

Friday 19 February, 2021

Fiske PLC

Interim Results

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19 February 2021

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Fiske Plc

('Fiske' or 'the Company')

Interim Results

The Company announces its interim results for the six months ended 30 November 2020.

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

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Chairman's Statement

Trading

Our results for the half year to 30 November 2020 show a marked improvement on the two prior six month periods.

Total revenues of £2.775 million in the six months to November 2020 represent an 11% increase over revenues in the six months to November 2019 and only a 2% decrease on the following six months to May 2020. This was achieved despite the severe drop in market values in the first quarter of 2020. Whilst our commission revenues were up only 5% on the prior year equivalent period, our investment management fees increased by 14%.

Total assets under management ('AUM') have increased over the six months, as one would expect in the improving market conditions, and management fees as a percentage of AUM have improved slightly over the equivalent prior period to November 2019.

The increase in operating expenses was held to 2% which is plenty enough in the current low-inflation environment, but very modest given the continued investment in our internal controls and management of the regulatory oversight environment.

Overall, our operating results for the half year to 30 November 2020 were a continued improvement on the prior periods which have shown declining operating losses: of £237,000 for the half year to November 2019, £123,000 for the (second) half year to May 2020 and now £21,000 in the half year to November 2020.

At the pre-tax level, with interest rates dwindling to nil and fortunately for us not being negative in the UK, interest income has all but disappeared. On a more positive note, whilst we did not receive a Euroclear dividend in the six-month period, we do anticipate one within the current financial year.

Euroclear

We took advantage of an unsolicited offer to acquire some of our shares in Euroclear by releasing 28% of our holding. Euroclear has been a very profitable investment for Fiske: we have now realised a profit of £1.2m and we still retain £3.7m worth of Euroclear shares. The realisation of this profit has further strengthened our balance sheet and capital adequacy position, providing an extra £1.4m of cash.

Markets

At the beginning of this six-month period, in May, UK markets had started a price recovery from the market collapse in March but were still 17% below levels at the beginning of 2020. In November market prices began a further rally on the back of the US Presidential win for Biden and the positive vaccine news from both Pfizer and Moderna. For the main UK markets, though, prices still remained some 10% lower than at the start of the year. In parallel, international markets being reflected in indices such as the DAX, S&P and Nasdaq have fared much better, and growing client exposure to these markets has been a positive for the year.

Outlook

Much attention remains focussed on the path of the pandemic and both the monetary and fiscal responses. Thus, whilst our own operations continue to run smoothly, a very great many companies, not just the obvious retail and leisure businesses, have been badly affected and the economic impact is yet to be widely appreciated. We retain a healthy degree of caution regarding the immediate outlook for markets and will be very mindful of the likely economic impact of the virus as we progress through the year. Nevertheless, we continue to strive for further improvements in our financial results.

Clive Fiske Harrison

Chairman

18 February 2021

Condensed Consolidated Statement of Total Comprehensive Income

for the six months ended 30 November 2020

		Six months ended	Six months ended	Year ended
		30 November 2020	30 November 2019	31 May 2020
	note	Unaudited	Unaudited	Audited
		£'000	£'000	£'000
Total Revenue	2	2,775	2,509	5,383
Operating expenses		(2,796)	(2,746)	(5,743)
Operating Loss		(21)	(237)	(360)
Investment revenue		-	27	143
Finance income		-	87	148
Finance costs		(6)	(35)	(58)
Loss on ordinary activities before taxation		(27)	(158)	(127)
Taxation		(1)	-	-
Loss on ordinary activities after taxation		(26)	(158)	(127)
Other comprehensive income/(expense)				
Movement in unrealised appreciation of investments		222	(212)	(793)
Deferred tax on movement in unrealised appreciation of investments		(37)	39	187
Net other comprehensive income/(expense)		185	(173)	(606)
Total comprehensive income/loss for the period/year attributable to equity shareholders		159	(331)	(733)
(Loss) / Earnings per ordinary share (pence), <i>excluding other comprehensive income</i>	3			
Basic		(0.2p)	(1.4p)	(1.1p)

Diluted (0.2p) (1.4p) (1.1p)

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

Condensed Consolidated Statement of Financial Position

30 November 2020

	As at 30 November 2020 Unaudited £'000	As at 30 November 2019 Unaudited £'000	As at 31 May 2020 Audited £'000
Non-current assets			
Intangible assets arising on consolidation	1,216	1,379	1,289
Right-of-use assets	14	188	101
Other intangible assets	49	81	65
Property, plant and equipment	37	28	53
Investments held at Fair Value Through Other Comprehensive Income	3,751	5,546	4,962
Total non-current assets	5,067	7,222	6,470
Current assets			
Trade and other receivables	3,459	2,667	2,398
Cash and cash equivalents	2,992	1,377	2,239
Total current assets	6,451	4,044	4,637
Current liabilities			
Trade and other payables	3,237	2,479	2,924

Short-term lease liabilities	18	207	124
Current tax liabilities	-	-	-
Total current liabilities	3,255	2,686	3,048
Net current assets	3,196	1,358	1,589
Non-current liabilities			
Long-term lease liabilities	-	18	-
Deferred tax liabilities	538	759	611
Total non-current liabilities	538	777	611
Net assets	7,725	7,803	7,448
Equity			
Share capital	2,939	2,904	2,923
Share premium	2,082	2,029	2,057
Revaluation reserve	2,736	4,030	3,597
Retained earnings	(32)	(1,160)	(1,129)
Shareholders' equity	7,725	7,803	7,448

Condensed Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000

Balance at 31 May 2020	2,923	2,057	3,597	(1,129)	7,448
(Loss) on ordinary activities after taxation	-	-	-	(26)	(26)
Movement in unrealised appreciation of investments	-	-	222	-	222
Deferred tax on movement in unrealised appreciation of investments	-	-	(37)	-	(37)
Total comprehensive income / (expense) for the period	-	-	185	(26)	159
Realised on disposal of available-for-sale investments	-	-	(1,046)	1,122	76
Share based payment transactions	-	-	-	1	1
Issue of ordinary share capital	16	25	-	-	41
Total transactions with owners, recognised directly in equity	16	25	-	1	42
Balance at 30 November 2020	2,939	2,082	2,736	(32)	7,725
Balance at 31 May 2019	2,904	2,029	4,203	(1,004)	8,132
(Loss) on ordinary activities after taxation	-	-	-	(158)	(158)
Movement in unrealised appreciation of investments	-	-	(212)	-	(212)
Deferred tax on movement in unrealised appreciation of investments	-	-	39	-	39
Total comprehensive income / (expense) for the period	-	-	(173)	(158)	(331)
Share based payment transactions	-	-	-	2	2
Issue of ordinary share capital	-	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	2	2
Balance at 30 November 2019	2,904	2,029	4,030	(1,160)	7,803

Balance at 1 June 2019	2,904	2,029	4,203	(1,004)	8,132
Loss on ordinary activities after taxation	-	-	-	(127)	(127)
Movement in unrealised appreciation of investments	-	-	(793)	-	(793)
Deferred tax on movement in unrealised appreciation of investments	-	-	187	-	187
Total comprehensive income / (expense) for the period	-	-	(606)	(127)	(733)
Share based payment transactions	-	-	-	2	2
Issue of ordinary share capital	19	28	-	-	47
Total transactions with owners, recognised directly in equity	19	28	-	2	49
Balance at 31 May 2020	2,923	2,057	3,597	(1,129)	7,448

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 November 2020

	Six months ended		
	30 November 2020	30 November 2019	31 May 2020
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Operating (loss)	(21)	(237)	(360)
Amortisation of intangible assets arising on consolidation	74	66	156
Amortisation of other intangible assets	16	16	32
Depreciation of Right-of-use assets	86	86	173

Depreciation of property, plant and equipment	16	10	39
Expenses settled by the issue of shares	1	1	2
Decrease/(increase) in receivables	(1,063)	(280)	(11)
Increase/(decrease) in payables	316	(354)	75
Cash generated from / (used in) operations	(575)	(691)	106
Tax paid	-	-	-
Net cash (used in)/generated from operating activities	(575)	(691)	106
Investing activities			
Investment income received	-	27	143
Interest received	-	87	148
Proceeds on disposal of investments held at FVTOCI	1,400	-	5
Purchases of property, plant and equipment	-	(8)	(62)
Purchases of other intangible assets	-	-	-
Net cash (used in)/ generated from investing activities	1,400	106	234
Financing activities			
Interest paid	(6)	(15)	(24)
Proceeds from issue of ordinary share capital	40	-	47
Repayment of lease liabilities	(106)	(96)	(197)
Net cash used in financing activities	(72)	(111)	(174)
Net (decrease) / increase in cash and cash equivalents	753	(696)	166
Cash and cash equivalents at beginning of period	2,239	2,073	2,073
Cash and cash equivalents at end of period/year	2,992	1,377	2,239

Notes to the Interim Financial Statements

1. Basis of preparation

The Condensed Consolidated Interim Financial Statements of Fiske plc and its subsidiaries (the Group) for the six months ended 30 November 2020 have been prepared in accordance with IAS 34 (Interim Financial Reporting), as adopted in the United Kingdom. The accounting policies applied are consistent with those set out in the May 2020 Fiske plc Annual Report and accounts. These Condensed Consolidated Interim Financial Statements do not include all the information required for full annual statements and should be read in conjunction with the May 2020 Annual Report and Accounts.

The Financial Statements of the Group for the year ended 31 May 2020 were prepared in accordance with International Financial Reporting Standards adopted by in the United Kingdom. The statutory Consolidated Financial Statements for Fiske plc in respect of the year ended 31 May 2020 have been reported on by the Company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Under IAS 27 these financial statements are prepared on a consolidated basis where the Group consists of Fiske plc, the parent, and those subsidiaries in which it owns 100% of the voting rights, being Ionian Group Limited, Fiske Nominees Limited, Fieldings Investment Management Limited and VOR Financial Strategy Limited.

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

There were no new mandatory standards or amendments to existing standards effective in the six-month reporting period to 30 November 2020.

2. Revenues

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 in August 2017, their staff and operations have been integrated into the management team of Fiske plc. 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:

	Six months ended	Six months ended	Year ended
	30 November 2020	30 November 2019	31 May 2020
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Commission receivable	1,295	1,238	2,732
Investment management fees	1,429	1,255	2,615
	2,724	2,493	5,347

Other income / (loss)	51	16	36
	2,775	2,509	5,383

3. Earnings per share

	Basic	Diluted
	Basic	Basic
	£'000	£'000
(Loss) on ordinary activities after taxation	(26)	(26)
Adjustment to reflect impact of dilutive share options	-	-
(Loss)	(26)	(26)
Weighted average number of shares (000's)	11,694	11,735
(Loss) per share (pence)	(0.2)	(0.2)

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