Half Yearly Financial Report
30 November 2017

Fiske plc

Chairman's Statement

Trading

We are pleased to report a further improvement in profitability for the six months to 30 November 2017. Our pre-tax profit was £190,000 which compares to a profit of £19,000 in the six months to 30 November 2016.

The highlight of the first half was the completion of the acquisition of Fieldings Investment Management Limited ("Fieldings"). Accordingly the group results to 30 November 2017 include a contribution of some three and a half months from Fieldings. In addition Fiske incurred over £100,000 of transaction related costs which under IFRS fall to be expensed rather than capitalised as part of the cost of the investment in a subsidiary. Nevertheless Fieldings has made an important contribution to the group's results for the first half. We are pleased to welcome the Fieldings staff into our expanded team and as we migrate more of the Fieldings' clients onto our platform we expect further financial benefits.

On a like for like basis, excluding Fieldings, revenues increased by some 4% whilst Fiske, as the parent company, operated profitably in the period. Over time we will be integrating Fieldings' operations into Fiske's and the parent/subsidiary distinction will have less meaning. In parallel to Fieldings, we continue to attract new investment managers and their clients to join the company.

This time last year we received the annual dividend from our holding in Euroclear. In 2017 the dividend was paid in May which was slightly earlier than normal. Accordingly we have not received any dividend income from Euroclear in the first half of 2018.

Overall, our combined revenues for the first half were £2,074,000 which is an increase of 33% over the comparable period in 2016. Our operating expenses rose by 12% to £1,769,000 resulting in an operating profit of £190,000. This compares favourably to an operating loss of £109,000 in the six months to 30 November 2016. Our operating profit margin for the first half of 2018 was 9.2%.

A dominant theme of the last calendar year and in particular the six months to 30 November 2017 has been the considerable time and effort devoted by the company to the implementation of sweeping new regulations known as MiFID II. In order to ensure that our systems were updated and our personnel appropriately trained we have incurred significant costs to the business. Whilst it is reasonable to expect most of these expenses to be non-recurring there are parts of MiFID II that continue to require software development and staff training during 2018. In addition the implementation of the General Data Protection Regulation (GDPR) will become effective on 25 May 2018 and will require some additional costs to be incurred.

Share Capital

In August the Company raised an additional £1,292,500 of share capital to finance the acquisition of Fieldings. We were encouraged by the ready support of investors for this transaction.

Balance Sheet

We maintain our strong financial position with our cash balance now standing at £2,252,000.

In relation to our holding in Euroclear it was with considerable interest that we noted the recent sale of a 4.7% holding in Euroclear by Royal Bank of Scotland to Intercontinental Exchange Holdings (ICE) the owner of The New York Stock Exchange. This sale was completed at a price of €1,853 per share which is substantially above the highest price paid by Euroclear of €774 per share in their most recent buyback in April 2017. As we currently value our holding in Euroclear at €774 per share this transaction gives us increased confidence in the carrying value, being €2.464m, of our shares in Euroclear.

Dividend

The Board has resolved not to pay an interim dividend for the six month period to 30 November 2017.

Markets

The scope for policy error from central banks in the US, UK, Europe, Japan and China is growing steadily as they all begin to tighten monetary conditions. The Federal Reserve is most advanced in this tightening cycle though it is only in the last few months that the reductions in their balance sheet are starting to have an impact.

In my statement to you with our full year results to 31 May 2017 which was dated 31st August 2017 I referred to the Dow Jones Index breaking through the important psychological level of 20,000 points. Since that date irrational exuberance has driven that Index to a peak of 26,616 points on the 26th January 2018, a little over one month ago.

Apart from the actual levels what is surprising is this strong market has occurred at the same time as the Federal Reserve was warning of further imminent rate rises of a scale greater than previously indicated. There has been a clear adjustment in the bond markets especially in the US where the 10yr Treasury bond is now trading at 2.84% whilst both personal leverage and margin trading in the markets are at record levels.

Irrational exuberance first became accepted terminology for a market losing touch with reality in 1997 when Greenspan was Chairman of the Fed. He wisely warned market participants about their behaviour and then proceeded to totally ignore his own warnings. In due course starting some two and half years later in the second quarter of 2000 a major market correction began that drove the S&P 500 Index down 47% over the ensuing two and a half years.

Strong stock markets currently imply that investors are more focused on the positive growth indicators than on risk. Indeed the recent 10% ‘tantrum’ in markets is a reminder of the many risks inherent in markets. Small improvements in global productivity and the continuing low level of bond yields point to more modest expectations for growth in the future.

However history tells us that trying to time markets is fraught with difficulty. Rather taking a long term view and investing with an active investment strategy is the best way in which we can serve our clients. Accordingly we are investing steadily whilst maintaining a cautious view at present market levels and consider an element of fixed interest and/or cash a prudent insurance policy.

Outlook
The second half of our financial year has continued in a similar vein to the first. December was quiet as is normally the case whilst business has improved in January. We now anticipate a busy period in the run up to the end of the tax year.

Clive F Harrison
Chairman
27 February 2018

Independent Review Report to Fiske plc

We have been engaged by the Group to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2017 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated cash flow statement and the related notes 1 to 4. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Group in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Group those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

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

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

Our responsibility

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2017 is not prepared, in all material respects, in accordance with accounting policies the Group intends to use in preparing its next annual financial statements and the AIM Rules of the London Stock Exchange.

Deloitte LLP
Statutory Auditor
London
United Kingdom

27 February 2018

Consolidated Statement of Comprehensive Income

for the six months ended 30 November 2017

	Six months ended 30 November 2017 Unaudited £'000	Six months ended 30 November 2016 Unaudited £'000	Year ended 31 May 2017 Audited £'000
Fee and commission income	**2,074**	1,554	3,204
Fee and commission expenses	**(186)**	(193)	(476)
Net fee and commission income	**1,888**	1,361	2,728
Other income	**75**	49	99
Total revenue	**1,963**	1,410	2,827
Profit on disposal of available-for-sale investments	-	-	-
Profit/(Loss) on investments held for trading	**(4)**	57	66
Operating expenses	**(1,769)**	(1,576)	(3,039)
Operating profit/ (loss)	**190**	(109)	(146)
Investment revenue	**-**	92	168
Finance income	**-**	36	10
Finance costs	-	-	(1)
Profit/(Loss) on ordinary activities before taxation	**190**	19	31
Taxation	**-**	-	-
Profit/(Loss) on ordinary activities after taxation	**190**	19	31
Other comprehensive income/(expense)			
Movement in unrealised appreciation of investments	**25**	223	244
Deferred tax on movement in unrealised appreciation of investments	**12**	(11)	(25)
Net other comprehensive (expense)/ income	**37**	212	219
Total comprehensive income / (loss) for the period/year attributable to equity shareholders	**227**	231	250
Earnings per ordinary share (pence), *excluding other comprehensive income*			
Basic	**1.9p**	0.2p	0.4p
Diluted	**1.8p**	0.2p	0.4p

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

Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 December 2016	**2,115**	**1,222**	**1,452**	**(1,321)**	**3,468**
Profit on ordinary activities after taxation	-	-	-	12	12
Other comprehensive income	-	-	7	-	7
Total comprehensive income/(loss) for period	-	-	7	12	19
Dividends paid	-	-	-	-	-
Balance at 31 May 2017	**2,115**	**1,222**	**1,459**	**(1,309)**	**3,487**
Profit on ordinary activities after taxation	-	-	-	190	190
Other comprehensive income	-	-	37	-	37
Total comprehensive income for period	-	-	37	190	227
Dividends paid	-	-	-	-	-
Issue of ordinary share capital	**775**	735	-	-	1,510
Balance at 30 November 2017	**2,890**	**1,957**	**1,496**	**(1,119)**	**5,224**

Consolidated Statement of Financial Position

30 November 2017

	As at 30 November 2017 Unaudited £'000	As at 30 November 2016 Unaudited £'000	As at 31 May 2017 Audited £'000
Non-current assets			
Goodwill	**1,524**	395	395
Other intangible assets	**146**	162	144
Property, plant and equipment	**20**	14	10
Available-for-sale investments	**2,468**	2,424	2,444
Total non-current assets	**4,158**	2,995	2,993
Current assets			
Trade and other receivables	**2,508**	2,347	2,315
Investments held for trading	**8**	11	19
Cash and cash equivalents	**2,252**	863	1,035
Total current assets	**4,768**	3,221	3,369
Current liabilities			
Trade and other payables	**3,418**	2,537	2,650
Current tax liabilities	**71**	-	-
Total current liabilities	**3,489**	2,537	2,650
Net current assets	**1,279**	684	719
Non-current liabilities			
Deferred tax liabilities	**213**	211	225
Total non-current liabilities	**213**	211	225
Net assets	**5,224**	3,468	3,487
Equity			
Share capital	**2,890**	2,115	2,115
Share premium	**1,957**	1,222	1,222
Revaluation reserve	**1,496**	1,452	1,459
Retained earnings	**(1,119)**	(1,321)	(1,309)
Shareholders' equity	**5,224**	3,468	3,487

Consolidated Cash Flow Statement

For the six months ended 30 November 2017

	Six months ended 30 November 2017 Unaudited £'000	Six months ended 30 November 2016 Unaudited £'000	Year ended 31 May 2017 Audited £'000
Operating activities	**190**	(109)	(146)
(Profit) on disposal of available-for-sale investments	**-**	-	-
Depreciation of tangible and intangible assets	**32**	24	50
Decrease/(increase) in investments held for trading	**11**	5	(3)
Remove opening receivables of acquisition	**(568)**	-	-
Remove opening payables of acquisition	**475**	-	-
Decrease/(increase) in receivables	**(252)**	450	482
Increase/(decrease) in payables	**768**	17	130
Cash generated from / (used in) operations	**656**	387	513
Tax recovered	**71**	38	38
Net cash (used in)/generated from operating activities	**727**	425	551
Investing activities			
Interest received	**0**	36	10
Investment income received	**0**	92	168
Interest paid	**(1)**	-	(2)
Proceeds on disposal of available-for-sale investments	**-**	-	-
Purchases of available-for-sale investments	-	-	-
Purchases of property, plant and equipment	**(10)**	(5)	(7)
Purchases of other intangible assets	**(12)**	(90)	(90)
Payments to acquire subsidiary undertaking	**(3,357)**	-	-
Cash acquired with subsidiary undertaking	**2,320**	-	-
Net cash (used in)/ generated from investing activities	**(1,060)**	33	79
Financing activities			
Proceeds from issue of ordinary share capital	**1,550**		
Dividends paid	**-**	-	-
Net cash used in financing activities	**1,550**	-	-
Net increase / (decrease) in cash and cash equivalents	**1,217**	458	630
Cash and cash equivalents at beginning of period	**1,035**	405	405
Cash and cash equivalents at end of period/year	**2,252**	863	1,035

Notes to the Interim Financial Statements

1. Basis of preparation

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

The figures and financial information for the period ended 31 May 2017 are extracted from the latest published audited financial statements of the Group and do not constitute the statutory financial statements for that period. The audited financial statements for the period ended 31 May 2017 have been filed with the Registrar of Companies. The report of the independent auditors on those financial statements contained no qualification or statement under section 498(2) or section 498(3) of the Companies Act 2006.

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

Under IAS 27 these financial statements are prepared on a consolidated basis where the Group consists of Fiske plc, the parent, with the following subsidiaries in which it owns 100% of the voting rights:

VOR Financial Strategy Limited
Ionian Group Limited
Fiske Nominees Limited
Fieldings Investment Management 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.

2. Taxation

The tax charge for the six months to 30 November 2017 reflects all the necessary provisions for current tax, taking into account the availability of losses brought forward, and movements in deferred tax. In arriving at the effective tax rate account has been taken of the change in the rate of tax charged and the disallowance of the cost of share-based payments charged to the consolidated statement of comprehensive income.

3. Dividends paid

Dividends paid in the first period of 2018 £nil (2017 – £nil).

4. Business Combinations

On 17 August 2017, the Group acquired 100% of the share capital of Fieldings Investment Management Limited ("Fieldings"). As announced on 27 July 2017, the initial consideration was £2.3 million subject to adjustments in relation to the net assets and assets under management of Fieldings at 31 July 2017. The initial consideration was adjusted accordingly to £2,575,230, with the deferred consideration remaining as £784,267. As a result of the acquisition, the enlarged Group is expected to benefit from a larger and wider client base with the prospect of the double benefit of incremental revenue and cost savings.

A provisional assessment of the goodwill arising from the acquisition of the assets and liabilities of Fieldings has been carried out in arriving at the values shown in the Consolidated Statement of Financial Position. Further evaluation will be completed as part of the preparation of the consolidated accounts for the year ended 31 May 2018.

4. **Business Combinations** (continued)

Acquisition-related costs of £101,588 have been charged to operating expenses in the Consolidated Statement of Comprehensive Income for the six months ended 30 November 2017. The fair value of the 515,000 Ordinary Shares (issued as initial consideration) paid for Fieldings (£257,500) was based on the share price of 50p.