
Profit on ordinary activities before taxation		**464**	
Taxation	9	**(4)**	

Profit on ordinary activities after taxation		**460**
Other comprehensive income		
Items that may subsequently be reclassified to profit or loss		
Movement in unrealised appreciation of investments		**26**
Deferred tax on movement in unrealised appreciation of investments		**12**
Net other comprehensive income		**38**
Total comprehensive income attributable to equity shareholders		**498**
Earnings per ordinary share		
Basic	11	**4.2p**
Diluted	11	**4.2p**

All results are from continuing operations.

Consolidated Statement of Financial Position

31 May 2018

	Notes	2018
		£'000
Non-current Assets		
Intangible assets arising on consolidation	12	**1,576**
Other intangible assets	13	**130**
Property, plant and equipment	15	**35**

Available-for-sale investments	17	**2,470**	2
Total non-current assets		**4,211**	2
Current Assets			
Trade and other receivables	18	**4,087**	2
Investments held for trading	19	**0**	
Cash and cash equivalents		**2,453**	1
Total current assets		**6,540**	3
Current liabilities			
Trade and other payables	20	**4,965**	2
Current tax liabilities		**36**	
Total current liabilities		**5,001**	2
Net current assets		**1,539**	
Non-current liabilities			
Deferred tax liabilities	21	**214**	
Total non-current liabilities		**214**	
NET ASSETS		**5,536**	3
EQUITY			
Share capital	22	**2,890**	2
Share premium		**1,997**	1
Revaluation reserve		**1,497**	1
Retained losses		**(848)**	(1,

SHAREHOLDERS' EQUITY	**5,536**	3

These financial statements were approved by the Board of Directors and authorised for issue on 31 August 2018.

Signed on behalf of the Board of Directors

J P Q Harrison

Chief Executive Officer

Parent Company Statement of Financial Position

31 May 2018

	Notes	2018	
		£'000	
Non-current Assets			
Other intangible assets	13	**130**	
Property, plant and equipment	15	**35**	
Investment in subsidiary undertakings	16	**1,517**	
Available-for-sale investments	17	**2,470**	2
Total non-current assets		**4,152**	2
Current Assets			
Trade and other receivables	18	**3,970**	2
Investments held for trading	19	**-**	
Cash and cash equivalents		**2,038**	1
Total current assets		**6,008**	3

Current liabilities			
Trade and other payables	20	**4,748**	2
Total current liabilities		**4,748**	2
Net current assets		**1,260**	
Non-current liabilities			
Deferred tax liabilities	21	**214**	
Total non-current liabilities		**214**	
NET ASSETS		**5,198**	3
EQUITY			
Share capital	22	**2,890**	**2**
Share premium		**1,997**	**1**
Revaluation reserve		**1,497**	**1**
Retained profits / (losses)		**(1,186)**	**(1,**
SHAREHOLDERS' EQUITY		**5,198**	3

These financial statements were approved by the Board of Directors and authorised for issue on 31 August 2018.

Signed on behalf of the Board of Directors

J P Q Harrison

Chief Executive Officer

Group and Parent Company Statement of Changes in Equity

For the year ended 31 May 2018

Group	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000
Balance at 1 June 2016	**2,115**	**1,222**	**1,240**	**(1,340)**
Profit for the financial year	-	-	-	31
Revaluation of available-for-sale investments	-	-	244	-
Deferred tax on revaluation of available-for-sale investments	-	-	(25)	-
Balance at 1 June 2017	**2,115**	**1,222**	**1,459**	**(1,309)**
Profit for the financial year	-	-	-	460
Movement in unrealised appreciation of investments	-	-	26	-
Deferred tax on movement in unrealised appreciation of investments	-	-	12	-
Total comprehensive income for the year	**-**	**-**	**38**	**460**
Share based payment transactions	-	-	-	1
Issue of ordinary share capital	775	775	-	-
Total transactions with owners, recognised directly in equity	775	775	-	1
Balance at 31 May 2018	**2,890**	**1,997**	**1,497**	**(848)**

Parent	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000
Balance at 1 June 2016	**2,115**	**1,222**	**1,240**	**(1,340)**
Issue of ordinary share capital	-	-	-	-

Revaluation of available-for-sale investments	-	-	244	-	
Deferred tax on revaluation of available-for-sale investments	-	-	(25)	-	
Profit for the financial year	-	-	-	31	
Balance at 1 June 2017	**2,115**	**1,222**	**1,459**	**(1,309)**	**3**
Profit for the financial year	-	-	-	122	
Movement in unrealised appreciation of investments	-	-	26	-	
Deferred tax on movement in unrealised appreciation of investments	-	-	12	-	
Total comprehensive income for the year	**-**	**-**	**38**	**122**	
Share based payment transactions				1	
Issue of ordinary share capital	775	775	-	-	1
Total transactions with owners, recognised directly in equity	775	775	-	1	1
Balance at 31 May 2018	**2,890**	**1,997**	**1,497**	**(1,186)**	**5**

Group and Parent Company Statement of Cash Flows

For the year ended 31 May 2018

	2018	**2018**	2017	
	Group	**Company**	Group	Com
	£'000	**£'000**	£'000	
Operating profit / (loss)	**361**	**21**	(146)	(
Profit on disposal of available-for-sale investments	**-**	**-**	-	
Amortisation of intangibles	**26**	**26**	-	
Depreciation of property, plant and equipment	**20**	**20**	50	
Amortisation of intangible asset - customer relationships	**131**	**-**	-	
Decrease / (increase) in investments held for trading	**19**	**19**	(3)	

(Increase) / decrease in receivables	**(1,397)**	**(1,655)**	482	
Increase in payables	**730**	**1470**	130	
Cash (used in) / generated from operations	**(110)**	**(99)**	513	
Tax (paid) / recovered	**(38)**	-	38	
Net cash (used in)/generated from **operating activities**	**(148)**	**(99)**	551	
Investing activities				
Interest received	**-**	**-**	10	
Investment income received	**103**	**103**	168	
Interest paid	**-**	**-**	(2)	
Proceeds on disposal of available-for-sale investments	**-**	**-**	-	
Payment to acquire subsidiary undertaking	**(2,092)**	**(2,092)**	-	
Dividend paid to parent company as part of acquisition	**-**	**1700**		
Purchases of property, plant and equipment	**(45)**	**(45)**	(7)	
Purchases of other intangible assets	**(12)**	**(12)**	(90)	
Cash acquired with subsidiary undertaking	**2,320**	**-**	-	
Cash received on share buy-back by subsidiary	**-**	**156**	-	
Net cash generated / (used) from investing activities	**274**	**(190)**	79	
Financing activities				
Proceeds from issue of ordinary share capital	**1,292**	**1,292**	-	
Dividends paid	**-**	**-**	-	
Net cash used in financing activities	**1,292**	**1,292**	-	
Net increase in cash and cash equivalents	**1,418**	**1,003**	630	
Cash and cash equivalents at beginning of year	**1,035**	**1,035**	405	
Cash and cash equivalents at end of year	**2,453**	**2,038**	1,035	1

Notes to the Accounts

For the year ended 31 May 2018

1 Accounting policies

General information

Fiske plc is a public limited company incorporated in the United Kingdom and registered in England and Wales, company number 02248663. The address of its registered office and principal place of business are disclosed in the Company Information page of the Financial Statements.

The principal activities of the Company are described in the Strategic Report.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and had not yet been adopted by the EU:

IFRS 9	*Financial Instruments*
IFRS 15	*Revenue from Contracts with Customers*
IFRS 16	*Leases*
IFRS 2 (amendments)	*Classification and Measurement of Share-based Payment Transactions*
IAS 7 (amendments)	*Disclosure Initiative*
IAS 12 (amendments)	*Recognition of Deferred Tax Assets for Unrealised Losses*
IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 16 will have an impact on the reported assets, liabilities, income statement and cash flows of the Group. Furthermore, extensive disclosures will be required by IFRS 16. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed.

(a) Basis of preparation

These financial statements have been prepared in accordance with the requirements of IFRS implemented by the Group for the year ended 31 May 2018 as adopted by the European Union and International Financial Reporting Interpretations Committee and with the Companies Act 2006. The Group financial statements have been prepared under the historical cost convention, with the exception of financial instruments, which are stated in accordance with IAS 39 Financial Instruments: recognition and measurement. The principal accounting policies are set out below.

(b) Going concern basis

The Group's activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 and 5. It also includes the Group's objectives, policies and processes for managing its business risk objectives, which includes its exposure to credit, market and operational risks. The Group continues to hold a substantial cash resource. After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

(c) Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and subsidiary entities controlled by the Company made up to 31 May each year. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with an investee company and has the ability to affect those returns through its power over the other entity; power generally arises from holding a majority of voting rights.

(d) Revenue recognition

The Group follows the principles of IAS 18, 'Revenue Recognition', in determining appropriate revenue recognition policies. In principle, therefore, revenue is recognised to the extent that the economic benefits associated with the transaction will flow into the Group.

- Commission: Commission income and expenses are recognised on a trade date basis.

- Fees: Investment management, administration and corporate finance fees are recognised when earned with retainer fees being recognised over the length of time of the agreement.

- Dividend income: Dividend income is recognised when the right to receive payment is established.

(e) Segment reporting

IFRS 8 requires that an entity disclose financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments. Operating segments are identified on the basis of internal reports that are regularly reviewed by the Chief Executive Officer to allocate resources and to assess performance. Using the Group's internal management reporting as a starting point the single reporting segment set out in note 3 has been identified.

(f) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date. As permitted by IFRS 1, the Group has chosen not to restate, under IFRS, business combinations that took place prior to 1 June 2006, the date of transition to IFRS.

(g) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any impairment. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently where there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying value of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

(h) Software and software licences

The direct cost of acquisition of software licences is capitalised (if in relation to a significant installation) and, upon being brought into use, amortised as noted below. The cost of minor licenses, and the cost of deployment and associated costs to implement significant installations are expensed as incurred.

(i) Property, plant and equipment

All property, plant and equipment are shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of items. Depreciation is charged so as to write off the cost or valuation of assets over their useful economic lives, using the straight-line method, which is considered to be as follows:

Office refurbishment	- 5 years
Office furniture and fittings	- 4 years
Computer equipment	- 3 years
Software	- 6 years

The assets' residual values and useful lives are reviewed and, if appropriate, asset values are written down to their estimated recoverable amounts, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with the carrying amounts, and are included in the income statement.

(j) Impairment of intangible assets

The Group's policy is to amortise the intangible assets over the life of the contract.

At each balance sheet date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Value attributed to customer base of Fieldings is amortised over 10 years, being the assessed economic life thereof. In line with Group policy, a whole year is charged on initial acquisition.

(k) Available-for-sale investments

Available-for-sale investments are recognised and derecognised on a trade date where a purchase or sale of an investment is effected under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost.

At subsequent reporting dates, available-for-sale investments are measured at fair value. Gains or losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period. Impairment losses recognised in profit or loss are not subsequently reversed through profit or loss.

The fair values of available-for-sale investments quoted in active markets are determined by reference to the current quoted bid price. Where independent market prices are not available, fair values may be determined using valuation techniques with reference to observable market data.

(l) Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(m) Investments held for trading

Investments held for trading are measured at market value.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Such investments are those with original maturities of three months or less.

(o) Client money

The Company holds money on behalf of clients in accordance with the Client Money Rules of the Financial Conduct Authority. With the exception of money arising in the course of clients' transactions, as disclosed in note 19, such monies and the corresponding liability to clients are not shown on the face of the balance sheet. The amount so held on behalf of clients at the year-end is stated in note 25.

(p) Trade and other payables

Trade and other payables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. The Group accrues for all goods and services consumed but as yet unbilled at amounts representing management's best estimate of fair value.

(q) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(r) Dividends

Equity dividends are recognised when paid.

(s) Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

When the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period. Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of the goods and services received. There has been no material share options charge to the income statement to date and therefore no disclosure appears in these financial statements.

(t) Taxation

The tax expense represents the sum of the tax currently payable and the deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(u) Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Group Financial Statements, the results and financial position of each Group Company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the Group Financial Statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

(v) Leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

2 Critical accounting judgements and key uncertainties of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period.

a) Critical judgement - Allowance for bad debts

The Group makes provision for the element of client receivables where and to the extent it believes will not be recovered from clients. This judgement is based on past experience and detailed analysis of the outstanding position particularly with regard to the value of customers' portfolios relative to the amounts owed.

b) Key source of estimation uncertainty - Fair value of investments

The Group currently holds an investment in Euroclear Plc, which is held as an available-for-sale financial asset and measured at fair value at the balance sheet date. The Euroclear Plc shares do not trade in an active market, and therefore fair value is calculated with reference to the most recently published Euroclear Plc financial statements and share buyback information, using a Directors' valuation.

c) Key source of estimation uncertainty - Impairment

The Group tests goodwill and other intangible assets annually for impairment or more frequently if there are indicators that they might be impaired. This requires an estimation of the value in use of the goodwill and other intangible assets. The percentage used to calculate the value for VOR and Ionian was 2.5% of funds under management. Estimating the value in use requires management to make an estimate of the expected future cash flows from the entities from which the goodwill arose and for the intangible assets and to choose a suitable discount rate in order to calculate the present value of cash flows.

The carrying value of intangible assets arising on consolidation at 31 May 2018 was £1,576k (2017: £395k) being made up of £395k (2017:£395k) goodwill and £1,181k (2017: nil) the Fieldings client relationships. No impairment was recognised in the year (2017: nil). The carrying value of other intangible assets at 31 May 2018 was £130k (2017: £144k). Further detail is set out in notes 12 and 13. The directors have concluded that no impairment charge is necessary over and above the amortisation already provided for.

3 Total revenue and segmental analysis

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by management to allocate resources to the segments and to assess their performance. Following the acquisition of Fieldings Investment Management Limited, their staff and operations have been integrated into the management team of Fiske. Pursuant to this, the Group continues to identify a single reportable segment, being UK-based financial intermediation. Within this single reportable segment, total revenue comprises:

	2018
	£'000
Commission receivable	**2,454**
Investment management fees	**1,829**
Profit on investments held for trading	**18**
	4,301
Other income	**80**
	4,381

Substantially all revenue in the current and prior year is generated in the UK and derives solely from the provision of financial intermediation.

4 Staff remuneration and costs

Remuneration policies are recommended to the Board by the Remuneration Committee. The Committee consists of C F Harrison (Chairman), A R Fiske-Harrison and M H W Perrin.

Remuneration for executives comprises basic salary, a performance-related bonus, and other benefits in kind, and may include share options. This remuneration takes into account:

- market rates;
- the need to attract, retain and motivate high calibre individuals with a competitive remuneration package;

- comparability across different functions within the firm;
- loyalty and effort; and
- effectiveness.

The FCA's Remuneration Code applies to certain of the firm's staff. As set out in note 5 below Alan Meech received a commission element generated by him and this is usually less than 33% of the total remuneration earned by him though it is not capped as such. All other Code Staff have salaries that are in the main fixed and any performance-related pay reflects a share of a bonus pool available to all employees. This bonus pool reflects the profitability of the firm in that year and is allotted according to merit.

The average number of employees, including Directors, employed by the Company within each category of persons, and their aggregate remuneration was:

	2018	**2018**	2017
	No.	**£'000**	No.
Dealing and sales	**16**	**839**	10
Settlement	**5**	**224**	5
Administration	**10**	**346**	7
	31	**1,409**	22

Employees', including Directors', costs comprise:

	2018
	£'000
Wages, salaries and other staff costs	**1,357**
Bonus	**25**
Social security costs	**154**
	1,536

5 Directors' remuneration

(a) Directors' emoluments comprise:

	2018
	£'000

Emoluments	**518**

Highest paid Director's remuneration:

Emoluments	**156**

Information regarding Directors' share options is shown under Directors' Interests in the Directors' Report.

The emoluments of the Directors for the current and previous year are as follows:

	Gross Salary	Bonus	Fees	Commission	Benefits	Total
31 May 2018	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
C F Harrison	**119**	**-**	**-**	**-**	**6**	**125**
J P Q Harrison	**122**	**15**	**-**	**-**	**19**	**156**
F G Luchini	**115**	**-**	**-**	**-**	**13**	**128**
A D Meech	**32**	**-**	**-**	**12**	**23**	**67**
M H W Perrin	**-**	**-**	**21**	**-**	**1**	**22**
A R Fiske-Harrison	**-**	**-**	**19**	**-**	**1**	**20**
	388	**15**	**40**	**12**	**63**	**518**

	Gross salary	Bonus	Fees	Commission	Benefits	Total
31 May 2017	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
C F Harrison	**110**	**-**	**-**	**-**	**6**	**116**
J P Q Harrison	**113**	**-**	**-**	**-**	**16**	**129**
F G Luchini	**112**	**-**	**-**	**-**	**9**	**121**
A D Meech	**49**	**-**	**-**	**14**	**18**	**81**
M H W Perrin	**-**	**-**	**20**	**-**	**1**	**21**
A R Fiske-Harrison	**-**	**-**	**18**	**-**	**1**	**19**
	384	**-**	**38**	**14**	**51**	**487**

6 Operating profit

	2018
	£'000

The operating profit is arrived at after charging:

Auditor's remuneration:	
Fees payable to the Company's auditor	
- for the audit of the Company's annual accounts	**87**
Non-audit fees:	
- Other services pursuant to legislation: Interim review	**-**
- Audit of client money and custody assets	**8**
- Tax services	**7**
Amortisation of intangible assets - customer relationships	**131**
Amortisation of intangible assets - system licences	**26**
Depreciation of property, plant and equipment	**20**
Operating lease rentals - Land and buildings	**283**
- Other	**5**

As permitted by Section 408 of the Companies Act 2006, no separate income statement is presented in respect of the parent Company.

7 Finance income

	2018
	£'000
Interest receivable:	
Banks	**-**
	-

8 Finance costs

	2018
	£'000
Interest payable:	
Bank loans, overdrafts and other interest payable	**-**

9 Tax

Analysis of tax on ordinary activities:

	2018
	£'000
Current tax	
Current year	**4**
Prior year adjustment	**-**
	4
Deferred tax	
Current year	**-**
Prior year adjustment	**-**
Total tax charge to Statement of Comprehensive Income	**4**

Factors affecting the tax charge for the year

The standard rate of tax for the year, based on the United Kingdom standard rate of corporation tax, is 19.00% (2017: 19.83%).

The charge/(credit) for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	2018
	£'000
Profit / (loss) before tax	**464**
Charge on profit/(loss) on ordinary activities at standard rate	**86**
Effect of:	
Expenses not deductible in determining taxable profit	**9**
Non-taxable income	**(20)**
Losses not relieved	**-**
Carry back tax relief	**(71)**
	4

10 Share Option Scheme

The Employee Share Option Scheme, which is controlled by Fiske plc held shares to the benefit of employees, waived the entitlement to any dividend on its holding of 9,490 ordinary shares of 25p each (2017: 9,490 ordinary shares of 25p each).

11 Earnings / (loss) per share

Basic earnings per share has been calculated by dividing the profit on ordinary activities after taxation by the weighted average number of shares in issue during the year. Diluted earnings per share is basic earnings per share adjusted for the effect of conversion into fully paid shares of the weighted average number of share options during the year.

		Di
31 May 2018	**Basic**	
	£'000	
Profit on ordinary activities after taxation	**460**	
Adjustment to reflect impact of dilutive share options	**-**	
Earnings	**460**	
Number of shares (000's)	**10,906**	**10**
Earnings per share (pence)	**4.2**	

		Di
31 May 2017	Basic	
	£'000	
Profit on ordinary activities after taxation	31	
Adjustment to reflect impact of dilutive share options	-	
Earnings	31	
Number of shares (000's)	8,451	8
Loss per share (pence)	0.4	

	31 May 2018	31 May
Number of shares (000's):		
Weighted average number of shares	**10,906**	8
Dilutive effect of share option scheme	**74**	

	10,980	8

12 Intangible assets arising on consolidation

	Customer relationships	Goodwill	T
	£'000	£'000	£
Cost			
At 1 June 2017	-	1,311	1
Additions	1,312	-	1
At 31 May 2018	**1,312**	**1,311**	**2**
Accumulated amortisation			
At 1 June 2017	-	(916)	(
Charge in year	(131)	-	(
At 31 May 2018	**(131)**	**(916)**	**(1,**
Net book value			
At 31 May 2018	**1,181**	**395**	**1**
At 1 June 2017	-	395	

Goodwill arising through business combinations is allocated to individual cash-generating units ('CGUs') being acquired subsidiaries, reflecting the lowest level at which the Group monitors and test goodwill for impairment purposes. The CGUs to which goodwill is attributed are as follows:

CGU	
	£
Vor Financial Strategy	
Ionian Group Limited	
Goodwill allocated to CGUs	

Determining whether goodwill is impaired requires an estimation of the recoverable amount of each CGU. The recoverable amount is the higher of its value in use ('VIU') or its fair value less cost of disposal ('FVLCD').

As at 31 May 2018 none of the Group's CGUs are impaired with the recoverable amount for each CGU having been based on its FVLCD. The fair value has been calculated as 2.5 % of assets under management.

Under the above valuation approach each CGU had a FVLCD in excess of its carrying value by £62k at Vor (2017: £67k) and £53k at Ionian (2017: £7k).

An 18% reduction in funds under management for Ionian from £11.3m to £9.2m would result in a potential impairment trigger. Vor is less sensitive to such an impairment trigger requiring a fall of 27% of funds under management from £9.1m to £6.6m.

If fair value was calculated using 2% as opposed to 2.5% of funds under management for Ionian then, all other things being equal, there would be a potential impairment trigger. Vor would require a decrease to 1.8% of funds under management to trigger a potential impairment.

13 Other intangible assets

Group and Company	**Systems licence £'000**
Cost	
At 1 June 2016	90
Additions	90
At 1 June 2017	180
Additions	12
At 31 May 2018	**192**
Accumulated amortisation	
At 1 June 2016	-
Charge for the year	(36)
At 1 June 2017	(36)
Charge for the year	(26)
At 31 May 2018	**(62)**
Net book value	
At 31 May 2018	**130**

14 Business Combinations

On 17 August 2017, the Group acquired 100% of the share capital of Fieldings Investment Management Limited for £3,075,000. £2,092,000 of the consideration was paid in cash and £258,000 was discharged through the issue of new ordinary shares in the company. Further consideration is payable depending on the achievements of certain objectives. £725,000 has been provided in the accounts.

As a result of the acquisition, the Group has augmented its investment management team.

The following table summarises the consideration paid for Fieldings and the fair value of assets acquired and liabilities assumed at the acquisition date:

Consideration at 17 August 2017	**£'000**
Initial consideration	2,350
Deferred consideration	628
Total consideration	2,978

Recognised amounts of identifiable assets acquired and liabilities assumed

Cash and cash equivalents	2
Trade and other receivables	
Trade and other payables	(1,
Total identifiable net assets	1
Customer relationships	1
Total	2

Summarised income statement	**Post acquisition**	**Full Year**
Revenue	907	1

Profit after tax	(156)

Following acquisition a dividend of £1.7m was paid by Fieldings Investment Management Limited to Fiske plc.

Acquisition-related costs of £101,588 have been charged to administrative expenses in the Group Statement of Comprehensive Income for the year ended 31 May 2018.

15 Property, plant and equipment

Group and Company	**Office furniture and equipment £'000**	**Computer equipment £'000**	**Office refurbishment £'000**
Cost			
At 1 June 2016	**134**	173	**175**
Additions	3	4	-
Disposals	-	-	-
At 1 June 2017	**137**	**177**	**175**
Additions	25	20	-
At 31 May 2018	**162**	**197**	**175**
Accumulated depreciation			
At 1 June 2016	**(133)**	**(157)**	**(175)**
Charge for the year	(2)	(12)	-
At 1 June 2017	**(135)**	**(169)**	**(175)**
Charge for the year	(7)	(13)	-
At 31 May 2018	**(142)**	**(182)**	**(175)**
Net book value			
At 31 May 2018	**20**	**15**	**-**
At 31 May 2017	**2**	**8**	**-**

16 Investment in subsidiary undertakings

Company	2018 £'000
Cost at 1 June 2017	**395**
Additions	**2,978**
Dividend paid to parent company as part of acquisition	**(1,700)**
Reduction of capital by subsidiary, paid up to parent undertaking	**(156)**
Cost at 31 May 2018	**1,517**

The following are the subsidiaries of the Company at 31 May 2018 and at the date of these financial statements.

Incorporated in the UK:	Class of shares	Proportion of Nominal value and voting rights held by parent company	Year of acquisition	Nature of business
Fieldings Investment Management Limited	Ordinary	100%	2017	Investment
VOR Financial Strategy	Ordinary	100%	2009	Investment
Ionian Group Limited	Ordinary	100%	2002	Investment
Fiske Nominees Limited	Ordinary	100%	1988	Nominee

17 Available-for-sale investments

Group and Company	2017 £'000
At 1 June 2016:	
Valuation	**2,444**

Unrealised appreciation	**(1,780)**	(1
Cost	**664**	
Additions	**-**	
Cost of disposals	**-**	
At 31 May 2017:		
Cost	**664**	
Unrealised appreciation	**1,806**	
Valuation	**2,470**	
being:		
Listed	**6**	
Unlisted	**2,464**	
Available-for-sale investments carried at fair value	**2,470**	

The investments included above are represented by holdings of equity securities. These shares are not held for trading and are accordingly classified as available-for-sale.

18 Trade and other receivables

	2018	**2018**	2017	
	Group	**Company**	Group	Com
Group and Company	**£'000**	**£'000**	£'000	
Counterparty receivables	**2,462**	**2,462**	977	
Trade receivables	**515**	**515**	484	
	2,977	**2,977**	1,461	
Corporation tax recoverable	-	-	-	
Amount owed by group undertakings	-	**200**	-	
Other debtors	**229**	**214**	106	
Prepayments and accrued income	**881**	**579**	748	
	4,087	**3,970**	2,315	

Counterparty receivables

Included in the Group's counterparty receivables are debtors with a carrying amount of £55,000 (2017: £90,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts were still considered recoverable, and were subsequently recovered.

Ageing of past due but not impaired counterparty receivables:

	2018
	£'000
0 - 15 days	39
16 - 30 days	16
31 - 45 days	-
46 - 60 days	-
	55

Trade receivables

Included in the Group's trade receivables balance are debtors with a carrying amount of £318,000 (2017: £278,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts were still considered recoverable, and were subsequently recovered.

Ageing of past due but not impaired trade receivables:

	2018
	£'000
0 - 15 days	280
16 - 30 days	38
31 - 60 days	-
	318

19 Investments held for trading

	2018	2018	2017	
	Group	Company	Group	Com

Group and Company	£'000	£'000	£'000
Listed	**-**	**-**	19

The investments included above are represented by holdings of listed equity securities.

20 Trade and other payables

	2018	2018	2017	
	Group	**Company**	Group	Com
	£'000	**£'000**	£'000	
Counterparty payables	**3,273**	**3,273**	1,525	1
Trade payables	**-**	**-**	-	
	3,273	**3,273**	1,525	1
Sundry creditors and accruals	**1,692**	**1,475**	1,125	1
	4,965	**4,748**	2,650	2

21 Deferred taxation

Group and Company	Capital allowances £'000	Available-for-sale investments £'000	Tax Losses £'000	Deferre lial
At 1 June 2017	(1)	320	(94)	
Charge for the year	-	-	-	
Charge to Statement of Comprehensive Income				
- in respect of current year	-	-	-	
- in respect of change in corporation tax rate	-	(11)	-	
At 31 May 2018	**(1)**	**309**	**(94)**	

Deferred tax assets and liabilities are recognised at a rate which is substantively enacted at the balance sheet date. The rate to be taken in this case is 19%, being the anticipated rate of taxation applicable to the Company in the future.

22 Called up share capital

	2018		2017	
	No. of shares	**£'000**	No. of shares	£
Authorised:				
Ordinary shares of 25p	**12,000,000**	**3,000**	12,000,000	3
Allotted and fully paid:				
Ordinary shares of 25p				
At 1 June 2017	8,460,205	2,115	8,460,205	2
Shares issued	**3,100,000**	**775**	-	
At 31 May 2018	**11,560,205**	**2,890**	8,460,205	2

Included within the allotted and fully paid share capital were 9,490 ordinary shares of 25p each (2017: 9,490 ordinary shares of 25p each) held for the benefit of employees.

At 31 May 2018 there were 325,000 outstanding options to subscribe for ordinary shares at a weighted average exercise price of 60p.

23 Contingent liabilities

In the ordinary course of business, the Company has given letters of indemnity in respect of lost certified stock transfers and share certificates. While the contingent liability arising thereon is not quantifiable, it is not believed that any material liability will arise under these indemnities.

24 Financial commitments

Operating leases

At 31 May 2018 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2018		2017	
	Land and buildings	**Other**	Land and buildings	(
	£'000	**£'000**	£'000	£
In the next year	**368**	**5**	368	
In the second to fifth years inclusive	**807**	**5**	1,144	
Total commitment	**1,175**	**10**	1,512	

In June 2010, the Company entered into a new lease over its premises at London Wall for a period of 10 years, with a five-year break clause.

25 Clients' money

At 31 May 2018 amounts held by the Company on behalf of clients in accordance with the Client Money Rules of the Financial Conduct Authority amounted to £40,760,214 (2017: £36,229,000). The Company has no beneficial interest in these amounts and accordingly they are not included in the balance sheet.

26 Financial instruments

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Group's capital structure consists of equity attributable to equity holders of the parent company, comprising issued capital, reserves and retained earnings. The Group has no debt.

Externally imposed capital requirement

The Group is subject to the minimum capital requirements required by the Financial Conduct Authority (FCA), and has complied with those requirements throughout both financial periods. Capital adequacy and capital resources are monitored by the Group on the basis of the Capital Requirements Directive. The Group has a strong balance sheet, and has maintained regulatory capital at a level in excess of its regulatory requirement. The Group's capital requirement is under continuous review as part of the Internal Capital Adequacy Assessment Process.

Categories of financial instruments

	2018	**2018**	2017	2
	Group	**Company**	Group	Com
Group and Company	**£'000**	**£'000**	£'000	£
Available-for-sale investments	**2,470**	**2,470**	2,444	2
Loans and receivables - Trade and other receivables	**4,087**	**3,970**	2,315	2
Loans and receivables - Cash and cash equivalents	**2,453**	**2,038**	1,035	1
Investments held at fair value through profit and loss	**-**	**-**	19	
Trade and other payables	**4,965**	**4,748**	2,650	2

The carrying value of each class of financial asset denoted above approximates to its fair value.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2018			
	Level 1	**Level 2**	**Level 3**	**T**
	£'000	**£'000**	**£'000**	**£**
Financial assets at FVTPL				
Derivative financial assets for trading	-	-	-	
Non-derivative financial assets for trading	-	-	-	
Available-for-sale financial assets				
Quoted equities	6	-	-	
Unquoted equities	-	-	2,464	2
Total	6	-	2,464	2

There were no transfers between levels during the year.

Reconciliation of Level 3 fair value measurements of financial assets

Available-for-sale financial assets	**Unquoted equities**	**T**
	£'000	**£**
Balance at 1 June 2017	**2,438**	**2**
Purchases	-	
Total gains or losses:	26	
Balance at 31 May 2018	**2,464**	**2,**

There were no reclassifications during the year. There were no financial liabilities subsequently measured at fair value.

The Group's finance function monitors and manages the financial risks relating to the operations of the Group. The Group is exposed to market and other price risk, credit risk and to a very limited amount interest rate risk and liquidity risk.

The Board of Directors monitors risks and implements policies to mitigate risk exposures.

Credit risk

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to the Group. Third party receivables consist of customers' balances, spread across institutional and private clients. Ongoing credit evaluation is performed on the financial condition of accounts receivable and stock is held until settlement is effected.

The Group does not have any significant credit risk exposure to any group of third parties having similar characteristics. The credit risk on liquid funds is limited because the third parties are one of the UK big four clearing banks.

Market risk

The Group is mainly exposed to market risk in respect of its trading as agent in equities and debt instruments with the volume of trading and thus transaction revenue retreating in market downturns, and to variations in asset values and thus management fees. There has been no material change to the Group's exposure to market risks or the manner in which it manages and measures the risks.

Market risk also gives rise to variations in the value of investments held by Fiske, acting as principal. These are designated as available-for-sale and are mostly held for strategic rather than trading purposes and not actively traded.

Interest rate risk management

The Group has no borrowings and is therefore not exposed to interest rate risk in that respect. The Group's exposure to interest rates on financial assets is detailed in the liquidity risk management section of this note.

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. In respect of counterparty creditors and trade payables the amounts due are all payable between nil and 15 days.

Sensitivity analysis

Equity

The fair values of all available-for-sale investments and their exposure to equity price risks at the reporting date are based on the accounting policy in note 1(k). If equity prices had been 5% higher/lower the revaluation reserve would increase/decrease by £124,000 (2017: increase/decrease by £122,000).

In respect of investments held for trading purposes and their exposure to equity price risks at the reporting date, if equity prices had been 5% higher, net profit for the year ended 31 May 2018 would have been unchanged (2017: £1,000 higher) and the same if prices were lower.

Cash

The Group's financial cash asset of £2,453,000 (2017: £1,035,000) is held at a fixed interest rate and is available on demand. If prevailing interest rates during the year (approximately 0.5%) had been comparable with those prevailing in the prior year (approximately 0.5%), bank interest receivable of £nil (2017: £20,000) would have been substantially unchanged. A further reduction in rates in the period would have had no material impact.

27 Related party transactions

Transactions between the Company and its subsidiaries which are related parties have been eliminated on consolidation and are not disclosed in this note as they are not material.

Directors' transactions

Directors transact share-dealing business with the Company under normal staff business terms and in accordance with applicable laws and regulations. In the year to 31 May 2018, commission earned from this by the Company amounted to £1,710 (2017: £3,883).

During the year, the Directors each received no dividends attributable to their respective shareholdings, as disclosed in the Directors' Report (2017: £nil).

Details of Directors' interests in ordinary shares and in share options are as disclosed in the Directors' Report, together with details of other significant holdings in the equity of the Company. The Company has no ultimate controlling party.

Directors' balances

The Directors' trading balances have been included within trade receivables and payables and Directors' current account balances are included in other payables.

Company Information

DIRECTORS

Clive Fiske Harrison

Chairman

James Philip Quibell Harrison

Chief Executive Officer

Francis Gerard Luchini

Compliance Director and Company Secretary

Martin Henry Withers Perrin*

Alexander Rupert Fiske-Harrison *

**Non-Executive*

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Link Asset Services Limited

The Registry

34 Beckenham Road

Beckenham, Kent BR3 4TU

Details of the Directors and their backgrounds are as follows:

Clive Fiske Harrison *Chairman*

Clive Harrison started his career with Panmure Gordon in 1961 and moved to Hodgson & Baker (subsequently renamed Sandleson & Co) in 1965. He founded Fiske & Co in 1973 and has been senior partner and latterly Chief Executive officer since that time. He retired from the role of Chief Executive following the AGM on 25 September 2015.

James Philip Quibell Harrison *Chief Executive Officer*

James Harrison joined Fiske in 1996 in the private client investment department and now manages a substantial client portfolio. He was Company Secretary from 2001 to 2005 and he was appointed to the Board as an Executive Director in May 2007. On 25 September 2015, following the AGM he was appointed as the Chief Executive Officer. He is responsible for the day to day running of the Company.

Francis Gerard Luchini *Compliance Director*

Gerard Luchini joined Fiske as Compliance Officer in July 1997 and became a Director in January 1998. He was formerly a Compliance Officer with the Royal Bank of Canada. He has responsibility for all compliance and regulatory matters at the firm. He was appointed Company Secretary in 2005.

Martin Henry Withers Perrin *Non-Executive*

Martin Perrin joined the Board as a non-executive Director in November 2003. He is a chartered accountant with wide experience of operations and finance in industry. He is Chairman of the Audit Committee and the Risk Management Committee and is a member of the Remuneration and Nomination Committee. He is a Director of The Investment Company Plc and Vipera plc.

Alexander Rupert Fiske-Harrison *Non-Executive*

Alexander Fiske-Harrison joined the Board as a non-executive Director in April 2014. He has previously worked for the Financial Times Group where he was involved in setting up the FT Magazine in 2003 and has also worked as a trainee stockbroker at Fiske plc. Alexander is currently a director of St. Botolph's Securities Limited and Mersea Island Securities Limited, both of which are investment companies. Alexander also sits on the Board of Mephisto Productions Limited, a company involved the production of film and theatre.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Fiske plc will be held at Salisbury House, London Wall, London EC2M 5QS on 4 October 2018 at 12.30 pm for the following purposes:

Ordinary Business:

1. To receive the Report of the Directors and Auditor and the Accounts for the year ended 31 May 2018.

2. To re-elect Martin Henry Withers Perrin as a director of the Company.

3. To re-elect Clive Fiske Harrison as a director of the Company.

4. To re-elect Francis Gerard Luchini as a director of the Company.

5. To reappoint Deloitte LLP as auditor and to authorise the Board to fix their remuneration.

Special Business

To consider and, if thought fit, to pass the following Resolutions which will be proposed as to Resolution 6 as an ordinary Resolution and as to Resolutions 7 and 8 as special Resolutions:

6. THAT for the purposes of section 551 Companies Act 2006 ("2006 Act") (and so that expressions used in this resolution shall bear the same meanings as in the said section 551):

   (a) the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the 2006 Act respectively up to a maximum nominal amount of £1,333,606 to such persons and at such times and on such terms as they think proper during the period expiring at the conclusion of the next Annual General Meeting of the Company (unless previously varied, revoked or renewed by the Company in general meeting); and

   (b) the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot any relevant securities pursuant to such offer or agreement as if such authority had not expired; and

   (c) all prior authorities to allot securities be revoked but without prejudice to the allotment of any securities already made or to be made pursuant to such authorities.

7. THAT:

   (a) the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Companies Act 2006 (the "2006 Act") to make market purchases (within the meaning of section 693 of the 2006 Act) of ordinary shares of 25p each in the capital of the Company ("ordinary shares") on such terms and in such manner as the Directors may from time to time determine provided that:

   (b) the maximum number of ordinary shares hereby authorised to be acquired is 1,156,020;

   (c) the minimum price which may be paid for an ordinary share is 25p;

   (d) the maximum price which may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which an ordinary share is contracted to be purchased;

   (e) unless previously revoked or varied, the authority hereby conferred shall expire at the close of the next Annual General Meeting of the Company or 18 months from the date on which this resolution is passed, whichever shall be the earlier; and

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

8. THAT the Directors be granted power pursuant to Section 570 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of the 2006 Act) for cash, pursuant to the authority conferred on them to allot such shares or grant such rights by Resolution 6 contained in the Notice of the Annual General Meeting of the Company of which this Resolution forms part as if section 561(1) and sub sections (1)-(6) of section 562 of the 2006 Act did not apply to any such allotment, provided that the power conferred by this Resolution shall be limited to:

(a) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as maybe) to the respective number of equity securities held or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and

(b) the allotment of equity securities up to an aggregate nominal value of £1,044,600; and

(c) shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date 15 months from the date of passing of this Resolution unless previously varied, revoked or renewed by the Company in general meeting provided that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired; and

(d) all prior powers granted under section 571 of the Companies Act 2006 be revoked provided that such revocation shall not have retrospective effect.

By Order of the Board

F G Luchini

Secretary

31 August 2018

Registered office:

Salisbury House

London Wall

London EC2M 5QS

Notes to Notice of Annual General Meeting

1. A member entitled to attend and vote at the Meeting convened by the above notice may appoint a proxy to exercise all or any of his rights to attend, speak and vote at a meeting of the Company. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A form of proxy is enclosed. To be valid the enclosed form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof, must be delivered in accordance with instructions on it so as to be received by the Company's registrars, Link Asset Services, Proxies, The Registry, 34 Beckenham Road, Beckenham BR3 4TU, not less than two working days before the time appointed for holding the Meeting or any adjournment thereof. Lodgement of a form of proxy will not prevent a member from attending and voting in person if so desired.

2. Copies of contracts of service between the directors and the Company will be available at the registered office of the Company on any weekday prior to the meeting (weekends and public holidays excepted) during normal business hours. Copies of the above-mentioned documents will also be available on the date of the Annual General Meeting at the place of the meeting for 15 minutes prior to the meeting until its conclusion.

3. Pursuant to section 360B of the 2006 Act and regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company as at two working days before the time appointed for holding the Meeting shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at such time. If the Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is at 12.30 pm on the day preceding the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

4. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which names stand in the register of members of the Company in respect of the relevant joint holding.

5. By attending the Meeting members agree to receive any communications made at the meeting.

6. In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that (i) if a corporate shareholder has appointed the Chairman of the Meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the Meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the Meeting but the corporate shareholder has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of the

procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.

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