

Half Yearly Financial Report

30 November 2021

The logo for Fiske plc is centered on the page. It consists of the text "Fiske plc" in a white, serif font, enclosed within a dark blue rectangular box. The box is defined by two thin white horizontal lines, one above and one below the text.

Fiske plc

Chairman's Statement

Trading

In the half year to November 2021 UK markets were broadly level, and market activity was generally quieter.

However, our investment management fee income, which now represents 55% of our revenues, rose noticeably over the period. Our investment performance and new client wins over the six months to November 2021 resulted in our investment management fee income being ahead, by some 17%, of the equivalent period to November 2020.

In contrast, and as a result of less volatile market conditions, our commission revenues were softer when compared to the previous six months to May 2021, although they were around the same level as for the comparable period to November 2020. Overall, our revenues for the half year were £2.9m which is 6% higher than for the equivalent prior year period to November 2020.

Our operating expenses increased during the period partly due to relocation costs and partly due to restructuring costs incurred in anticipation of a smaller office footprint. At the end of November, we moved to new modern offices at 100 Wood Street after spending some 45 years at Salisbury House. We expect to benefit from the reduction in overall property costs in the second half of our financial year which will now run to 30 June 2022. This follows our recent decision to change our accounting year end to 30 June.

Following an internal review of the results for the first half of the year, the Directors of the Company determined that certain one-off adjustments needed to be made to its accounts for the prior financial period. These are related to the method of computation of accrued management fee revenue. There has been no impact on the client money or asset positions of our clients, and no impact on the Company's cash position. As a consequence, group revenues for the year to May 2021 have been restated downwards by 4% and balance sheets commensurately corrected. Comparative data in this report has been restated and the adjustments elaborated in notes to the accounts and the comments in this statement reflect these changes.

Overall, our operating results for the half year to 30 November 2021 show a loss of £179,000 compared to the restated loss of £97,000 in the half year to November 2020. Our pre-tax losses were £6,000 (November 2020: restated loss of £103,000) for the period following receipt of the dividend of £183,000 for our shareholding in Euroclear.

Our cash balances continue to rise, reaching £3.6m at the end of November.

Markets

The final three months of the calendar year 2021 produced the UK's fifth consecutive positive quarterly equity market return despite increased volatility created by the emergence of the Omicron variant of Covid-19. Although more transmissible and infectious, it would seem it is less virulent, and that vaccinations and boosters have produced the level of protection hoped for.

With the market impact of the pandemic beginning to recede, inflation has now become a major concern and increasingly central banks are accepting that the current increase is not transitory and are responding by raising interest rates and/or by withdrawing Covid-induced financial support measures and monetary stimulus. Higher commodity and energy prices, rising demand, supply chain disruption and wage pressures are just some of the issues driving up the cost of living.

Chairman's Statement

continued

On the geo-political front, the invasion of Ukraine by Russian troops and the imposition of sanctions on Russia by Western nations is also of concern. The failure to find a diplomatic solution before Russian troops crossed the Ukrainian border might also embolden China to make more aggressive moves on Taiwan.

Since the turn of the year, market leadership has also shifted dramatically away from highly valued US technology growth stocks and pandemic beneficiaries towards higher yielding value situations found in the "old economy" sectors that are so predominant in the UK equity market. The relatively low ratings of many of the UK's major companies is also attracting the interest of activist investors. As a result, the US and UK markets have become disconnected with the latter moving ahead whilst the US market and the NASDAQ market are falling.

Outlook

We expect to see continuing turbulence in markets. Many shares that comprise the NASDAQ index have experienced a torrid time of late with some substantial intraday falls leading to major value destruction. This trend may continue for a while as speculative positions unwind, and share price ratings fall back to more realistic levels.

Interest rates are almost certain to rise further over the next 12 months, albeit from historically low levels. Against a backdrop of rising inflation rates, investment in real assets particularly in shares trading at reasonable valuations in companies with enough pricing power to underpin real earnings growth is likely to find favour. Overall, we look forward to identifying attractive investment opportunities for our clients that will no doubt be forthcoming in the coming months.

From an operational standpoint we are settling into our new offices well and look forward to the benefits that our reduced property costs and non-recurring restructuring costs will provide for the further development of the business.

Clive Fiske Harrison

Chairman

James P Q Harrison

Chief Executive Officer

28 February 2022

Condensed Consolidated Statement of Total Comprehensive Income

for the six months ended 30 November 2021

		Six months ended 30 November 2021 Unaudited £'000	Six months ended 30 November 2020 Unaudited £'000 (restated)	Year ended 31 May 2021 Unaudited £'000 (restated)
	Note			
Revenues	2	2,856	2,699	5,854
Operating expenses		(3,035)	(2,796)	(5,716)
Operating (Loss)/Profit		(179)	(97)	138
Investment revenue		183	–	237
Finance income		–	–	–
Finance costs		(10)	(6)	(9)
(Loss)/Profit on ordinary activities before taxation		(6)	(103)	366
Taxation		0	1	(43)
(Loss)/Profit on ordinary activities after taxation		(6)	(102)	323
Other comprehensive (expense)/income				
<i>Items that may subsequently be reclassified to profit or loss</i>				
Movement in unrealised appreciation of investments		(35)	222	75
Deferred tax on movement in unrealised appreciation of investments		(162)	(37)	(12)
Net other comprehensive (expense)/income		(197)	185	63
Total comprehensive (loss)/income for the period/year attributable to equity shareholders		(203)	83	386
Profit/(Loss) Earnings per ordinary share (pence)	3			
Basic		(0.1)p	(0.9)p	2.8p
Diluted		(0.1)p	(0.9)p	2.8p

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

Condensed Consolidated Statement of Financial Position

30 November 2021

	As at 30 November 2021 Unaudited £'000	As at 30 November 2020 Unaudited £'000 (restated)	As at 31 May 2021 Unaudited £'000 (restated)	As at 31 May 2020 Unaudited £'000 (restated)
Non-current assets				
Intangible assets arising on consolidation	1,050	1,216	1,129	1,289
Other intangible assets	16	49	32	65
Right-of-use assets	304	14	–	101
Property, plant and equipment	30	37	24	53
Investments held at Fair Value Through Other Comprehensive Income	3,568	3,751	3,604	4,962
Total non-current assets	4,968	5,067	4,789	6,470
Current assets				
Trade and other receivables	2,797	3,325	2,211	2,340
Cash and cash equivalents	3,620	2,992	3,498	2,239
Total current assets	6,417	6,317	5,709	4,579
Current liabilities				
Trade and other payables	2,647	3,237	2,049	2,924
Short-term lease liabilities	–	18	–	124
Current tax liabilities	43	–	43	–
Total current liabilities	2,690	3,255	2,092	3,048
Net current assets	3,727	3,062	3,617	1,531
Non-current liabilities				
Long-term lease liabilities	308	–	–	–
Deferred tax liabilities	735	538	573	611
Total non-current liabilities	1,043	538	573	611
Net assets	7,652	7,591	7,833	7,390
Equity				
Share capital	2,957	2,939	2,939	2,923
Share premium	2,085	2,082	2,082	2,057
Revaluation reserve	2,356	2,736	2,553	3,597
Retained earnings	254	(166)	259	(1,187)
Shareholders' equity	7,652	7,591	7,833	7,390

Condensed Consolidated Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Revaluation Reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance at 31 May 2021	2,939	2,082	2,553	562	8,136
Adjustments	–	–	–	(303)	(303)
Balance at 31 May 2021 as restated	2,939	2,082	2,553	259	7,833
Profit/(Loss) on ordinary activities after taxation	–	–	–	(6)	(6)
Movement in unrealised appreciation of investments	–	–	(35)	–	(35)
Deferred tax on movement in unrealised appreciation of investments	–	–	(162)	–	(162)
Total comprehensive income/(expense) for the period	–	–	(197)	(6)	(203)
Share based payment transactions	–	–	–	1	1
Issue of ordinary share capital	18	3	–	–	21
Total transactions with owners, recognised directly in equity	18	3	–	1	22
Balance at 30 November 2021	2,957	2,085	2,356	254	7,652
Balance at 31 May 2020	2,923	2,057	3,597	(1,129)	7,448
Adjustments	–	–	–	(58)	(58)
Balance at 31 May 2020 as restated	2,923	2,057	3,597	(1,187)	7,390
(Loss) on ordinary activities after taxation	–	–	–	(102)	(102)
Movement in unrealised appreciation of investments	–	–	222	–	222
Deferred tax on movement in unrealised appreciation of investments	–	–	(37)	–	(37)
Realised disposal of Fair value through other comprehensive income investments	–	–	(1,046)	1,122	76
Total comprehensive income/(expense) for the period	–	–	(861)	1,020	159
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 as restated	2,939	2,082	2,736	(166)	7,591

Condensed Consolidated Statement of Changes in Equity

continued

	Share Capital £'000	Share Premium £'000	Revaluation Reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 June 2020	2,923	2,057	3,597	(1,129)	7,448
Adjustments	–	–	–	(58)	(58)
Balance at 1 June 2020 as restated	2,923	2,057	3,597	(1,187)	7,390
Profit/Loss on ordinary activities after taxation	–	–	–	323	323
Movement in unrealised appreciation of investments	–	–	75	–	75
Deferred tax on movement in unrealised appreciation of investments	–	–	(12)	–	(12)
Realised disposal of Fair Value through OCI	–	–	(1,107)	1,122	15
Total comprehensive income/ (expense) for the period	–	–	(1,044)	1,445	401
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 31 May 2021	2,939	2,082	2,553	259	7,833

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 November 2021

	Six months ended 30 November 2021 Unaudited £'000	Six months ended 30 November 2020 Unaudited £'000 (restated)	Year ended 31 May 2021 Unaudited £'000 (restated)
Operating (Loss)/profit	(179)	(97)	138
Amortisation of intangible assets arising on consolidation	80	74	160
Amortisation of other intangible assets	16	16	33
Depreciation of Right-of-use assets	23	86	101
Depreciation of property, plant and equipment	15	16	33
Expenses settled by the issue of shares	1	1	2
Decrease/(increase) in receivables	(305)	(987)	125
Increase/(decrease) in payables	317	316	(873)
Cash (used in) operations	(32)	(575)	(281)
Tax paid	–	–	–
Net cash (used in)/generated from operating activities	(32)	(575)	(281)
Investing activities			
Investment income received	183	–	237
Interest received	–	–	–
Proceeds on disposal of investments held at FVTOCI	–	1,400	1,400
Purchases of property, plant and equipment	(21)	–	(4)
Purchases of other intangible assets	–	–	–
Net cash generated from investing activities	162	1,400	1,633
Financing activities			
Interest paid	(10)	(6)	(9)
Proceeds from issue of ordinary share capital	22	40	40
Repayment of lease liabilities	(20)	(106)	(124)
Net cash used in financing activities	(8)	(72)	(93)
Net increase in cash and cash equivalents	122	753	1,259
Cash and cash equivalents at beginning of period	3,498	2,239	2,239
Cash and cash equivalents at end of period/ year	3,620	2,992	3,498

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 2021 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 2021 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 2021 Annual Report and Accounts.

The Financial Statements of the Group for the year ended 31 May 2021 were prepared in accordance with International Financial Reporting Standards adopted by the United Kingdom. The statutory Consolidated Financial Statements for Fiske plc in respect of the year ended 31 May 2021 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 2021.

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 30 November 2021 Unaudited £'000	Six months ended 30 November 2020 Unaudited £'000 (restated)	Year ended 31 May 2021 Unaudited £'000 (restated)
Commission receivable	1,276	1,295	2,854
Investment management fees	1,578	1,353	2,920
	2,854	2,648	5,774
Other income	2	51	80
	2,856	2,699	5,854

3. Deferred tax

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 25%, (May 2021: 19%) being the anticipated rate of taxation applicable to the Group and Company in the following year.

4. Earnings per share

	Basic £'000	Diluted Basic £'000
Loss on ordinary activities after taxation	(6)	(6)
Adjustment to reflect impact of dilutive share options	–	–
Loss	(6)	(6)
Weighted average number of shares (000's)	11,785	11,785
Loss per share (pence)	(0.1)	(0.1)

Notes to the Interim Financial Statements

continued

5. Impact of restatements

(a) Consolidated Statement of Total Comprehensive income in the prior half year to 30 November 2020

	Notes	As previously reported (Unaudited) £'000	Adjustments (Unaudited) £'000	As restated (Unaudited) £'000
Total Revenue	i	2,775	(76)	2,699
Operating expenses		(2,796)	–	(2,796)
Operating Loss		(21)	(76)	(97)
Investment revenue		–	–	–
Finance income		–	–	–
Finance costs		(6)	–	(6)
Loss on ordinary activities before taxation		(27)	(76)	(103)
Taxation		(1)	–	(1)
Loss on ordinary activities after taxation		(26)	(76)	(102)
Other comprehensive income/(expense)				
Movement in unrealised appreciation of investments		222	–	222
Deferred tax on movement in unrealised appreciation of investments		(37)	–	(37)
Net other comprehensive Income/(expense)		185	–	185
Total comprehensive income/(loss) for the period/year attributable to equity shareholders		159	(76)	83
(Loss)/Earnings per ordinary share (pence), excluding other comprehensive income				
Basic		(0.2)p	(0.7)p	(0.9)p
Diluted		(0.2)p	(0.7)p	(0.9)p

5. Impact of restatements (continued)

(b) Consolidated Statement of Total Comprehensive income in the prior year to 31 May 2021

	Notes	As previously reported (Audited) £'000	Adjustments (Unaudited) £'000	As restated (Unaudited) £'000
Total Revenue	i	6,098	(244)	5,854
Operating expenses		(5,716)	–	(5,716)
Operating Profit/(loss)		382	(244)	138
Investment revenue		237	–	237
Finance income		–	–	–
Finance costs		(9)	–	(9)
Profit/(Loss) on ordinary activities before taxation		610	(244)	366
Taxation		(43)	–	(43)
Profit/(Loss) on ordinary activities after taxation		567	(244)	323
Other comprehensive income/(expense)				
Movement in unrealised appreciation of investments		75	–	75
Deferred tax on movement in unrealised appreciation of investments		(12)	–	(12)
Net other comprehensive (expense)/income		63	–	63
Total comprehensive income/(loss) for the period/year attributable to equity shareholders		630	(244)	386
Earnings/(Loss) per ordinary share (pence), excluding other comprehensive income				
Basic		4.8p	(2.0)p	2.8p
Diluted		4.8p	(2.0)p	2.8p

Notes to the Interim Financial Statements

continued

5. Impact of restatements (continued)

(c) Consolidated Statement of Financial Position as at 30 November 2020

	Notes	As previously reported (Unaudited) £'000	Adjustments (Unaudited) £'000	As restated (Unaudited) £'000
Non-current assets				
Intangible assets arising on consolidation		1,216	–	1,216
Other intangible assets		49	–	49
Right-of-use assets		14	–	14
Property, plant and equipment		37	–	37
Investments held at Fair Value Through Other Comprehensive Income		3,751	–	3,751
Total non-current assets		5,067	–	5,067
Current assets				
Trade and other receivables	i	3,459	(134)	3,325
Cash and cash equivalents		2,992	–	2,992
Total current assets		6,451	(134)	6,317
Current liabilities				
Trade and other payables		3,237	–	3,237
Short-term lease liabilities		18	–	18
Current tax liabilities		–	–	–
Total current liabilities		3,255	–	3,255
Net current assets		3,196	(134)	3,062
Non-current liabilities				
Deferred tax liabilities		538	–	538
Total non-current liabilities		538	–	538
Net assets		7,725	(134)	7,591
Equity				
Share capital		2,939	–	2,939
Share premium		2,082	–	2,082
Revaluation reserve		2,736	–	2,736
Retained earnings		(32)	(134)	(166)
Shareholders' equity		7,725	(134)	7,591

5. Impact of restatements (continued)

(d) Consolidated Statement of Financial Position as at 31 May 2021

	Notes	As previously reported (Audited) £'000	Adjustments (Unaudited) £'000	As restated (Unaudited) £'000
Non-current assets				
Intangible assets arising on consolidation		1,129	–	1,129
Other intangible assets		32	–	32
Property, plant and equipment		24	–	24
Investments held at Fair Value Through Other Comprehensive Income		3,604	–	3,604
Total non-current assets		4,789	–	4,789
Current assets				
Trade and other receivables	i	2,514	(303)	2,211
Cash and cash equivalents		3,498	–	3,498
Total current assets		6,012	(303)	5,709
Current liabilities				
Trade and other payables		2,049	–	2,049
Current tax liabilities		43	–	43
Total current liabilities		2,092	–	2,092
Net current assets		3,920	(303)	3,617
Non-current liabilities				
Deferred tax liabilities		573	–	573
Total non-current liabilities		573	–	573
Net assets		8,136	(303)	7,833
Equity				
Share capital		2,939	–	2,939
Share premium		2,082	–	2,082
Revaluation reserve		2,553	–	2,553
Retained earnings		562	(303)	259
Shareholders' equity		8,136	(303)	7,833

Notes to the Interim Financial Statements

continued

5. Impact of restatements (continued)

(e) Consolidated Statement of Financial Position as at 1 June 2020

	Notes	As previously reported (Audited) £'000	Adjustments (Unaudited) £'000	As restated (Unaudited) £'000
Non-current assets				
Intangible assets arising on consolidation		1,289	–	1,289
Other intangible assets		65	–	65
Right-of-use assets		101	–	101
Property, plant and equipment		53	–	53
Investments held at Fair Value Through Other Comprehensive Income		4,962	–	4,962
Total non-current assets		6,470	–	6,470
Current assets				
Trade and other receivables	i	2,398	(58)	2,340
Cash and cash equivalents		2,239	–	2,239
Total current assets		4,637	(58)	4,579
Current liabilities				
Trade and other payables		2,924	–	2,924
Short-term lease liabilities		124	–	124
Current tax liabilities		–	–	–
Total current liabilities		3,048	–	3,048
Net current assets		1,589	(58)	1,531
Non-current liabilities				
Deferred tax liabilities		611	–	611
Total non-current liabilities		611	–	611
Net assets		7,448	(58)	7,390
Equity				
Share capital		2,923	–	2,923
Share premium		2,057	–	2,057
Revaluation reserve		3,597	–	3,597
Retained earnings		(1,129)	(58)	(1,187)
Shareholders' equity		7,448	(58)	7,390

Notes:

- i impact of adjustments to the management fee accrual to reflect improved methodology of system data extraction.

