

Annual Report and Accounts

For the year ended 31 May 2012

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 framed by two thin white horizontal lines, one above and one below the text.

Fiske plc

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Directors, Secretary and Advisers

DIRECTORS

Clive Fiske Harrison *Chairman and Chief Executive Officer*

Amanda Jane Andrews *Finance Director*

James Philip Quibell Harrison

Francis Gerard Luchini *Compliance Director*

Alan Dennis Meech *Dealing Director*

Stephen John Cockburn*

Martin Henry Withers Perrin*

*Non-Executive

COMPANY SECRETARY

Francis Gerard Luchini

REGISTERED OFFICE

3rd Floor
Salisbury House
London Wall
London EC2M 5QS

REGISTERED NUMBER

2248663

NOMINATED ADVISER

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

BROKER

Fiske plc
Salisbury House
London Wall
London EC2M 5QS

SOLICITORS

Dechert LLP
160 Queen Victoria Street
London EC4V 4QQ

Travers Smith
10 Snow Hill
London EC1A 2AL

AUDITOR

Deloitte LLP
London

BANKERS

National Westminster Bank Plc
City Markets Group
9th Floor
280 Bishopsgate
London EC2M 4RB

REGISTRARS

Capita Registrars Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Directors' Biographies

Details of the Directors and their backgrounds are as follows:

Clive Fiske Harrison (aged 72)

Chairman and Chief Executive Officer

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 is responsible for the overall day-to-day management of the company.

Amanda Jane Andrews (aged 41)

Finance Director

Amanda Andrews joined Fiske's finance department in 1997 having previously worked at a money broking firm. She became the Financial Controller in 2001 being responsible for all financial matters. She was appointed to the Board as Finance Director in May 2007.

James Philip Quibell Harrison (aged 39)

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.

Francis Gerard Luchini (aged 71)

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.

Alan Dennis Meech (aged 60)

Dealing Director

Alan Meech joined Fiske as a dealer in 1985 and became Director in charge of the dealing desk in May 1989. He was previously with J M Finn. His role at Fiske also includes responsibility for some areas of credit control and is a member of the Risk Management Committee.

Stephen John Cockburn (aged 72)

Non-Executive

Stephen Cockburn joined the Board as a non-executive Director in September 1999. He was the Chairman and principal shareholder of Ionian Group Limited which was acquired by Fiske in June 2002. He is a member of the Remuneration and Nomination Committee. He is the Managing Director of The Investment Company Plc.

Martin Henry Withers Perrin (aged 58)

Non-Executive

Martin Perrin joined the Board as a non-executive Director in November 2003. He is a chemist and a chartered accountant with wide experience of operations and finance in industry. He was a partner in Grahams Rintoul & Co, a fund management company, which was sold to Lazards where he gained further investment management and corporate finance experience. He is Chairman of the Audit Committee and the Risk Management Committee and is a member of the Remuneration and Nomination Committee.

Chairman's Statement

By most criteria, the past financial year to 31 May 2012 was disappointing. Our final profit figure was derisory and will not cover our reduced dividend. It is true that we, like our peers, have experienced very tough markets, but that is small consolation. In fact at our last Annual General Meeting I explained how worried we were by the total failure of the European political leaders and central bankers to face up to the structural problems of the Eurozone and thus to dither and delay and allow the gravity of the problem to escalate. It is difficult to count the number of summits that have been held, the number of total solutions that have been announced and the number of failures achieved but at least they add up to the same number. My view remains that the question is when the Eurozone will break not if and how serious will be the ensuing crisis. It seems as if the final denouement is close but you can never be sure of the ability of the current political leaders to buy time and escalate the problem.

Within Fiske we have continued closely to monitor our costs. Our headcount of business producers has increased whilst our support staff numbers have remained static. Within our balance sheet our one significant investment, Euroclear, has had a much better year and paid an increased dividend, but we retain the bulk of our assets in cash to facilitate our day-to-day business and that cash is held in a government controlled bank, the National Westminster Bank.

In view of the lacklustre results we are reducing our second interim dividend from 2p to 1p.

During the year there was a significant change in the ownership of the company. In April 2012, LongSand Limited, a company controlled by James Harrison, an executive director and my nephew, bought a 25% shareholding from interests and individuals associated with Stephen Cockburn, a non-executive director of the company who retains a shareholding of some 5%. The transaction in no way affected the holding of myself and my immediate family which remains at 35%. I welcome a younger element to the list of shareholders and his commitment to the company.

We do not make revenue forecasts at Fiske, in our business we regard them as pure guesswork. We do forecast our costs and we are looking for a marginal reduction. Our balance sheet remains strong and our clients' portfolios are well positioned for troubled times ahead.

Our Annual General Meeting will be held at our offices at Salisbury House at 12.30 p.m. on Wednesday, 26 September 2012 and we welcome shareholders to attend our meeting and to meet our directors and staff.

Clive Fiske Harrison

Chairman

24 August 2012

Corporate Governance

The Board has given consideration to the code provisions set out in Section 1 of the Combined Code on Corporate Governance issued by the Financial Reporting Council. Although AIM companies are not required to give Corporate Governance disclosure, the Directors have chosen to provide certain information which they believe will be helpful having regard to the scale and nature of the Group's activities.

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.

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 FSA 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 to identify any problems or new areas of risk.

Remuneration and Nomination Committee

The principal function of the Remuneration and Nomination 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. The Committee consists of C F Harrison (Chairman), S J Cockburn and M H W Perrin.

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.

In addition, the Committee reviews the composition of the Board on an annual basis and is responsible to the Board for recommending all new Board appointments.

Audit Committee

The Audit Committee, comprising M H W Perrin (Chairman) and J P Q Harrison, 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 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.

Risk Management Committee

The Risk Management Committee, comprising M H W Perrin (Chairman), A D Meech 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.

Directors' Report

The Directors present their report together with the audited financial statements for the year ended 31 May 2012. The Corporate Governance statement on page 5 forms part of this report.

Activities and business review

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

A review of the year is contained in the Chairman's Statement on page 4.

Results and dividends

The results of the Group for the year are set out on page 11 and the Consolidated Statement of Financial Position on page 12. A first interim dividend of 2p was paid on 16 March 2012 (2011 – 2p) and a second interim dividend of 1p (2011 – 2p) will be paid on 19 October 2012 making the total in the year of 3p. The shares will be marked ex-dividend on the 26 September 2012 and the record date will be 28 September 2012. Net assets of the Group at 31 May 2012 were £4,401,000.

Strategy and future developments

The Group's core strategy is to focus on delivering a high quality of 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 a clear demarcation of corporate broking from other activities of the Group, to enable clear, unbiased advice to be given to clients. Looking forward, the Directors expect to continue to grow its asset management business.

Risk management

The Group is exposed to a number of business risks. The risk appetite of the Group is determined by the Board. 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.

In common with other businesses operating in a regulated financial services environment, and to a greater or lesser extent other business sectors, 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.
The Group does not have any significant credit risk exposure to any single third party or 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 with the volume of trading and thus transaction revenue retreating in market downturns. 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.
Variations in the value of investments held by Fiske, acting as principal, are primarily mitigated by limiting the quantum of capital committed to the market in this way.
- **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 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

Directors' Report

continued

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.

The Basel Accord has been implemented in the European Union via the Capital Requirements Directive and the Company falls under the new 'pillars' framework. The Pillar 3 disclosures are published on the Company's website (www.fiskeplc.com).

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.

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 31 May 2012	Ordinary 25p shares at 31 May 2011
A J Andrews	3,000	3,000
S J Cockburn	421,227	843,672
C F Harrison	2,334,828	2,334,828
J P Q Harrison†	2,140,802	7,000
F G Luchini	24,000	24,000
A D Meech	100,000	100,000
M H W Perrin	15,000	15,000

† Including 2,133,802 shares held by LongSand Limited, a company controlled by JPQ Harrison.

There have been no changes in the Directors' shareholding since 31 May 2012.

Directors' interests – Share options

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

	Number of options				At end of year	Exercise price	Market price on date of exercise	Date from which exercisable
	At start of year	Granted during year	Exercised during year	Expired during year				
F G Luchini – Unapproved	75,000	–	–	–	75,000	28.75p	–	01.01.05

The closing mid-market price of the Company's ordinary 25p shares at 31 May 2012 was 68p (2011 – 66.5p).

Major shareholdings

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

	Ordinary shares	%
C F Harrison	2,334,828	27.60
J P Q Harrison	2,140,802	25.30
S J Cockburn	421,227	4.98
Mrs C M Short	386,029	4.56
A R F Harrison	315,842	3.73
B A F Harrison	280,000	3.31

Directors' Report

continued

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.

Supplier payment policy

It is the Group's policy to pay suppliers promptly on receipt of an accurate invoice. As at 31 May 2012 the number of creditor days in respect of trade creditors was 7 days (2011 – 7 days).

Financial Instruments

Details regarding the Group's use of financial instruments and their associated risks are given in note 26 to the financial statements.

Key Performance Indicators

Over the financial year ended 31 May 2012 the Company's ordinary 25p shares were unchanged in price. By way of comparison the FTSE AIM All-Share index fell by 22.5%.

During the same period operating expenses as a percentage of total revenue rose from 85.0% to 99.9%.

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

F G Luchini

Secretary

24 August 2012

Salisbury House
London Wall
London EC2M 5QS

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 company and of the profit or loss of the company 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.

By Order of the Board

Chief Executive Officer

C F Harrison

24 August 2012

Finance Director

A J Andrews

24 August 2012

Independent Auditor's Report to the Members of Fiske plc

We have audited the financial statements of Fiske plc for the year ended 31 May 2012 which comprise the Consolidated Statement of Total Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective responsibilities of Directors and Auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2012 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Caroline Britton

Senior Statutory Auditor
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
24 August 2012

Consolidated Statement of Total Comprehensive Income

For the year ended 31 May 2012

	Notes	2012 £'000	2011 £'000
CONTINUING OPERATIONS			
Fee and commission income	3	3,671	4,341
Fee and commission expenses	3	(865)	(1,027)
Net fee and commission income		2,806	3,314
Other income	3	161	157
TOTAL REVENUE		2,967	3,471
Profit on disposal of available-for-sale investments		-	-
Impairment on available-for-sale investments		-	-
Profit on investments held for trading		24	5
Operating expenses		(2,963)	(2,952)
OPERATING PROFIT	6	28	524
Investment revenue		34	29
Finance income	7	26	25
Finance costs	8	(2)	(5)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		86	573
Taxation	9	(17)	(167)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		69	406
OTHER COMPREHENSIVE INCOME			
Movement in unrealised appreciation of investments		(5)	5
Deferred tax on movement in unrealised appreciation of investments		23	21
NET OTHER COMPREHENSIVE INCOME		18	26
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY SHAREHOLDERS		87	432
EARNINGS PER ORDINARY SHARE			
BASIC	11	0.8p	4.8p
DILUTED	11	0.8p	4.8p

Consolidated Statement of Financial Position

31 May 2012

Company number 02248663

	Notes	2012 £'000	2011 £'000
NON-CURRENT ASSETS			
Goodwill	12	395	395
Other intangible assets	13	–	–
Property, plant and equipment	14	37	57
Available-for-sale investments	16	1,223	1,228
TOTAL NON-CURRENT ASSETS		1,655	1,680
CURRENT ASSETS			
Trade and other receivables	17	5,781	11,747
Investments held for trading	18	251	284
Cash and cash equivalents	19	3,236	3,458
TOTAL CURRENT ASSETS		9,268	15,489
CURRENT LIABILITIES			
Trade and other payables	20	6,274	12,119
Current tax liabilities		24	145
TOTAL CURRENT LIABILITIES		6,298	12,264
NET CURRENT ASSETS		2,970	3,225
NON-CURRENT LIABILITIES			
Deferred tax liabilities	21	224	253
TOTAL NON-CURRENT LIABILITIES		224	253
NET ASSETS		4,401	4,652
EQUITY			
Share capital	22	2,115	2,115
Share premium		1,222	1,222
Revaluation reserve		774	756
Retained earnings		290	559
SHAREHOLDERS' EQUITY		4,401	4,652

These financial statements were approved by the Board of Directors and authorised for issue on 24 August 2012.

Signed on behalf of the Board of Directors

C F Harrison

Chairman and Chief Executive Officer

Parent Company Statement of Financial Position

31 May 2012

Company number 02248663

	Notes	2012 £'000	2011 £'000
NON-CURRENT ASSETS			
Goodwill	12	230	230
Other intangible assets	13	–	–
Property, plant and equipment	14	37	57
Investments in subsidiary undertakings	15	165	288
Available-for-sale investments	16	1,223	1,228
TOTAL NON-CURRENT ASSETS		1,655	1,803
CURRENT ASSETS			
Trade and other receivables	17	5,781	11,747
Investments held for trading	18	251	284
Cash and cash equivalents	19	3,236	3,458
TOTAL CURRENT ASSETS		9,268	15,489
CURRENT LIABILITIES			
Trade and other payables	20	6,274	12,244
Current tax liabilities		24	144
TOTAL CURRENT LIABILITIES		6,298	12,388
NET CURRENT ASSETS		2,970	3,101
NON-CURRENT LIABILITIES			
Deferred tax liabilities	21	224	253
TOTAL NON-CURRENT LIABILITIES		224	253
NET ASSETS		4,401	4,651
EQUITY			
Share capital	22	2,115	2,115
Share premium		1,222	1,222
Revaluation reserve		774	756
Retained earnings		290	558
SHAREHOLDERS' EQUITY		4,401	4,651

These financial statements were approved by the Board of Directors and authorised for issue on 24 August 2012.

Signed on behalf of the Board of Directors

C F Harrison

Chairman and Chief Executive Officer

Statement of Changes in Equity

For the year ended 31 May 2012

Group	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 June 2010	2,109	1,216	730	490	4,545
Issue of share capital	6	6	–	–	12
Revaluation of available-for-sale investments	–	–	5	–	5
Deferred tax on revaluation of available-for-sale investments	–	–	21	–	21
Profit for the financial year	–	–	–	406	406
Dividends paid	–	–	–	(337)	(337)
Balance at 1 June 2011	2,115	1,222	756	559	4,652
Issue of share capital	–	–	–	–	–
Revaluation of available-for-sale investments	–	–	(5)	–	(5)
Deferred tax on revaluation of available-for-sale investments	–	–	23	–	23
Profit for the financial year	–	–	–	69	69
Dividends paid	–	–	–	(338)	(338)
Balance at 31 May 2012	2,115	1,222	774	290	4,401

Parent Company	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 June 2010	2,109	1,216	730	436	4,491
Issue of share capital	6	6	–	–	12
Revaluation of available-for-sale investments	–	–	5	–	5
Deferred tax on revaluation of available-for-sale investments	–	–	21	–	21
Profit for the financial year	–	–	–	459	459
Dividends paid	–	–	–	(337)	(337)
Balance at 1 June 2011	2,115	1,222	756	558	4,651
Issue of share capital	–	–	–	–	–
Revaluation of available-for-sale investments	–	–	(5)	–	(5)
Deferred tax on revaluation of available-for-sale investments	–	–	23	–	23
Profit for the financial year	–	–	–	70	70
Dividends paid	–	–	–	(338)	(338)
Balance at 31 May 2012	2,115	1,222	774	290	4,401

Group and Parent Company Cash Flow Statement

For the year ended 31 May 2012

	2012		2011	
	Group £'000	Company £'000	Group £'000	Company £'000
OPERATING PROFIT	28	27	524	524
Profit on disposal of available-for-sale investments	-	-	-	-
Depreciation of property, plant and equipment	30	30	55	55
Decrease in investments held for trading	33	33	40	40
Impairment of available-for-sale investments	-	-	-	-
Increase/(decrease) in receivables	5,966	5,966	(2,705)	(2,705)
(Decrease)/increase in payables	(5,846)	(5,969)	1,232	746
Cash generated from/(used in) operations	211	87	(854)	(1,340)
Tax paid	(143)	(143)	(133)	(133)
NET CASH GENERATED FROM/(USED IN)				
OPERATING ACTIVITIES	68	(56)	(987)	(1,473)
INVESTING ACTIVITIES				
Interest received	26	26	25	25
Investment income received	34	35	29	83
Interest paid	(2)	(2)	(5)	(5)
Proceeds on disposal of available-for-sale investments	-	-	5	5
Purchases of available-for-sale investments	-	-	-	-
Purchases of property, plant and equipment	(10)	(10)	(80)	(80)
Capital reduction in subsidiary	-	123	-	432
NET CASH GENERATED FROM/(USED IN)				
INVESTING ACTIVITIES	48	172	(26)	460
FINANCING ACTIVITIES				
Proceeds from issue of ordinary share capital	-	-	12	12
Dividends paid	(338)	(338)	(337)	(337)
NET CASH USED IN FINANCING ACTIVITIES	(338)	(338)	(325)	(325)
Net decrease in cash and cash equivalents	(222)	(222)	(1,338)	(1,338)
Cash and cash equivalents at beginning of year	3,458	3,458	4,796	4,796
CASH AND CASH EQUIVALENTS AT END OF YEAR	3,236	3,236	3,458	3,458

Notes to the Accounts

For the year ended 31 May 2012

1. Accounting policies

General information

Fiske plc is a limited company incorporated in Great Britain 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 Directors' Report.

Adoption of new and revised standards

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these financial statements.

Standards not affecting the reported results nor the financial position: the following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

IAS 24 (2009) <i>Related Party Disclosures</i>	The revised Standard has a new, clearer definition of a related party, with inconsistencies under the previous definition having been removed.
Improvements to IFRSs 2011	Aside from those items already identified above, the amendments made to standards under the 2011 improvements to IFRSs have had no impact on the group.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 7 (amended)	Disclosures – Transfers of Financial Assets
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1 (amended)	Presentation of Items of Other Comprehensive Income
IAS 12 (amended)	Deferred Tax: Recovery of Underlying Assets
IAS 27 (revised)	Separate Financial Statements
IAS 28 (revised)	Investments in Associates and Joint Ventures

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 as follows:

- IFRS 9 will impact both the measurement and disclosures of Financial Instruments;
- IFRS 12 will impact the disclosure of interests Fiske plc has in other entities;
- IFRS 13 will impact the measurement of fair value for certain assets and liabilities as well as the associated disclosures; and
- IAS 12 (amended) will impact the measurement of deferred tax on the group's available for sale investments, by introducing the rebuttable presumption that the carrying amount will be recovered entirely through sale.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Notes to the Accounts

continued

1. Accounting policies *(continued)*

(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 2012 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 Directors' Report on pages 6 to 8. 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 entities controlled by the Company (its subsidiaries) made up to 31 May each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefit from its activities. The results of subsidiaries acquired during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(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.

Notes to the Accounts

continued

1. Accounting policies (continued)

(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) 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

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.

(i) 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.

Notes to the Accounts

continued

1. Accounting policies *(continued)*

(j) 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.

(k) 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.

(l) Investments held for trading

Investments held for trading, which from time to time may include derivatives, including traded options and warrants traded on an exchange, are measured at market value.

(m) 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 normally those with original maturities of three months or less.

(n) Client money

The Company holds money on behalf of clients in accordance with the Client Money Rules of the Financial Services 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.

(o) 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.

(p) Equity instruments

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

(q) Dividends

Equity dividends are recognised when paid.

(r) 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

Notes to the Accounts

continued

1. Accounting policies *(continued)*

(r) Share-based payments *(continued)*

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.

(s) 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.

(t) 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.

Notes to the Accounts

continued

1. Accounting policies *(continued)*

(t) Foreign currencies *(continued)*

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.

(u) 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.

Allowance for bad debts

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

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, using a Directors' valuation.

Impairment

The assets on the balance sheet are reviewed for any indications of impairment. This is done with reference to the recoverability and market value of the assets concerned but may involve an element of judgement or estimation in determining whether there are any indications of impairment and if so, the extent of any impairment loss.

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 the Chief Executive to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required the Group to identify two sets of segments (business and geographical), using a risks and returns approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. Nevertheless, as a result, following the adoption of IFRS 8, the identification of the Group's single reportable segment, being UK-based financial intermediation, has not changed.

Notes to the Accounts

continued

3. Total revenue and segmental analysis (continued)

Within this single reportable segment, total revenue comprises:

	2012 £'000	2011 £'000
Commission receivable	3,155	3,774
Corporate finance and advisory fees	12	12
Investment management fees	504	555
	3,671	4,341
Commission payable to associates	(858)	(1,015)
Commission payable to third parties	(7)	(12)
	(865)	(1,027)
	2,806	3,314
Other income	161	157
	2,967	3,471

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) and two non executive directors: S J Cockburn 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 FSA's Remuneration Code applies to certain of the firm's staff. As set out in note 5 below Alan Meech, the Director in charge of the dealing desk, receives a commission element relating to fees earned 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:

	2012 No.	2012 £'000	2011 No.	2011 £'000
Dealing and sales	8	530	8	533
Settlement	9	306	8	310
Administration	7	357	7	350
	24	1,193	23	1,193

Notes to the Accounts

continued

4. Staff remuneration and costs (continued)

Employees', including Directors', costs comprise:

	2012 £'000	2011 £'000
Wages, salaries and other staff costs	1,241	1,187
Bonus	5	50
Social security costs	155	155
	1,401	1,392

5. Directors

(a) Directors' emoluments comprise:

	2012 £'000	2011 £'000
Emoluments	602	573
Highest paid Director's remuneration:		
Emoluments	145	132

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:

31 May 2012	Gross salary £'000	Bonus paid from 2010/2011 £'000	Fees £'000	Commission £'000	Benefits £'000	Total £'000
A J Andrews	91	6	-	-	1	98
C F Harrison	132	4	-	-	9	145
J P Q Harrison	86	6	-	-	1	93
F G Luchini	107	4	-	-	3	114
A D Meech	74	2	-	40	2	118
S J Cockburn	-	-	17	-	-	17
M H W Perrin	-	-	17	-	-	17
	490	22	34	40	16	602

Bonuses included in the table above were awarded in the prior year, to 31 May 2011 and were accrued for in that year, but paid in the year to 31 May 2012.

31 May 2011	Gross salary £'000	Bonus paid from 2009/2010 £'000	Fees £'000	Commission £'000	Benefits £'000	Total £'000
A J Andrews	85	3	-	-	1	89
C F Harrison	125	-	-	-	7	132
J P Q Harrison	80	5	-	-	1	86
F G Luchini	103	-	-	-	2	105
A D Meech	71	-	-	56	2	129
S J Cockburn	-	-	16	-	-	16
M H W Perrin	-	-	16	-	-	16
	464	8	32	56	13	573

Bonuses included in the table above were awarded in the prior year, to 31 May 2010 and were accrued for in that year, but paid in the year to 31 May 2011.

Notes to the Accounts

continued

5. Directors (continued)

(b) Directors' balances

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

6. Operating profit

	2012 £'000	2011 £'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	60	56
– for the audit of the Company's subsidiaries pursuant to legislation	5	5
Non-audit fees:		
– Other services pursuant to legislation: Interim review	6	6
– Tax services	15	7
Net foreign exchange losses	2	4
Depreciation of property, plant and equipment	30	55
Operating lease rentals – Land and buildings	173	213
– Other	5	5

The profit for the financial year dealt with in the financial statements of the parent Company was £70,000 (2011 – £459,000) before dividend.

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

	2012 £'000	2011 £'000
Interest receivable:		
Banks	26	25
	26	25

8. Finance costs

	2012 £'000	2011 £'000
Interest payable:		
Bank loans, overdrafts and other interest payable	2	5

Notes to the Accounts

continued

9. Tax

Analysis of tax charge on ordinary activities:

	2012 £'000	2011 £'000
Current tax		
Current year	26	146
Prior year adjustment	(3)	10
	23	156
Deferred tax		
Current year	(4)	11
Prior year adjustment	(2)	–
Total tax charge (to Statement of Comprehensive Income)	17	167

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 25.67% (2011 – 27.67%).

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

	2012 £'000	2011 £'000
Profit before tax	86	573
Charge on profit on ordinary activities at standard rate	22	159
Effect of:		
Expenses not deductible in determining taxable profit	14	16
Non taxable income	(8)	(5)
Double tax relief	–	–
Amortisation of goodwill	–	–
Small company relief	(6)	(16)
Adjustment to tax charge in respect of prior years	(5)	13
	17	167

10. Dividends paid

	2012 £'000	2011 £'000
Second interim dividend of 2p (October 2010 – 2p) paid in respect of prior year	169	168
First interim dividend of 2p (March 2011 – 2p)	169	169
	338	337
Second interim dividend of 1p (October 2011 – 2p) to be paid	85	169

The second interim dividend will be paid to holders of 8,450,715 ordinary 25p shares.

The Employee Share Option Scheme, which is controlled by Fiske plc held shares to the benefit of nominated employees, waived the entitlement to any dividend on its holding of 9,490 ordinary shares of 25p each (2011 – 9,490 ordinary shares of 25p each).

Notes to the Accounts

continued

11. Earnings 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.

	Basic £'000	Diluted Basic £'000
31 May 2012		
Profit on ordinary activities after taxation	69	69
Adjustment to reflect impact of dilutive share options	–	–
Earnings	69	69
Number of shares (000's)	8,451	8,494
Earnings per share (pence)	0.8	0.8
	Basic £'000	Diluted Basic £'000
31 May 2011		
Profit on ordinary activities after taxation	406	406
Adjustment to reflect impact of dilutive share options	–	–
Earnings	406	406
Number of shares (000's)	8,431	8,474
Earnings per share (pence)	4.8	4.8
	31 May 2012	31 May 2011
Number of shares (000's):		
Weighted average number of shares	8,451	8,431
Dilutive effect of share option scheme	43	43
	8,494	8,474

12. Goodwill

	Group £'000	Company £'000
Positive goodwill arising out of Fund management acquisitions		
Cost		
At 1 June 2010	1,311	1,146
Additions	–	–
At 1 June 2011	1,311	1,146
Additions	–	–
At 31 May 2012	1,311	1,146
Accumulated impairment losses		
At 1 June 2010	916	916
Impairment losses for the year	–	–
At 1 June 2011	916	916
Impairment losses for the year	–	–
At 31 May 2012	916	916
Carrying amount		
At 31 May 2012	395	230
At 1 June 2011	395	230
At 1 June 2010	395	230

Goodwill reflects cost, less any impairment provisions deemed appropriate. Further detail is set out in note 1 to the accounts. Goodwill is allocated to a cash generating unit ("CGU"), which is the Company itself and the recoverable amount of the CGU is determined by calculating the fair value less costs to sell.

Notes to the Accounts

continued

13. Other intangible assets

Group and Company	Systems licence £'000	Total £'000
Cost		
At 1 June 2010	282	282
At 1 June 2011	282	282
At 31 May 2012	282	282
Accumulated amortisation		
At 1 June 2010	282	282
Charge for the year	–	–
At 1 June 2011	282	282
Charge for the year	–	–
At 31 May 2012	282	282
Net book value		
At 31 May 2012	–	–
At 31 May 2011	–	–
At 31 May 2010	–	–

14. Property, plant and equipment

Group and Company	Office furniture and equipment £'000	Computer equipment £'000	Office refurbishment £'000	Total £'000
Cost				
At 1 June 2011	75	72	175	322
Additions	21	59	–	80
Disposals	–	–	–	–
At 1 June 2011	96	131	175	402
Additions	2	8	–	10
Disposals	–	(12)	–	(12)
At 31 May 2012	98	127	175	400
Accumulated depreciation				
At 1 June 2011	74	62	154	290
Charge for the year	6	28	21	55
Disposals	–	–	–	–
At 1 June 2011	80	90	175	345
Charge for the year	6	24	–	30
Disposals	–	(12)	–	(12)
At 31 May 2012	86	102	175	363
Net book value				
At 31 May 2012	12	25	–	37
At 31 May 2011	16	41	–	57
At 31 May 2010	1	10	21	32

Notes to the Accounts

continued

15. Investment in subsidiary undertakings

Company	2012 £'000	2011 £'000
Cost at 1 June 2011	288	720
Reduction of capital by subsidiary, paid up to parent undertaking	(123)	(432)
Additions	–	–
Cost at 31 May 2012	165	288

The following are the principal subsidiaries of the Company at 31 May 2012 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	Nature of business
Vor Financial Strategy Limited	Ordinary	100%	Investment consultants
Ionian Group Limited	Ordinary	100%	Intermediate holding company
Fiske Nominees Limited	Ordinary	100%	Nominee

16. Available-for-sale investments

Group and Company	2012 £'000	2011 £'000
Listed	155	160
Unlisted	1,068	1,068
Available-for-sale investments carried at fair value	1,223	1,228

The shares included above represent investments in equity securities. There has been no material movement in the fair value of the unlisted available-for-sale investments, held at 31 May 2012, since the prior year-end. These shares are not held for trading and are accordingly classified as available-for-sale.

Notes to the Accounts

continued

17. Trade and other receivables

Group and Company	2012 £'000	2011 £'000
Counterparty debtors	672	6,494
Trade receivables	4,644	4,615
	5,316	11,109
Other debtors	17	24
Prepayments and accrued income	448	614
	5,781	11,747

Trade receivables

Included in the Group's trade receivables balance are debtors with a carrying amount of £14,000 (2011 – £111,000) 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 are still considered recoverable.

Ageing of past due but not impaired trade receivables:

	2012 £'000	2011 £'000
0 – 15 days	14	110
16 – 30 days	–	–
31 – 60 days	–	1
	14	111

Counterparty receivables

Included in the Group's counterparty receivables are debtors with a carrying amount of £43,000 (2011 – £2,000) 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 are still considered recoverable.

Ageing of past due but not impaired counterparty receivables:

	2012 £'000	2011 £'000
0 – 30 days	43	2
31 – 60 days	–	–
	43	2

18. Investments held for trading

Group and Company	2012 £'000	2011 £'000
Listed	251	284

The shares included above represent investments in listed equity securities.

Notes to the Accounts

continued

19. Cash and cash equivalents

Cash and cash equivalents includes £614,000 (2011 – £1,030,000) received in the course of settlement of client trades. This amount is held by the Company in trust on behalf of clients but may be utilised to complete settlement of outstanding trades.

20. Trade and other payables

	2012		2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Counterparty creditors	4,654	4,654	6,025	6,026
Trade payables	1,219	1,219	5,664	5,664
	5,873	5,873	11,689	11,690
Amount owed to group undertakings	-	-	-	124
Sundry creditors and accruals	401	401	430	430
	6,274	6,274	12,119	12,244

21. Deferred taxation

Group and Company	Capital allowances £'000	Available- for-sale investments £'000	Other timing differences £'000	Deferred tax liability £'000
At 1 June 2011	1	252	-	253
Credit for the year	(1)	-	(3)	(4)
Credit in respect of prior year	(2)	-	-	(2)
Charge to Statement of Comprehensive Income				
- in respect of current year	-	(3)	-	(3)
- in respect of change in corporation tax rate	-	(20)	-	(20)
At 31 May 2012	(2)	229	(3)	224

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 24% as this subsequently enacted following Royal Assent in March 2012. On 17 July 2012, the Finance Bill 2012 received Royal Assent which set out that the UK mainstream corporation tax rate is to reduce to 23% from 1 April 2013.

22. Called up share capital

	2012		2011	
	No. of shares '000	£'000	No. of shares '000	£'000
Authorised:				
Ordinary shares of 25p	12,000	3,000	12,000	3,000
Allotted and fully paid:				
Ordinary shares of 25p	8,460	2,115	8,460	2,115

Included within the allotted and fully paid share capital were 9,490 ordinary shares of 25p each (2011 – 9,490 ordinary shares of 25p each) held for the benefit of employees.

At 31 May 2012 there were 75,000 outstanding options to subscribe for ordinary shares.

Notes to the Accounts

continued

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 2012 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2012		2011	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In the next year	177	5	199	5
In the second to fifth years inclusive	457	17	713	22
Total commitment	634	22	912	27

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 2012 amounts held by the Company on behalf of clients in accordance with the Client Money Rules of the Financial Services Authority amounted to £33,189,000 (2011 – £31,384,000). The Company has no beneficial interest in these amounts and accordingly they are not included in the balance sheet.

Notes to the Accounts

continued

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, 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 Services Authority (FSA), 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.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in the accounting policies in note 1.

Categories of financial instruments

Group and Company	2012 £'000	2011 £'000
Available-for-sale investments	1,223	1,228
Loans and receivables – Trade and other receivables	5,781	11,747
Loans and receivables – Cash and cash equivalents	3,236	3,458
Investments held at fair value through profit and loss	251	284
Financial liabilities at amortised cost – Trade and other payables	6,274	12,244

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).

Notes to the Accounts

continued

26. Financial instruments (continued)

	2012			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Financial assets at FVTPL				
Derivative financial assets for trading	-	-	-	-
Non-derivative financial assets for trading	251	-	-	251
Available-for-sale financial assets				
Quoted equities	155	-	-	155
Unquoted equities	-	-	1,068	1,068
Total	406	-	1,068	1,474

There were no transfers between levels during the year.

Reconciliation of Level 3 fair value measurements of financial assets

	Unquoted equities £'000	Total £'000
Available-for-sale financial assets		
Balance at 1 June 2011	1,068	1,068
Total gains or losses	-	-
Balance at 31 May 2012	1,068	1,068

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.

The Group does not have any significant credit risk exposure to any single third party or 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 or a Dutch state-owned bank.

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.

Notes to the Accounts

continued

26. Financial instruments *(continued)*

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 0 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(j). If equity prices had been 5% higher/lower the revaluation reserve would increase/decrease by £61,000 (2011 – increase/decrease by £61,000).

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 2012 would have been £13,000 higher (2011 – £14,000 higher) and vice versa if prices were lower.

Cash

The Group's financial cash asset of £3,236,000 (2011 – £3,458,000) 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 £26,000 (2011 – £25,000) 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

The Company paid fees amounting in total of £5,736 (2011 – £8,439) for services supplied by Fairfax Perrin Limited of which M.H.W.Perrin is a Director and holds an interest.

The Group and Company received by way of a service fee £111,000 (2011 – £111,000) from The Investment Company Plc, a company of which S. J. Cockburn is a Director and holds an interest, in respect of administrative, accounting and clerical support and the supply of facilities on an arm's length basis.

Directors transact share-dealing business with the Company under normal customer business terms and in accordance with applicable laws and regulations. In the year to 31 May 2012, commission earned from this by the Company amounted to £5,246 (2011 – £5,388).

During the year, the Directors each received dividends attributable to their respective shareholdings, as disclosed in the Directors' Report, amounting to 4p (2011 – 4p) per ordinary share.

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.

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 (entrance via Circus Place) on 26 September 2012 at 12.30 p.m. 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 2012.
2. To re-elect Clive Fiske Harrison as a Director of the company.
3. To re-elect Francis Gerard Luchini as a Director of the company.
4. To re-elect Stephen John Cockburn 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 £634,515 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 846,020;
 - (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.

Notice of Annual General Meeting

continued

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 4 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 £211,500; 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

24 August 2012

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, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham BR3 4TU, not less than 48 hours 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 non-executive 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 48 hours 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 p.m. 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.

