Annual Report and Accounts

For the year ended 31 May 2020

Fiske plc

Contents

Chairman's Statement

Trading

Full year revenues rose by 17% to £5.4m (2019: £4.6m). After reporting a pre-tax loss of £158,000 in the first half-year, we have made a profit of £31,000 in the second half which has resulted in a full year pre-tax loss of £127,000 (2019: loss £381,000).

On the face of it, the Covid-19 lockdown has not had much of an impact on our business. After an increase in revenues in the first half, they continued to grow in the second half of the year. This was assisted by strong commission revenue during a period of market volatility in the last quarter of our year, which coincided with the start of the Covid-19 lockdown.

Total revenue continues to be split evenly between commissions on trading, and management & other recurring fees, each increasing significantly during the year. This reflects both an increase in the firm's client base alongside a continued migration from commission-based relationships to more fee focussed ones. The impact of this was masked by a surge in commission income as active clients responded to the opportunities created during the market falls of February and March 2020.

Restatement of accounts

Following an internal audit exercise in the first half of the year, the directors of the company determined that certain adjustments needed to be made to its accounts. These result primarily from a change in an accounting process which had affected the way in which our systems data had been interpreted for accounting purposes. In addition, we resolved to change the way in which the acquisition of Fieldings Investment Management was accounted for.

There had been no impact on client money or accounts, and no impact on the firm's cash position. The overall impact had been an overstatement of current liabilities. The necessary adjustments, accumulated over several years, amounted to a net addition of some £532,000 to the Group's net assets as at 31 May 2019. Comparative data in this report has been restated and the adjustments elaborated in notes to the accounts.

Asset Management

In May 2020 our unit trust, Ocean UK Equity, passed its second anniversary. The first two years have been successful with the fund in the top quartile in each of the last three, six and twelve-month periods and since launch. It was also ahead of its benchmark the CBOE UK All Companies Total Return Index over the period. As at the end of May 2020 the fund was valued at £7.6m (2019: £5.8m).

Costs & Outturn

Operating expenses have risen by £0.7m to £5.7m in the year to 31 May 2020 (2019: £5.0m) an increase of 14%. Almost half of the increase comes from staff costs: in particular the administrative strengthening of operational capacity and compliance. We have also engaged external resources where appropriate to minimise long term increases in staff levels, and such consultancy has pushed up the operating expenses in the short term. However, such costs are expected to subside as we proceed through the current year.

Prior investment in disaster recovery resources and a migration to cloud services meant that the relatively sudden move to a Working-From-Home environment, at the onset of the Covid-19 lockdown, was achieved smoothly and with relatively little additional cost. This is not to belittle the very significant amount of staff endeavour that went into ensuring the migration proceeded as seamlessly as it did.

Euroclear

Historically, Euroclear has been an annual dividend payer but due to the timing of a re-domiciliation exercise Euroclear did not pay us a dividend during our prior year to 31 May 2019. The dividend stream has resumed in this financial year with a dividend received of £143,000.

The latest interim report from Euroclear shows that its business income advanced robustly by 13% but this was largely offset by the fall in interest received as a result of worldwide interest rate cuts. Despite a 5% increase in earnings per share we feel it appropriate to reflect recent transaction prices and have marked down the carrying value of our investment to €1,525 per share being £5.0m in total. This represents a partial roll-back of the very substantial valuation increases which we have seen in recent years.

Chairman's Statement

continued

Net assets

Shareholder's funds amount to some £7.4m and within this we continue to hold some £2.2m of cash.

Strategy

We continue to implement our ongoing strategy to welcome new investment managers with established client relationships to increase our assets under management and advice. We believe that with our traditional values, modern systems and up to date regulatory framework we provide an attractive place to work for aspiring, independently minded private client investment managers.

IFRS 16

The adoption of IFRS 16 from 1 June 2019, being applied to the accounting for our leased office premises, has resulted in the inclusion of £101,000 (after depreciation) of right-of-use assets in the Statement of Financial Position at 31 May 2020 together with a lease liability of £124,000. In the year to 31 May 2020, operating profit was increased by £47,000, which was matched by an increase in lease liability interest of £23,000, giving an overall £24,000 upside to the Income Statement. The opening balance impact is quantified in the Group Statement of Changes in Equity and further information can be found in Note 1.

Dividend

The Board has resolved not to pay a dividend for the year to 31 May 2020 (2019: £nil).

Impact of Covid-19

We were fortunate that our disaster recovery infrastructure meant that we were very well placed to deal rapidly with the Working-From-Home requirement imposed by the Covid-19 lockdown. IT skills were polished, and the cultural change was adapted to quickly. This helped us stay focussed on investment decisions and client needs. Your Board is conscious that going forward there will be a range of challenges to address in relation to bringing staff back into an office-based working environment.

Staff

Considerable effort went into ensuring that the transition to Working-From-Home proceeded smoothly and resulted in an efficient work environment – on top of all the usual challenges in running a business. In this light I would like to extend my thanks to all members of the team for their hard work and commitment to the future success of the Company.

Markets

The last quarter of our own financial year has seen the fastest and sharpest falls in equity markets in a generation. In just twenty-two trading days equity markets fell by 30% or more. This was followed by an equally rapid and strong recovery with the US market, led by the performance of technology stocks, rising 36% from its March low and the UK market rising by 26%.

Around the world, government policy has been dominated by the need to contain the Covid-19 virus and at the same time lessen the severity of its economic impact. This has resulted in the provision of unprecedented levels of fiscal and monetary stimulus together with other supportive measures.

Last year I drew attention to the astonishing levels of debt being accumulated by companies and emerging market nations. This has now been dwarfed by the levels of debt assumed by mature sovereign entities which will eventually need to be addressed. The imposition of austerity measures would be unacceptable while economies are in such a precarious state. Politically the less painful reflationary option will no doubt prevail with longer term inflationary consequences.

Companies have meanwhile been preserving cash by deferring or cancelling dividend payments. Aggregate dividends in the UK are likely to fall by 30-40% this year. An unedifying prospect for savers and investors already adversely affected by the negligible returns available from cash deposits or government bonds.

Chairman's Statement

continued

It is likely that market volatility will persist for some time as there are a considerable number of unknowns to digest; the duration of the pandemic, the effectiveness of the global response, the impact on world GDP and the timing, shape and speed of an eventual recovery. What is clear is that both monetary and fiscal policy are likely to remain accommodative for some time to come and historically low interest rates to continue.

Outlook

The new financial year has begun with business levels in line with the previous year just reported. With the expectation that most of the exceptional costs incurred last year will not be repeated in the current year, your Board is encouraged by the progress made in the first few months of trading.

AGM

In light of the current Covid-19 public gathering restrictions and social distancing requirements, the forthcoming AGM which is to be held on Wednesday 23 December 2020 at 12.30pm, will be run as a closed meeting and shareholders will not be permitted to attend in person.

Shareholders' views are important and the Board encourages shareholders to submit their votes via CREST ID rather than attending the meeting in person. Shareholders may also submit questions in advance of the AGM to the Company Secretary via email to info@fiskeplc.com or by post to the Company Secretary at the address set out on page 54 of this report.

Clive Fiske Harrison
Chairman

27 November 2020

Strategic Report

The Directors set out below their Strategic Report on the Company for the year ended 31 May 2020.

Activities and business Strategy

The principal activity of Fiske plc and its subsidiary undertakings is the provision of financial intermediation which consists of private client and institutional stockbroking, and private client investment management. Fiske plc is the primary trading entity of the Group, is authorised and regulated by the Financial Conduct Authority and is a member of The London Stock Exchange listed on the Alternative Investment Market ('AIM').

The firm's core strategy is to focus on delivering a high-quality service to clients. This entails giving both private and institutional clients a personalised service delivered by experienced individuals. The firm's business model is to earn portfolio management fees and commissions on transactions, both of which are charged on an ad-valorem basis. Preservation of client capital in real terms, and seeking growth on portfolio values provides a long-term sustainability for both the firm and for clients.

The Board intends to maintain a strong balance sheet and to provide clear, unbiased advice to clients. The firm is capitalised with equity capital, with no debt and does not use financial instruments except its intra-day Crest cap.

Business Review

Market conditions meant that the group's revenues improved substantially relative to the prior year, yet costs rose substantially as well. The cost increases reflect compliance with regulatory requirements and further investment in strengthening our operations.

Financial review and key performance indicators

The Group's activities resulted in a loss for the year of £127,000 compared to a loss of £381,000 in the prior year. Although this is a welcome improvement, it is not regarded as satisfactory. A key performance indicator, closely monitored by the board, is the total value of safe custody assets which were £622m at 31 May 2020 (2019: £660m, 2018: £592m). Given the market movements, this stable outturn is regarded as satisfactory. No dividends were paid to shareholders in the year.

The results of the Group for the year are set out on page 24 and the Consolidated Statement of Financial Position on page 25.

Future developments

Your board is seeking continued expansion of the business through attracting further investment managers to join the firm and is alert to small acquisitions. There is substantial value in the group's holding in Euroclear resulting in a strong net asset position from which to leverage growth.

Section 172 statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of, and the impact of the firm's activities on, the various stakeholders in the firm and to consider what is most likely to promote the success of the Company for its members in the long term and look to ensure that sufficient consideration is given to issues relating to the matters set out in s172(1)(a)-(f).

Whilst the importance of giving due consideration to our stakeholders is not new, S172 requires that the Board elaborates how it discharges its duties in the arena. We have categorised our key stakeholders into four groups. Where appropriate, each group is considered to include both current and potential stakeholders:

- Clients
- Regulators
- Employees
- Shareholders

Our dealings with stakeholders and others are shaped by the culture and attitudes of all staff.

Regulators

We have an open and transparent dialogue with the regulatory and industry bodies that we work with. Building public trust in the industry through raising standards in the investment industry and creating a trusted environment for customers is fundamental to our business. We have an ongoing, regular, reporting relationship with the FCA including a focus on safeguarding customer assets.

Clients

We strive to have regular dialogue with all our clients and to ensure that portfolios are appropriate to their needs. This goes hand in hand with our offering a bespoke service. In parallel, treating customers fairly is a core value to us as a firm.

Regulators

We have an open and transparent dialogue with the regulatory and industry bodies that we work with. Building public trust in the industry through raising standards in the investment industry and creating a trusted environment for customers is fundamental to our business. We have an ongoing, regular, reporting relationship with the FCA including a focus on safeguarding customer assets.

Employees

The quality of our staff is a key component of the efficient delivery of good service to our clients. We strive to help staff up-skill so as to improve our performance and to provide a stimulating environment in which to work.

Shareholders

Our shareholders are of course the owners of the firm and we need to act fairly as between members of the company. The great majority of our shareholders have been so for a long period. We have a regular dialogue with our key shareholders – but all are welcome to be in communication. Our annual general meetings are popular and all shareholders are encouraged to attend. (It is acknowledged that this will be difficult for 2020.)

Not all significant events or decisions will affect one or more categories of stakeholders.

Significant events/decisions in the year	Key s172 matter(s) affected	Actions and impact
Improvements to internal controls	Employees, shareholders, regulators	• Chief operating officer recruited – an addition to the team • New Compliance officer recruited pursuant to succession planning • Significant internal audit exercise executed on back office systems • Additional external resource engaged to carry out other internal audit exercises • Major update to company policies suite
Covid-19 lock-down	Clients, Employees	• Prior investment in IT leveraged to ease switch to work-from-home • Rapid enhancement to client liaison to provide support in the face of a significant market down-turn.

Risk management

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

Strategic Report

continued

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

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

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

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

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

  The Board follows developments in the "Brexit" negotiations. The future relationship between the UK and the EU is not currently clear; markets may react differently to diverse outcomes. The situation is difficult to mitigate today, but the Board continues to monitor events.

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

- **Loss of staff**

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

- **Regulatory risk**

  The Group pays close attention to the risk of breaching, or non-compliance with, applicable regulations and restrictions, which could result in regulatory censure, fines and reputational damage. The compliance function is afforded high priority within the firm, as well as close attention to cultural adoption of regulatory objectives by staff.

- **Operational risk**

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

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

The Covid-19 lockdown in March 2020 resulted in the business continuity plan being put into action. Operations continued effectively with staff able to carry out their normal duties remotely.

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

This Strategic Report was approved by the Board of Directors and authorised for issue on 27 November 2020.

Signed on behalf of the Board of Directors

Clive Fiske Harrison
Chairman

Directors' Report

The Directors have authorised for issue this report together with the audited financial statements for the year ended 31 May 2020. As stated in the Strategic Report on page 5, the firm does not use financial instruments except its intra-day Crest cap. The Corporate Governance Statement on page 10 forms part of this report.

Directors' interests – Shares

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

	Ordinary 25p shares at the date of this report	**Ordinary 25p shares at 31 May 2020**	Ordinary 25p shares at 31 May 2019
J P Q Harrison†	**2,312,010**	**2,312,010**	2,312,010
C F Harrison*	**2,103,328**	**2,103,328**	2,184,828
T R Pattison**	**345,791**	**345,791**	267,462
A R Fiske-Harrison††	**232,000**	**232,000**	299,000
F G Luchini (retired 31 August 2020)	**84,000**	**84,000**	74,000
M H W Perrin	**35,000**	**35,000**	35,000

† Including 2,133,802 (2019: 2,133,802) shares held by LongSand Limited, a company controlled by JPQ Harrison and 7,000 (2019: 7,000) shares held by Mrs A Harrison wife of Mr J P Q Harrison at the date of this report.

* Including 218,000 (2019: 218,000) shares held by Mrs B Harrison, wife of Mr C F Harrison at the date of this report.

** Including 8,674 (2019: 8,674) shares held by Mrs C Pattison, wife of Mr T R Pattison at the date of this report.

†† Including 7,500 and 2,500 shares held by St. Botolph's Securities Limited and Mersea Island Securities Limited, each of which A R Fiske-Harrison is a director and shareholder.

Directors' interests – Share options

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

	Number of options							
	At start of year	**Granted during year**	**Exercised during year**	**Expired or lapsed during year**	**At end of year**	**Exercise price**	**Market price on date of exercise**	**Date from which exercisable**
F G Luchini – Unapproved	75,000	–	–	–	75,000	28.75p	–	1 May 2005
J P Q Harrison – Approved	250,000	–	–	(125,000)	125,000	70.00p	–	1 June 2018

The exercise price at the start of the year was the same as at the year-end stated above and will not change throughout the remaining contractual life of the option. The closing mid-market price of the Company's ordinary 25p shares at 31 May 2020 was 62.5p (2019: 65.0p).

Directors' Report

continued

Major shareholdings

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

	Ordinary shares	%
J P Q Harrison	2,312,010	19.90
C F Harrison	2,103,328	18.10
Craven Hill Investments Limited	1,154,860	9.94
P G Turner	734,500	6.32
Miton Group	610,000	5.25
S J Cockburn*	487,236	4.19
Mrs C M Short	386,029	3.32
B A F Harrison	371,500	3.20

* Including 15,000 (2019: 15,000) shares held by Mrs J A Cockburn, wife of Mr S J Cockburn at the date of this report.

Capital Structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 21.

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

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

Going Concern

After making due and careful enquiry, the Directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. This analysis is based on the performance and progress of the Company, future cash flow projections, and an assessment of current and future risks including the effects of Covid-19, the appropriateness of the business strategy and review of the financial position of the Company. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements as set out in note 1 to the accounts.

Directors' indemnities

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

Disclosure of information to auditor

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

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

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

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

By Order of the Board

J P Q Harrison

Chief Executive Officer

27 November 2020

Salisbury House
London Wall
London EC2M 5QS

Corporate Governance Statement

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

Your Board is committed to the principles supporting good corporate governance from executive level and throughout the operations of the business.

Fiske plc is listed on AIM and rule changes in March 2018 required all companies listed on AIM to comply with a recognised corporate governance code. The Board adopted the Quoted Companies Alliance Corporate Governance Code (QCA) for Small and Mid-Size Companies. The Board believes that the QCA Code is both proportionate and appropriate in view of our size, strategy and resources. The QCA Code consists of 10 broad and accessible principles together with a set of minimum disclosures that are considered to be appropriate for both companies that are at an early stage of development and organisations that are more established.

Our Corporate Governance Statement, which aims to assist shareholders in understanding our approach to corporate governance, can be found on our website.

The Board

The Board is collectively responsible for the management of the company and its success by directing and supervising its activities. It is also responsible for setting the company's culture and promoting our core values of dealing with all stakeholders with integrity, acting professionally and treating all fairly and with respect.

Board Composition

During the year, the Board comprised four executive and two non-executive directors. The two non-executive directors are considered independent directors. All directors submit themselves for re-election at least every three years. MHW Perrin, a non-executive director who has served on the Board for over nine years, submits himself for re-election each year.

The Remuneration and Nomination Committee (a standing committee of the Board) is responsible for reviewing the composition of the Board and, when appropriate, follows a transparent process when identifying potential candidates for appointment to the Board. Such candidates will need to be duly knowledgeable with the appropriate skills; can work together with existing members and have a voice at Board meetings by taking decisions objectively in the interests of the company. The people chosen will have the necessary experience and practical ability required to develop and deliver the strategy and business model of the company.

Board Effectiveness

I believe that the Board has an effective and balanced structure. The existing members have the appropriate skill and a wealth of experience in the financial services sector which enables them to challenge, motivate and enhance our business to the benefit of all stakeholders, shareholders, clients, employees and suppliers alike.

The four executive directors are full time employees. As regards the two non-executive directors I am satisfied that they continue to devote sufficient time to their roles with the company.

Shareholder engagement

As Chairman I am aware that understanding our shareholders' and other stakeholders' interests is crucial in building trust and explaining what has transpired during the past year. I have had dialogue with some of the significant shareholders during the past year to discuss company matters and their comments about Fiske plc. The dialogue with other shareholders would take place at the Annual General Meeting where we encourage questions from our shareholders.

Many investors believe that the results of shareholder votes should be disclosed by all companies. Accordingly, we publish the results of shareholder votes on our website.

Finally, Corporate Governance is dynamic and as the Board develops the strategy of the Company or the business model is changed the governance by the Company will evolve to meet the changing circumstances.

Attendance at meetings

In the year to 31 May 2020, attendance at meetings can be quantified as:

	Scheduled Board meetings	Remuneration and Nomination committee	Audit committee	Risk committee
Number of meetings in the year	8	3	2	2
Clive Fiske Harrison	8/8	3/3	2/2	1/2
James Harrison	7/8	–	—	2/2
Gerard Luchini	7/8	–	–	–
Martin Perrin	8/8	3/3	2/2	2/2
Alexander Fiske-Harrison	6/8	2/3	2/2	–
Tony Pattison	5/8	–	–	–

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

Customers

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

Clive Fiske Harrison

Chairman

27 November 2020

Remuneration and Nomination Committee Report

Composition and constitution

The Remuneration and Nomination Committee is appointed by the Board and consists of not less than two members. The members of the remuneration and nomination committee are:

C F Harrison (Chairman),

A R Fiske-Harrison and

M H W Perrin

The Committee formally meets at least twice a year. The purpose of the committee is to

(i) to ensure that the Group's executive directors, Associates and senior executives are fairly rewarded for their individual contributions to the Group's overall performance, and

(ii) to demonstrate to all the stakeholders in the business that the remuneration of the executive directors and senior executives of the Group is set by a Remuneration Committee of board members, who are independent and have no personal interest in the outcome of their decisions and who will give due regard to the interests of the Group.

The Committee is authorised by the Board to

(i) pursue or investigate any activity within its terms of reference, and

(ii) to obtain outside legal or other independent professional advice (advisers with relevant experience and expertise may attend meetings of the Committee if the chairman of the Committee considers this necessary).

Areas of Focus

The work of the committee is

(i) to determine the remuneration of executive directors and to approve any changes to their other terms and conditions including pensions and contractual notice arrangements,

(ii) to supervise the establishment of, and changes in, employee and executive share option schemes and other employee benefit schemes,

(iii) to approve all share option allocations and to be consulted in regard to proposals for the grant of share options to staff,

(iv) to monitor and review the membership and composition of the Board and senior executives; to consider appointments to and promotions within the Board, plans for succession and to make recommendations to the Board on Board appointments, promotion and succession generally.

During the year, in addition to its normal work, the committee approved a new Remuneration Policy for all staff, setting out how the Firm will manage remuneration in line with its business strategy and ensure a consistency of approach within the firm to attract, retain and reward employee's for contributing to the Firm's success, whilst maintaining financial stability and robust and effective risk management.

Signed on behalf of the Remuneration and Nomination Committee

Clive Fiske Harrison
Chairman, Remuneration and Nomination Committee

Risk Committee Report

Composition and constitution
The Risk Committee is appointed by the Board and consists of not less than two members. The members of the risk committee are:

M H W Perrin (Chairman), and

J P Q Harrison, CEO

In addition, meetings are always attended by two senior executives. The Committee formally meets at least twice a year. In practice, most of its work is executed by its members on a continuous basis in conjunction with senior operational management.

The purpose of the committee is to

(i) review the full spectrum of risks and the impacts on business planning and capital requirements,

(ii) promote risk management within the company, helping to integrate risk management within the company infrastructure and day-to-day business processes, and

(iii) provide appropriate risk information to the Board.

The Committee is authorised by the Board to

(iii) pursue or investigate any activity within its terms of reference,

(i) to seek any information it requires from any employee and all employees shall be directed to co-operate with any request made by the Committee,

(ii) to obtain outside legal or other independent professional advice, and

(iii) to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Areas of Focus
The work of the committee is

(i) to identify and evaluate the key risk areas to the business,

(i) to identify those individuals who are accountable for managing specific risks,

(ii) to assess the incidence and impact of various risks,

(iii) to design and implement controls by which those risks can be managed and maintained at a level acceptable to the Board and

(iv) to monitor and review results.

During the year there has been particular focus on CASS, internal systems and controls, and risk assessment methodologies. The Committee has also interacted with the work of the Audit Committee in relation to the focus of internal audit exercises executed during the year.

The committee interacts with the work of the audit committee to maximise comprehensive coverage of internal controls, and interacts with management activities to address client assets and CASS recovery, the application of company policies and regulatory reporting.

Signed on behalf of the Risk Committee

Martin H W Perrin
Chairman, Risk Committee

Corporate Governance Statement

continued

Audit Committee Report

Composition and constitution

The Audit Committee is appointed by the Board and consists of not less than two members, two of whom are to be non-executive directors. The Chief Executive, the Senior Financial Officer, the Head of Compliance and a partner of the external auditors will attend meetings of the Committee as required. The members of the audit committee are:

M H W Perrin (Chairman),

C F Harrison, and

A R Fiske-Harrison

The Committee formally meets at least twice a year. In practice, much of its work is executed by its members on an as needed basis.

The purpose of the committee is to

(i) ensure that management has systems and procedures in place to ensure the integrity of the financial information reported to the shareholders and in the maintenance of a sound system of internal control; and

(ii) to provide, by way of regular meetings, a line of communication between the Board and the external auditors.

The Committee is authorised by the Board to

(i) investigate any activity within its terms of reference,

(ii) to seek any information it requires from any employee and all employees shall be directed to co-operate with any request made by the Committee,

(iii) to obtain outside legal or other independent professional advice, and

(iv) to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Areas of Focus

The work of the committee is

(i) to consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal,

(ii) to review the non-audit services supplied to the Company by the external auditor,

(iii) to consider with the external auditor the nature and scope of the audit,

(iv) to consider internal audit functions and priorities,

(v) to review the interim and full year financial statements and related announcements/press releases before submission to the Board focusing particularly on:

- a) application of the Company's accounting policies,
- b) any changes in accounting policies and practices,
- c) the going concern assumption,
- d) compliance with the Stock Exchange, legal and other regulatory requirements, and
- e) the statement on internal control.

(vi) to discuss any problems and observations and recommendations arising from the interim review and final audit and the Report of the Auditors to the Audit Committee, including their Significant Risks dashboard, any weaknesses identified or recommendations made in respect of the Company's accounting systems or internal controls and any matters the auditor may wish to discuss (in the absence of management where necessary),

(vii) to review the external auditor's report on their audit of full year financial statements and on their review of interim statements and management's response.

(viii) to consider any other topics, as may arise.

There were no interactions between the Company and the Financial Reporting Council during the period.

In reviewing the preparation of the Report and Accounts, the critical accounting judgements and key uncertainties were evaluated and further information is set out in note 2 to the accounts.

During the year there has been particular focus on accounting information extracted from back-office systems, internal audit activities – both internally executed and through external resources, and planning the impact of changing accounting standards.

Whistleblowing

The Chairman of the Audit Committee is the Whistleblowing Champion for the Firm. It is formal policy that any member of staff may contact the Whistleblowing Champion privately.

Signed on behalf of the Audit Committee

Martin H W Perrin
Chairman, Audit Committee

Further information

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

Directors' Responsibilities Statement

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 27 November 2020 and is signed on its behalf by:

J P Q Harrison
Chief Executive Officer

27 November 2020

Independent Auditor's Report to the Members of Fiske plc

Opinion

We have audited the financial statements of Fiske plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 May 2020 which comprise the consolidated statement of total comprehensive income, the consolidated and company statements of financial position, the Group and company statements of changes in equity, the Group and company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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 regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 May 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – prior year restatement

We draw attention to Note 27 to the consolidated financial statements, which describes the reasons for and breakdown of the restatement of the Group's 2019 consolidated financial statements. Our opinion is not modified in this respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

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

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

Independent Auditor's Report to the Members of Fiske plc

continued

<table>
<tr><th>Key audit matter</th><th>How we addressed the matter in our audit</th></tr>
<tr><td>Valuation of Euroclear shares

The Group holds unlisted shares in Euroclear Plc measured at fair value with movements through Other Comprehensive Income. The balance for the investment in Euroclear shares as at 31 May 2020 was £4,962,000 (2019: £5,754,000).

The valuation of unlisted equities is a key audit matter given the inherent uncertainty involved when estimating the fair value of unlisted equities and there is a risk that the valuation is materially misstated. Refer to notes 1l and 16 for the accounting policy and investment note.</td><td>We responded to the risk by performing the following procedures:

• We reviewed the accounting policies in relation to the valuation of the Euroclear shares and assessed their compliance with IFRS 9 and 13;
• We reviewed the Euroclear financial statements as at 30 June 2020 for any indication of impairment of the investment.
• We verified the basis of management's valuation of the shares based on a recent offer for the shares in Euroclear and recalculated the value of the investment based on this;
• We obtained confirmation of the Groups' shareholding directly with Euroclear; and
• We reviewed the financial statement disclosures to assess the compliance with the disclosure requirements of the IFRS's.

Key observations

• As a result of our work we considered management's basis for and assessment of the valuation of the Euroclear shareholding to be reasonable.</td></tr>
</table>

Independent Auditor's Report to the Members of Fiske plc

continued

<table>
<tr><th>Key audit matter</th><th>How we addressed the matter in our audit</th></tr>
<tr><td>Accuracy of Revenue recognition

The Group's revenue is made up of distinct revenue streams, primarily commission revenue and management fees. Refer to notes 1d and 2b for the accounting policy and critical accounting judgements.

The standard commission and fee rates can vary at times at the discretion of brokers. They are also subject to manual calculation by management and given the complexity of the workings, we consider this as a key audit matter.

Management fee and commission income amounted to £5,347,000 (2019: £4,591,000 (restated)).</td><td>We responded to the risk by performing the following procedures:

• We considered whether the revenue accounting policy (refer to note 1d) is in accordance with IFRS 15;

• We tested a sample of management fees and commissions to determine if revenue was recorded in the correct period by checking contractual terms of the agreements for each service undertaken, and considering the point at which performance obligations were satisfied;

• We performed recalculations, on a sample basis, of the commissions' receivable based on the agreed commission structure to assess whether the commission recognised is accurate;

• On a sample basis we tested the pricing of shares used by management to third party support;

• We recalculated, on a sample basis, management fees based on agreed structure with clients and agreed the fee structure to client contracts; and

• On a sample basis, we traced to bank statement management fees that have settled during the year; and

• We reviewed the disclosures related to revenue recognised in the notes to the financial statements in accordance with the relevant accounting framework.

Key observations

• As a result of performing the above procedures, we have not identified any material misstatements in relation to accuracy of revenue recognition.</td></tr>
</table>

Key audit matter	How we addressed the matter in our audit
Impairment of goodwill and intangibles The impairment review of goodwill and other intangible assets is considered to be a significant audit risk and a key audit matter due to the judgements made in determining whether there is an indication of impairment in respect of the intangible assets and also in the calculations of recoverable amounts. The carrying value of goodwill and customer relationships is £371,000 (2019: £395,000) and £918,000 (2019: £1,050,000) respectively. Further details are included within the critical accounting estimates and judgements note in note 2 to the financial statements.	We responded to the key audit matter by performing the following procedures: • We assessed reasonableness of management's impairment methodology, whilst challenging the judgements and assumptions made. • We reviewed and obtained supporting evidence of the inputs to the value-in-use model prepared by management in order to calculate the recoverable amount of the Investment Management Agreement Intangibles for Fieldings and the Goodwill recognised in respect of the Vor and Ionian transactions. • We challenged the key assumptions applied by management, including revenue forecasts, ongoing expenses and the discount factor applied. • Together with our internal valuations specialists, we determined whether the discount factor represented an appropriate weighted average cost of capital for the Group and that there was no material valuation differences between ranges of WACC calculated. • Re-performed management's cash flow discount calculation for impairment consideration. Key observations • As a result of performing the above procedures, we consider the judgements and assumptions made in respect of the valuation of intangibles to be reasonable.
Accuracy of prior year restatement adjustments As indicated in note 27 to the financial statements, following an internal audit exercise in the first half of the year, the directors of the company determined that certain adjustments needed to be made to its accounts. Errors had occurred as a result of a change in an accounting process which affected the way in which trade data was interpreted for accounting purposes. In addition, an error in the accounting for the acquisition of Fieldings Investment Management Ltd (a subsidiary) was subsequently identified. The impact of the adjustments can be seen in note 27. In view of the significance of these matters we considered the accounting treatment of these items to be a key audit matter.	We responded to the key audit matter by performing the following: • We obtained an understanding of the nature of errors and corrections in relation to restatement and critically challenged management regarding the treatment thereof; • We tested, on a sample basis, transactions and trades that resulted in errors in the prior years; and • We reviewed the financial statements disclosures to assess compliance with the requirements of the applicable accounting framework. Key observations • As a result of our work we considered that management's treatment of these errors in the current period financial statements was appropriate.

Independent Auditor's Report to the Members of Fiske plc

continued

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take into account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We determined materiality for the financial statements as a whole as follows

	Group financial statements	Parent company financial statements
Overall Materiality	£53,800	£44,800
Basis for determining materiality	1% of the total revenue.	1% of the total revenue.

For both the Group and the Parent company we considered revenue to be an appropriate benchmark as this is considered to be the performance measure of greatest relevance to users' understanding of the financial statements.

Performance materiality was set at £34,900 for the group and £29,100 for the Parent company, being 65% of the overall financial statement materiality.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £800 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit approach was developed by obtaining an understanding of the Group's activities and the overall control environment. Based on this understanding we assessed those aspects of the Group's transactions and balances which were most likely to give rise to a material misstatement.

The Group comprises two significant components being the Parent company and its subsidiary Fieldings Investment Management Limited ("Fieldings"), and three non-trading subsidiary entities which were not considered to be significant. Full scope audits on both the significant components were carried out by the group team. At the Group level, we also performed work around the goodwill recognised and a detailed reconciliation of the consolidated figures.

Component materiality for Fieldings was set at £17,500.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Fiske plc

continued

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

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

We have nothing to report in respect of this matter.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent Auditor's Report to the Members of Fiske plc

continued

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kelly Sheppard (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
27 November 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Total Comprehensive Income

For the year ended 31 May 2020

	Notes	**2020** **£'000**	2019 £'000 (restated)
CONTINUING OPERATIONS			
Fee and commission income		**5,347**	4,591
Other income/(loss)		**36**	(1)
Profit/(loss) on investments sold		**–**	(1)
TOTAL REVENUE	3	**5,383**	4,589
Operating expenses		**(5,743)**	(5,020)
OPERATING (LOSS)	6	**(360)**	(431)
Investment revenue		**143**	–
Finance income	7	**148**	108
Finance costs	8	**(58)**	(58)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(127)**	(381)
Taxation	9	**–**	–
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		**(127)**	(381)
OTHER COMPREHENSIVE INCOME			
Items that may subsequently be reclassified to profit or loss			
Movement in unrealised appreciation of investments		**(793)**	3,289
Deferred tax on movement in unrealised appreciation of investments		**187**	(583)
NET OTHER COMPREHENSIVE INCOME		**(606)**	2,706
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY SHAREHOLDERS		**(733)**	2,325
LOSS PER ORDINARY SHARE			
BASIC	10	**(1.1p)**	(3.3p)
DILUTED	10	**(1.1p)**	(3.3p)

All results are from continuing operations.

Consolidated Statement of Financial Position

31 May 2020

	Notes	**As at 31 May 2020 £'000**	As at 31 May 2019 £'000 (restated)	As at 1 June 2018 £'000 (restated)
NON-CURRENT ASSETS				
Intangible assets	11	**1,289**	1,445	1,576
Other intangible assets	12	**65**	97	130
Right-of-use assets	13	**101**	–	–
Property, plant and equipment	14	**53**	30	35
Investments held at Fair Value Through Other Comprehensive Income	16	**4,962**	5,759	2,470
TOTAL NON-CURRENT ASSETS		**6,470**	7,331	4,211
CURRENT ASSETS				
Trade and other receivables	17	**2,398**	2,387	4,183
Cash and cash equivalents		**2,239**	2,073	2,453
TOTAL CURRENT ASSETS		**4,637**	4,460	6,636
CURRENT LIABILITIES				
Trade and other payables	18	**2,924**	2,814	4,790
Short-term lease liabilities	19	**124**	–	–
Current tax liabilities		**–**	–	36
TOTAL CURRENT LIABILITIES		**3,048**	2,814	4,826
NET CURRENT ASSETS		**1,589**	1,646	1,810
NON-CURRENT LIABILITIES				
Deferred tax liabilities	20	**611**	797	214
TOTAL NON-CURRENT LIABILITIES		**611**	797	214
NET ASSETS		**7,448**	8,180	5,807
EQUITY				
Share capital	21	**2,923**	2,904	2,890
Share premium		**2,057**	2,029	1,997
Revaluation reserve		**3,597**	4,203	1,497
Retained losses		**(1,129)**	(956)	(577)
SHAREHOLDERS' EQUITY		**7,448**	8,180	5,807

These financial statements were approved by the Board of Directors and authorised for issue on 27 November 2020.

Signed on behalf of the Board of Directors

J P Q Harrison
Chief Executive Officer

Parent Company Statement of Financial Position

31 May 2020

	Notes	**As at 31 May 2020 £'000**	As at 31 May 2019 £'000 (restated)	As at 1 June 2018 £'000 (restated)
NON-CURRENT ASSETS				
Other intangible assets	12	**65**	97	130
Right-of-use assets	13	**101**	–	–
Property, plant and equipment	14	**53**	30	35
Investment in subsidiary undertakings	15	**1,493**	1,517	1,517
Investments held at Fair Value Through Other Comprehensive Income	16	**4,962**	5,759	2,470
TOTAL NON-CURRENT ASSETS		**6,674**	7,403	4,152
CURRENT ASSETS				
Trade and other receivables	17	**2,288**	2,612	4,066
Cash and cash equivalents		**1,898**	1,391	2,038
TOTAL CURRENT ASSETS		**4,186**	4,003	6,104
CURRENT LIABILITIES				
Trade and other payables	18	**2,679**	2,622	4,573
Short-term lease liabilities	19	**124**	–	–
TOTAL CURRENT LIABILITIES		**2,803**	2,622	4,573
NET CURRENT ASSETS		**1,383**	1,381	1,531
NON-CURRENT LIABILITIES				
Deferred tax liabilities	20	**611**	797	214
TOTAL NON-CURRENT LIABILITIES		**611**	797	214
NET ASSETS		**7,446**	7,987	5,469
EQUITY				
Share capital	21	**2,923**	2,904	2,890
Share premium		**2,057**	2,029	1,997
Revaluation reserve		**3,597**	4,203	1,497
Retained losses		**(1,131)**	(1,149)	(915)
SHAREHOLDERS' EQUITY		**7,446**	7,987	5,469

These financial statements were approved by the Board of Directors and authorised for issue on 27 November 2020.

Signed on behalf of the Board of Directors

J P Q Harrison
Chief Executive Officer

Group Statement of Changes in Equity

For the year ended 31 May 2020

	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained losses £'000	Total £'000
Balance at 1 June 2018 as reported	**2,890**	**1,997**	**1,497**	**(848)**	**5,536**
Adjustments	–	–	–	271	271
As restated at 1 June 2018	2,890	1,997	1,497	(577)	5,807
Loss for the financial year as restated	–	–	–	(381)	(381)
Movement in unrealised appreciation of investments	–	–	3,289	–	3,289
Deferred tax on movement in unrealised appreciation of investments	–	–	(583)	–	(583)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	**–**	**–**	**2,706**	**(381)**	**2,325**
Share based payment transactions	–	–	–	2	2
Issue of ordinary share capital	14	32	–	–	46
TOTAL TRANSACTIONS WITH OWNERS, RECOGNISED DIRECTLY IN EQUITY	**14**	**32**	**–**	**2**	**48**
BALANCE AT 31 MAY 2019	**2,904**	**2,029**	**4,203**	**(956)**	**8,180**
Adoption of IFRS 16	–	–	–	(48)	(48)
Balance at 1 June 2019	2,904	2,029	4,203	(1,004)	8,132
Loss for the financial year	–	–	–	(127)	(127)
Movement in unrealised appreciation of investments	–	–	(793)	–	(793)
Deferred tax on movement in unrealised appreciation of investments	–	–	187	–	187
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	**–**	**–**	**(606)**	**(127)**	**(733)**
Share based payment transactions	–	–	–	2	2
Issue of ordinary share capital	19	28	–	–	47
TOTAL TRANSACTIONS WITH OWNERS, RECOGNISED DIRECTLY IN EQUITY	**19**	**28**	**–**	**2**	**49**
BALANCE AT 31 MAY 2020	**2,923**	**2,057**	**3,597**	**(1,129)**	**7,448**

Parent Company Statement of Changes in Equity

For the year ended 31 May 2020

	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained losses £'000	Total £'000
Balance at 1 June 2018	**2,890**	**1,997**	**1,497**	**(1,186)**	**5,198**
Adjustments	–	–	–	271	271
As restated at 1 June 2018	2,890	1,997	1,497	(915)	5,469
Loss for the financial year as restated	–	–	–	(236)	(237)
Movement in unrealised appreciation of investments	–	–	3,289	–	3,289
Deferred tax on movement in unrealised appreciation of investments		–	(583)	–	(583)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	**–**	**–**	**2,706**	**(236)**	**2,470**
Share based payment transactions	–	–	–	2	2
Issue of ordinary share capital	14	32	–	–	46
TOTAL TRANSACTIONS WITH OWNERS, RECOGNISED DIRECTLY IN EQUITY	**14**	**32**	**–**	**2**	**48**
BALANCE AT 31 MAY 2019	**2,904**	**2,029**	**4,203**	**(1,149)**	**7,987**
Adoption of IFRS 16	–	–	–	(48)	(48)
Balance at 1 June 2019	2,904	2,029	4,203	(1,197)	7,939
Profit for the financial year	–	–	–	65	65
Movement in unrealised appreciation of investments	–	–	(793)	–	(793)
Deferred tax on movement in unrealised appreciation of investments	–	–	187	–	187
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	**–**	**–**	**(606)**	**64**	**(542)**
Share based payment transactions	–	–	–	2	2
Issue of ordinary share capital	19	28	–	–	47
TOTAL TRANSACTIONS WITH OWNERS, RECOGNISED DIRECTLY IN EQUITY	**19**	**28**	**–**	**2**	**49**
BALANCE AT 31 MAY 2020	**2,923**	**2,057**	**3,597**	**(1,131)**	**7,446**

Group and Parent Company Statement of Cash Flows

For the year ended 31 May 2020

	Notes	**2020 Group £'000**	**2020 Company £'000**	2019 Group £'000 (restated)	2019 Company £'000 (restated)
OPERATING (LOSS)		**(360)**	**(170)**	(431)	(284)
Amortisation of intangible assets arising on consolidation		**156**	**24**	131	–
Amortisation of other intangible assets		**33**	**33**	33	33
Depreciation of right-of-use assets		**173**	**173**	–	–
Depreciation of property, plant and equipment		**39**	**39**	22	22
Expenses settled by the issue of shares		**2**	**2**	2	2
(Increase)/decrease in receivables		**(11)**	**323**	1,796	1,454
Increase/(decrease) in payables		**75**	**24**	(2,034)	(2,010)
Cash generated from/(used) in operations		**106**	**447**	(481)	(783)
Tax (paid)		**–**	**–**	(36)	–
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		**106**	**447**	(517)	(783)
INVESTING ACTIVITIES					
Investment income received		**143**	**143**	–	–
Interest received		**148**	**148**	108	107
Proceeds on disposal of investments held at FVTOCI		**5**	**5**	–	–
Purchases of property, plant and equipment		**(62)**	**(62)**	(17)	(17)
NET CASH GENERATED FROM INVESTING ACTIVITIES		**234**	**234**	91	90
FINANCING ACTIVITIES					
Interest paid		**(24)**	**(24)**	–	–
Proceeds from issue of ordinary share capital	21	**47**	**47**	46	46
Repayment of lease liabilities	19	**(197)**	**(197)**	–	–
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		**(174)**	**(174)**	46	46
Net increase/(decrease) in cash and cash equivalents		**166**	**507**	(380)	(647)
Cash and cash equivalents at beginning of year		**2,073**	**1,391**	2,453	2,038
CASH AND CASH EQUIVALENTS AT END OF YEAR		**2,239**	**1,898**	2,073	1,391

Notes to the Accounts

For the year ended 31 May 2019

1 Accounting policies

General information

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

The principal activity of Fiske plc and its subsidiary undertakings is the provision of financial intermediation which consists of private client and institutional stockbroking, and private client investment management.

These financial statements are presented in Pounds Sterling, which is the currency of the primary economic environment in which the Group operates and are rounded to the nearest thousand.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Consolidated and Company financial statements.

New and revised IFRSs in issue but not yet effective

A number of amendments to existing standards have also been effective from 1 June 2019 but they do not have a material effect on the Group financial statements. There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The following amendments are effective for the period beginning 1 July 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)
- IFRS 3 Business Combinations (Amendment – Definition of Business)
- Revised Conceptual Framework for Financial Reporting

The Group do not expect these amendments to have a significant impact on the financial statements.

New standards adopted in the current year

IFRS 16 (Leases)

The Group adopted IFRS 16 (Leases) using the modified retrospective approach on 1 June 2019. IFRS 16 introduces new requirements for lessee and lessor accounting, with the distinction between operating lease and finance lease no longer applying for lessees. Under IFRS 16, a lessee is required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value when new. The new standard also requires depreciation of the asset to be recognised separately from the interest expense on the lease liability.

As a result of adopting IFRS 16, the difference between the asset and liability recognised on 1 June 2019 has been shown as an adjustment to opening retained earnings within the Consolidated Statement of Changes in Equity. The exemptions taken by the Group on transition are detailed below. For any new leases entered into after 1 June 2019, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate for the related geographical location. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The right–of–use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The impact on the Financial Statements on transitioning is set out in Note 6 below.

(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 2020 as adopted by the 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 IFRS 9 Financial Instruments: recognition and measurement. The principal accounting policies are set out below.

Notes to the Accounts

continued

1 Accounting policies *(continued)*

(b) Going concern basis

The Group's activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 5 to 7. 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, including a review of the impact of the Covid-19 pandemic, 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 and have sufficient regulatory capital to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

(c) Basis of consolidation

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

(d) Revenue recognition

The Group follows the principles of IFRS 15 Revenue from Contracts with Customers, the outcome of which, for the Group, is no different to the previous accounting standard, 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 and payable on a trade date basis. Trades are usually executed on a T2 basis but can range from T0 to T15.
- Fees: Investment management fees and custody fees are recognised when earned and are billed and payable at periodic intervals according to the relevant contract. Such fees will vary according to the value of funds held and any accrued income reflects known changes in value up to the date of the financial statements. Given that such fees can be accurately accrued for, taking into account market movements, it is felt that the variable consideration is not a constraint in revenue recognition.
- Dividend income: Dividend income is recognised when the right to receive payment is established.

For each customer identified contract, the Group has analysed the various specific services which are provided. Where contracts with customers address delivery of more than one of these distinct services, each individual service has a single performance obligation for which revenue is recognised independently of other services when the service is delivered. The transaction price for each service is separately set out in the contract.

(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.

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 and amortisation. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately and is not subsequently reversed.

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

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

(h) Software and software licences

The direct cost of acquisition of software licences is capitalised (if in relation to a significant installation) and, upon being brought into use, amortised on a straight-line basis over 6 years. The cost of minor licenses, and the cost of deployment and associated costs to implement significant installations are expensed as incurred.

(i) Property, plant and equipment

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

Office refurbishment	–	5 years
Office furniture and fittings	–	4 years
Computer equipment	–	3 years

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

(j) Impairment of intangible assets

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

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

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

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

Notes to the Accounts

continued

1 Accounting policies *(continued)*

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

(k) Financial instruments

The initial date of application of IFRS 9 was 1 June 2018. Pursuant to that:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

The Group has made the following irrevocable election at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

(l) Investments

Investments in subsidiary undertakings are recorded at cost and subsequently reviewed for impairment.

The Company's other investments have been designated as Fair Value through Other Comprehensive Income and 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, investments are measured at fair value. Gains or losses arising from changes in fair value are recognised as other comprehensive income.

The fair values of investments quoted in active markets are determined by reference to the current quoted bid price. Where independent market prices are not available, fair values are determined using valuation techniques with reference to recent market transactions.

(m) 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 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.

(n) Cash and cash equivalents

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

1 Accounting policies *(continued)*

(o) Client money

The Company holds money on behalf of clients in accordance with the Client Money Rules of the Financial Conduct Authority. Such monies and the corresponding liability to clients are not shown on the face of the consolidated statement of financial position. The amount so held on behalf of clients at the year–end is stated in note 24.

(p) Trade and other payables

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

(q) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. The par value thereof is attributed to Share Capital and the remainder to Share Premium account.

(r) Dividends

Equity dividends from quoted stocks are recognised at the ex–dividend date, and from unquoted stocks are recognised when paid.

(s) Share–based payments

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

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

(t) Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised and the timing thereof reasonably assessed. 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.

Notes to the Accounts

continued

1 Accounting policies *(continued)*

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

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

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

(u) Foreign currencies

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

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

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

(v) Leases

Leases which give rise to a right–of–use asset pursuant to IFRS 16 are initially measured to give rise to a right–of–use asset and a lease liability. The right–of–use asset is amortised on a straight–line basis over the term of the lease. The lease liability is retired over time by the contrasting interest expense and lease payments.

The Group has elected to make use of the following exemptions provided by IFRS 16:

- Leases with a determined lease term of 12 months or less from the commencement of the lease will be treated as short–term and therefore not included in the right–of–use asset or lease liability. Instead, lease costs will be recognised on a straight–line basis across the life of the lease.
- Leases for which the underlying asset is of low value when new will be exempt from the requirements to value a right–of–use asset and lease liability. Instead, lease costs will be recognised on a straight–line basis across the life of the lease. To apply this exemption, a threshold of £5,000 has been utilised to define "low value".

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.

Notes to the Accounts

continued

2 Critical accounting judgements and key uncertainties of estimation uncertainty *(continued)*

a) Key source of estimation uncertainty – Fair value of investments

The Group currently holds an investment in Euroclear Plc, which is held as a fair value asset through other comprehensive income 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 recent share transactions as published by Euroclear Plc.

b) Critical judgement – Revenue recognition

Investment management fees are earned on the basis of the value of the funds under management. The Group accrues management fees based on past transactions and taking into account movements in indices. The directors' judgement, based on past experience, is that using this method is unlikely to result in a material mis-statement of revenues in the light of market volatility or other factors of uncertainty.

c) Key source of estimation uncertainty – Impairment

The Group tests goodwill and other intangible assets annually for impairment or more frequently if there are indicators that they might be impaired. This requires an estimation of the value in use of the goodwill and other intangible assets. Estimating the value in use requires management to make an estimate of the expected future cash flows from the entities from which the goodwill arose and for the intangible assets and to choose a suitable discount rate in order to calculate the present value of cash flows. In addition, the value is tested against market value metrics in terms of funds under management.

The carrying value of intangible assets are set out in notes 11 and 12. The Directors have concluded that appropriate provisions have been made for impairment charges.

3 Total revenue and segmental analysis

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by management to allocate resources to the segments and to assess their performance. Following the acquisition of Fieldings Investment Management Limited in August 2017, their staff and operations have been integrated into the management team of Fiske plc. Pursuant to this, the Group continues to identify a single reportable segment, being UK–based financial intermediation. Within this single reportable segment, total revenue comprises:

	2020 **£'000**	2019 £'000
Commission receivable	**2,732**	2,316
Investment management fees	**2,615**	2,275
	5,347	4,591
Profit/(loss) on investments held at FVTOCI	**–**	(1)
Other income/(loss)	**36**	(1)
	5,383	4,589

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

4 Staff remuneration and costs

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

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

- market rates;
- the need to attract, retain and motivate high calibre individuals with a competitive remuneration package;
- comparability across different functions within the firm;
- loyalty and effort; and
- effectiveness.

The FCA's Remuneration Code applies to certain of the firm's staff. All 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 as calculated in accordance with the Companies Act, including Directors, employed by the Company within each category of persons, and their aggregate remuneration was:

	2020 No.	**2020 £'000**	2019 No.	2019 £'000
Investment management and dealing	**17**	**1,291**	16	1,087
Settlement	**5**	**261**	5	254
Administration	**14**	**721**	11	452
	36	**2,273**	32	1,793

Employees', including Directors', costs comprise:

	2020 £'000	2019 £'000
Wages, salaries and other staff costs	2,273	1,793
Pension	66	214
Social security costs	239	272
	2,578	2,279

5 Directors' remuneration

Directors' emoluments comprise:

	2020 £'000	2019 £'000
Emoluments	**624**	634
Highest paid Director's remuneration:		
Emoluments	**169**	166

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 2020	Gross Salary £'000	Fees £'000	Commission £'000	Pension £'000	Benefits† £'000	Total £'000
C F Harrison	**115**	**–**	**–**	**–**	**7**	**122**
J P Q Harrison	**158**	**–**	**–**	**8**	**3**	**169**
F G Luchini	**115**	**–**	**–**	**–**	**18**	**133**
T R Pattison	**26**	**–**	**120**	**–**	**–**	**146**
M H W Perrin*	**–**	**24**	**–**	**1**	**–**	**25**
A R Fiske–Harrison	**–**	**24**	**–**	**1**	**–**	**25**
	414	**48**	**120**	**10**	**28**	**620**

† Health care provisions

* Additional information is given in note 26, Related party transactions.

31 May 2019	Gross Salary £'000	Fees £'000	Commission £'000	Pension £'000	Benefits £'000	Total £'000
C F Harrison	120	–	–	–	7	127
J P Q Harrison	148	–	–	6	3	157
F G Luchini	115	–	–	–	19	134
T R Pattison	26	–	136	4	–	166
M H W Perrin	–	24	–	1	–	25
A R Fiske–Harrison	–	24	–	1	–	25
	409	48	136	12	29	634

Notes to the Accounts

continued

6 Operating (loss)/profit

	2020 **£'000**	2019 £'000
The operating (loss)/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	**100**	130
Non–audit fees:		
– Other services pursuant to legislation: Interim review		–
– Audit of client money and custody assets	**35**	35
– Tax services	**7**	7
Impairment of goodwill	**24**	–
Amortisation of intangible assets arising on consolidation	**132**	131
Amortisation of other intangible assets	**32**	33
Depreciation of right–of–use assets	**173**	–†
Depreciation of property, plant and equipment	**39**	22
Lease payments – Land and buildings	**220**	220†
Operating lease rentals – Other	**–**	5

† In the prior year, this was reported as £283,000 of Operating lease expenses (including service charges and VAT).

The transition to accounting to leases under IFRS 16 has impacted the Statement of Total Comprehensive Income as to:

	2020 **£'000**
Reclassification of rent paid out of operating expenses	**220**
Depreciation in year	**(173)**
Increase in Operating Profit	**47**
Interest expense	**(23)**
Increase in profit before taxation	**24**

A discount rate of 10% has been used in assessing the future lease payments.

As permitted by Section 408 of the Companies Act 2006, no separate income statement is presented in respect of the parent Company. The profit for the financial year dealt with in the financial statements of the parent Company was £64,000 (2019: loss of £236,000, as restated).

7 Finance income

	2020 **£'000**	2019 £'000
Interest receivable:		
Banks	**148**	108
	148	108

8 Finance costs

	2020 £'000	2019 £'000 (restated)
Interest payable on bank loans, overdrafts and other	**1**	–
Interest expense on lease liabilities	**23**	–
Deemed interest arising on unwinding deferred consideration payable	**34**	58
	58	58

9 Tax

Analysis of tax on ordinary activities:

	2020 £'000	2019 £'000
Current tax		
Current year	–	–
Prior year adjustment	–	–
	–	–
Deferred tax		
Current year	–	–
Prior year adjustment	–	–
Total tax charge to Statement of Comprehensive Income	–	–

Factors affecting the tax charge for the year

The standard rate of tax for the year, based on the United Kingdom standard rate of corporation tax, is 19.00% (2019: 19.00%).

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

	2020 £'000	2019 £'000 (restated)
Profit/(loss) before tax	**(127)**	(381)
(Credit)/Charge on profit on ordinary activities at standard rate	**(24)**	(74)
Effect of:		
Expenses not deductible in determining taxable profit	**6**	9
Non–taxable income	**(27)**	–
Tax losses not recognised	**45**	65
	–	–

Notes to the Accounts

continued

10 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.

31 May 2020	Basic £'000	Diluted Basic £'000
(Loss) on ordinary activities after taxation	**(127)**	**(127)**
Adjustment to reflect impact of dilutive share options	**–**	**–**
(Loss)	**(127)**	**(127)**
Weighted average number of shares (000's)	**11,673**	**11,714**
(Loss) per share (pence)	**(1.1)**	**(1.1)**

31 May 2019		
(Loss) on ordinary activities after taxation	(381)	(381)
Adjustment to reflect impact of dilutive share options	–	–
(Loss)	(381)	(381)
Weighted average number of shares (000's)	11,603	11,645
(Loss) per share (pence)	(3.3)	(3.3)

	31 May 2020	31 May 2019
Number of shares (000's):		
Weighted average number of shares	**11,673**	11,603
Dilutive effect of share option scheme	**41**	42
	11,714	11,645

11 Intangible assets arising on consolidation

	Customer relationships £'000	Goodwill £'000	Total £'000
Cost			
At 1 June 2018	1,312	1,311	2,623
Additions	–	–	–
At 31 May 2019	1,312	1,311	2,623
Additions	–	–	–
At 31 May 2020	**1,312**	**1,311**	**2,623**
Accumulated amortisation or impairment			
At 1 June 2018	(131)	(916)	(1,047)
Charge in year	(131)	–	(131)
At 1 June 2019	(262)	(916)	(1,178)
Charge in year	(132)	(24)	(156)
At 31 May 2020	**(394)**	**(940)**	**(1,334)**
Net book value			
At 31 May 2020	**918**	**371**	**1,289**
At 1 June 2019	1,050	395	1,445

11 Intangible assets arising on consolidation *(continued)*

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

CGU	**2020** **£'000**	2019 £'000
Ionian Group Limited	206	230
Vor Financial Strategy Limited	165	165
Goodwill allocated to CGUs	**371**	395

The impairment charge arises from a prudent assessment that customer relationships and goodwill change over time and are not of indefinite life. Based on analyses of the relevant customer base segments, a determination was made as to the expected income streams arising over the next 8 years. The recoverable amounts of the goodwill in Ionian Group Limited and in Vor Financial Strategy Limited are determined based on value-in-use calculations. These calculations use projections of marginal profit contributions over the expected remaining stream of attributable value. The key assumptions used for value-in-use calculations are as follows:

Direct and indirect costs as % of revenues	60%
Growth rate	0%
Discount rate	12.5%

Had the discount rate used gone up / down by 1%, impairment would have been £7,000 higher/lower and the carrying amount commensurately adjusted. Management determined margin contribution and growth rates based on past performance of those units, together with current market conditions and its expectations of development of those CGUs. The discount rate used is pre-tax, and reflects specific risks relating to the relevant CGU.

12 Other intangible assets

Group and Company	**Systems licence £'000**
Cost	
At 1 June 2018	192
Additions	–
At 1 June 2019	192
Additions	–
At 31 May 2020	**192**
Accumulated amortisation	
At 1 June 2018	(62)
Charge for the year	(33)
At 1 June 2019	(95)
Charge for the year	(32)
At 31 May 2020	**(127)**
Net book value	
At 31 May 2020	**65**
At 31 May 2019	97

13 Right–of–use assets

Group and Company	Property £'000
Cost	
At 31 May 2019	–
Adoption of IFRS 16	274
At 1 June 2019	274
Additions	–
At 31 May 2020	**274**
Accumulated amortisation	
At 31 May 2019	–
Adoption of IFRS 16	–
At 1 June 2019	–
Charge for the year	(173)
At 31 May 2020	**(173)**
Net book value	
At 31 May 2020	**101**
At 31 May 2019	–

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 2018	**162**	**197**	**175**	**534**
Additions	–	17	–	17
Disposals	–	–	–	–
At 1 June 2019	**162**	**214**	**175**	**551**
Additions	2	60	–	62
At 31 May 2020	**164**	**274**	**175**	**613**
Accumulated depreciation				
At 1 June 2018	**(142)**	**(182)**	**(175)**	**(499)**
Charge for the year	(7)	(15)	–	(22)
At 1 June 2019	**(149)**	**(197)**	**(175)**	**(521)**
Charge for the year	(7)	(32)	–	(39)
At 31 May 2020	**(156)**	**(229)**	**(175)**	**(560)**
Net book value				
At 31 May 2020	**8**	**45**	**–**	**53**
At 31 May 2019	**13**	**17**	**–**	**30**

15 Investment in subsidiary undertakings

Company	2019 £'000	2018 £'000
Cost at 1 June 2019	**1,517**	1,517
Impairment	**(24)**	–
Cost at 31 May 2020	**1,493**	1,517

The value of the subsidiaries is primarily founded in the customer base thereof. The impairment charge arises from an assessment that customer relationships change over time. An impairment provision has been made so as to be consistent with the analysis arrived at in Note 11 above.

The following are the subsidiaries of the Company at 31 May 2020 and at the date of these financial statements.

Incorporated in the UK and registered office at Salisbury House London Wall EC2M 5QS:	Class of shares	Proportion of Nominal value and voting rights held by parent company	Year of acquisition	Nature of business
Fieldings Investment Management Limited	Ordinary	100%	2017	Investment
VOR Financial Strategy	Ordinary	100%	2009	Investment
Ionian Group Limited	Ordinary	100%	2002	Investment
Fiske Nominees Limited	Ordinary	100%	1988	Nominee

16 Investments held at Fair Value Through Other Comprehensive Income

Group and Company	2020 £'000	2019 £'000
At 1 June 2019:		
Valuation	**5,759**	2,470
Unrealised appreciation	**(5,095)**	(1,806)
Cost	**664**	664
Cost of disposals	**(5)**	–
At 31 May 2020:		
Cost	**659**	664
Unrealised appreciation	**4,303**	5,095
Valuation	**4,962**	5,759
being:		
Listed	**–**	5
Unlisted	**4,962**	5,754
FVTOCI investments carried at fair value	**4,962**	5,759

The investments included above are represented by holdings of equity securities. These shares are not held for trading.

Notes to the Accounts

continued

17 Trade and other receivables

Group and Company	**2020 Group £'000**	**2020 Company £'000**	2019 Group £'000 (restated)	2019 Company £'000 (restated)
Counterparty receivables	**150**	**150**	1,190	1,189
Trade receivables/(payables)	**1,345**	**1,345**	(164)	(164)
	1,495	**1,495**	1,026	1,025
Amount owed by group undertakings	**–**	**85**	–	628
Other debtors	**56**	**142**	371	355
Prepayments and accrued income	**847**	**566**	990	604
	2,398	**2,288**	2,387	2,612

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Trade receivables

Included in the Group's trade receivables are debtors with a carrying amount of £nil (2019: £nil) which are past due at the reporting date for which the Group has not provided.

Counterparty receivables

Included in the Group's counterparty receivables balance are debtors with a carrying amount of £150,000 (2019: £338,000) which are past due but not considered impaired.

Ageing of counterparty receivables:

	2020 £'000	2019 £'000
0 – 15 days	**128**	306
16 – 30 days	**–**	15
31 – 60 days	**22**	17
	150	338

18 Trade and other payables

	2020 Group £'000	**2020 Company £'000**	2019 Group £'000 (restated)	2019 Company £'000 (restated)
Counterparty payables	**1,456**	**1,456**	973	973
Trade payables	**–**	**–**	–	–
	1,456	**1,456**	973	973
Financial liabilities measured at amortised cost being deferred consideration payable	**218**	**218**	515	515
Other sundry creditors and accruals	**1,250**	**1,005**	1,326	1,134
	2,924	**2,679**	2,814	2,622

19 Lease liabilities

	2020 Group £'000	2020 Company £'000	2019 Group £'000 (restated)	2019 Company £'000 (restated)
Current	**124**	**124**	–	–
Non-current	**–**	**–**	–	–
	124	**124**	–	–
Maturity analysis:				
Not later than one year	**124**	**124**	**–**	**–**
Not later than one year	**–**	**–**	–	–
	124	**124**	–	–

Lease liabilities at adoption of IFRS 16 on 1 June 2019 can be reconciled to the operating lease commitments in respect of land and buildings reported at May 2019 as follows:

	Group & Company £'000
At 31 May 2019: operating lease commitments in respect of land and buildings	**876**
exclude service charges	**(347)**
exclude VAT	**(200)**
other differences	**(8)**
Lease liabilities arising upon adoption of IFRS 16 at 1 June 2019	**321**

The cash flow impact is summarised as:

	2020 Group £'000	2020 Company £'000
Lease liabilities at 31 May 2019	**–**	**–**
Adoption of IFRS 16	**321**	**321**
Lease liabilities at 1 June 2019	**321**	**321**
Cash flow	**(197)**	**(197)**
Lease liabilities at 31 May 2020	**124**	**124**

20 Deferred taxation

Group and Company	Capital allowances £'000	Investments £'000	Tax losses† £'000	Deferred tax liability £'000
At 1 June 2019	(1)	892	(94)	797
Charge for the year	–	–	–	–
Charge to Statement of Comprehensive Income				
– in respect of current year	–	(186)	–	186
At 31 May 2020	**(1)**	**706**	**(94)**	**611**

† A further deferred tax asset arising out of cumulative tax losses amounting to £97,036 has not been recognised at the balance sheet date.

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 18%, being the anticipated rate of taxation applicable to the Company in the future.

Notes to the Accounts

continued

21 Called up share capital

	2020 No. of shares	2020 £'000	2019 No. of shares	2019 £'000
Authorised:				
Ordinary shares of 25p	**12,000,000**	**3,000**	12,000,000	3,000
Allotted and fully paid:				
Ordinary shares of 25p				
Opening balance	**11,617,597**	**2,904**	11,560,205	2,890
Shares issued	**76,193**	**19**	57,392	14
Closing balance	**11,693,790**	**2,923**	11,617,597	2,904

Included within the allotted and fully paid share capital were 9,490 ordinary shares of 25p each (2019: 9,490 ordinary shares of 25p each) held for the benefit of employees.

At 31 May 2020 there were 200,000 outstanding options to subscribe for ordinary shares at a weighted average exercise price of 55p (2019: 60p) and a weighted average remaining contractual life of 3 years, 9 months. (2019: 4 years, 7 months)

22 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. The contingent liability arising thereon is not probable or reliably measurable and therefore it is not believed that any material liability will arise under these indemnities.

23 Financial commitments

Lease – classified as an IFRS 16 lease

At 31 May 2020 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2020 Land and buildings £'000	2020 Other £'000	2019 Land and buildings £'000	2019 Other £'000
In the next year	**191**	**–**	407	5
In the second to fifth years inclusive	**–**	**–**	469	0
Total commitment	**191**	**–**	876	5

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

24 Clients' money

At 31 May 2020 amounts held by the Company on behalf of clients in accordance with the Client Money Rules of the Financial Conduct Authority amounted to £56,624,640 (2019: £46,014,796). The Company has no beneficial interest in these amounts and accordingly they are not included in the consolidated statement of financial position.

25 Financial instruments

Capital risk management

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

Externally imposed capital requirement

The Group is subject to the minimum capital requirements required by the Financial Conduct Authority (FCA), and has complied with those requirements throughout both financial periods. Capital adequacy and capital resources are monitored by the Group on the basis of the Capital Requirements Directive. The Group has a strong statement of financial position, 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.

	2020 Group £'000	**2020 Company £'000**	2019 Group £'000 (restated)	2019 Company £'000 (restated)
Financial assets	**4,962**	**4,962**	5,759	5,759
Loans and receivables – Trade and other receivables	**2,398**	**2,288**	2,387	2,612
Loans and receivables – Cash and cash equivalents	**2,239**	**1,898**	2,073	1,391
Trade and other payables	**2,924**	**2,679**	2,814	2,622
Lease liabilities	**124**	**124**	–	–

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). The fair value has been established based on recent transactions.

The Group's holdings of unquoted equities were valued on the basis of recent off-market transactions. A 1% change in value would give rise to a £50,000 (2019: £56,000) change in value.

	2020			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at FVTOCI				
Quoted equities	–	–	–	–
Unquoted equities	–	–	**4,962**	**4,962**
Total	–	–	**4,962**	**4,962**

25 Financial instruments *(continued)*

	2019			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Available-for-sale financial assets				
Quoted equities	5	–	–	5
Unquoted equities	–	–	5,754	5,754
Total	5	–	5,754	5,759

There were no transfers between levels during the year.

Reconciliation of Level 3 fair value measurements of financial assets

Fair Value through Other Comprehensive Income	Unquoted equities £'000	Total £'000
Balance at 1 June 2019	**5,754**	**5,754**
Purchases	**–**	**–**
Total diminution in value:	**(792)**	**(792)**
Balance at 31 May 2020	**4,962**	**4,962**

There were no financial liabilities subsequently measured at fair value.

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

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

Credit risk

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

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

Market risk

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

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

Interest rate risk management

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

25 Financial instruments *(continued)*

Liquidity risk management

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

Sensitivity analysis

Equity

The fair values of all FVTOCI assets and their exposure to equity price risks at the reporting date are based on the accounting policy in notes 1(k) and 1(l). If equity prices had been 5% higher/lower the revaluation reserve would increase/decrease by £248,000 (2019: increase/decrease by £288,000).

Cash

The Group's financial cash asset of £2,239,000 (2019: £2,073,000) is held at a fixed interest rate and is available on demand. If prevailing interest rates during the year (approximately 0.1%) had been comparable with those prevailing in the prior year (approximately 0.1%), bank interest receivable of £nil (2019: £nil) would have been substantially unchanged. A further reduction in rates in the period would have had no material impact.

26 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 £63,525 (2019: £nil) for services supplied by Fairfax Perrin Limited of which M.H.W. Perrin is a Director and shareholder.

The Company received by way of a fee £152,340 (2019: £106,523) from The Investment Company Plc, a company of which M.H.W Perrin is a Director and shareholder, in respect of investment management and custody services on an arm's length basis.

Directors transact share-dealing business with the Company under normal staff business terms and in accordance with applicable laws and regulations. In the year to 31 May 2020, commission earned from this by the Company amounted to £4,213 (2019: £4,985).

During the year, the Directors each received no dividends attributable to their respective shareholdings, as disclosed in the Directors' Report (2019: £nil).

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

Directors' balances

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

Current account balance: C F Harrison (£15,691) (2019: £8,143)

27 Impact of restatements

Following an internal audit exercise in the first half of the year, the directors of the company determined that certain adjustments needed to be made to its accounts. These result primarily from a change in an accounting process which had affected the way in which our systems data had been interpreted for accounting purposes. Following the introduction of a new back–office system in 2016, new processes were introduced. There were some systematic errors in these processes, particularly in the way entries were made and data extracted for the firm's accounts purposes.

Notes to the Accounts

continued

27 Impact of restatements *(continued)*

In addition, we resolved to change the way in which the accounting for the acquisition of Fieldings Investment Management was executed.

(a) Consolidated statement of Total Comprehensive income in the prior year to 31 May 2019

	Notes	As previously reported £'000	Adjustments	**As restated £'000**
CONTINUING OPERATIONS				
Fee and commission income	i	4,289	302	**4,591**
Other (loss)/income		(1)	–	**(1)**
(Loss)/Profit on investments sold		(1)	–	**(1)**
TOTAL REVENUE		4,287	302	**4,589**
Operating expenses	i	(5,037)	17	**(5,020)**
OPERATING (LOSS)/PROFIT		(750)	319	**(431)**
Investment revenue		–	–	**–**
Finance income		108	–	**108**
Finance costs	ii	–	(58)	**(58)**
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(642)	261	**(381)**
TAXATION		–	–	**–**
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(642)	261	**(381)**
OTHER COMPREHENSIVE INCOME				
Items that may subsequently be reclassified to profit or loss				
Movement in unrealised appreciation of investments		3,289	–	**3,289**
Deferred tax on movement in unrealised appreciation of investments		(583)	–	**(583)**
NET OTHER COMPREHENSIVE INCOME		2,706	–	**2,706**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY SHAREHOLDERS		2,064	261	**2,325**
(Loss)/Earnings per ordinary share				
Basic		(5.5p)	2.2p	**(3.3p)**
Diluted		(5.5p)	2.2p	**(3.3p)**

Notes:

i impact of change in an accounting process which has affected the way in which our systems data has been interpreted for accounting purposes, resulting in increased revenue and reallocated costs

ii impact of change the way in which the accounting for the acquisition of Fieldings Investment Management has been executed, resulting in an amortisation of the fair value adjustment to deferred consideration payable

27 Impact of restatements *(continued)*

(b) Group and Company Statement of Financial Position as at 1 June 2018

		Group			Company		
	Notes	As previously reported £'000	Adjustments	**As restated £'000**	As previously reported £'000	Adjustments	**As restated £'000**
NON–CURRENT ASSETS							
Intangible assets arising on consolidation		1,576	–	**1,576**	–	–	**–**
Other intangible assets		130	–	**130**	130	–	**130**
Property, plant and equipment		35	–	**35**	35	–	**35**
Investment in subsidiary undertakings		–	–	**–**	1,517	–	**1,517**
Fair Value Through Other Comprehensive Income		2,470	–	**2,470**	2,470	–	**2,470**
TOTAL NON–CURRENT ASSETS		4,211	–	**4,211**	4,152	–	**4,152**
CURRENT ASSETS							
Trade and other receivables	i	4,087	96	**4,183**	3,970	96	**4,066**
Cash and cash equivalents		2,453	–	**2,453**	2,038	–	**2,038**
TOTAL CURRENT ASSETS		6,540	96	**6,636**	6,008	96	**6,104**
CURRENT LIABILITIES							
Trade and other payables	i,ii	4,965	(175)	**4,790**	4,748	(175)	**4,573**
Current tax liabilities		36	–	**36**	–	–	**–**
TOTAL CURRENT LIABILITIES		5,001	(175)	**4,826**	4,748	(175)	**4,573**
NET CURRENT ASSETS		1,539	271	**1,810**	1,260	271	**1,531**
NON–CURRENT LIABILITIES							
Deferred tax liabilities		214	–	**214**	214	–	**214**
TOTAL NON–CURRENT LIABILITIES		214	–	**214**	214	–	**214**
NET ASSETS		5,536	271	**5,807**	5,198	271	**5,469**
EQUITY							
Share capital		2,890	–	**2,890**	2,890	–	**2,890**
Share premium		1,997	–	**1,997**	1,997	–	**1,997**
Revaluation reserve		1,497	–	**1,497**	1,497	–	**1,497**
Retained losses		(848)	271	**(577)**	(1,186)	271	**(915)**
SHAREHOLDERS' EQUITY		5,536	271	**5,807**	5,198	271	**5,469**

27 Impact of restatements *(continued)*

(c) Group and Company Statement of Financial Position as at 31 May 2019

		Group			Company		
	Notes	As previously reported £'000	Adjustments	**As restated £'000**	As previously reported £'000	Adjustments	**As restated £'000**
NON–CURRENT ASSETS							
Intangible assets arising on consolidation		1,445	–	**1,445**	–	–	**–**
Other intangible assets		97	–	**97**	97	–	**97**
Property, plant and equipment		30	–	**30**	30	–	**30**
Investment in subsidiary undertakings		–	–	**–**	1,517	–	**1,517**
Fair Value Through Other Comprehensive Income		5,759	–	**5,759**	5,759	–	**5,759**
TOTAL NON–CURRENT ASSETS		7,331	–	**7,331**	7,403	–	**7,403**
CURRENT ASSETS							
Trade and other receivables	i	2,545	(158)	**2,387**	2,770	(158)	**2,612**
Cash and cash equivalents		2,073	–	**2,073**	1,391	–	**1,391**
TOTAL CURRENT ASSETS		4,618	(158)	**4,460**	4,161	(158)	**4,003**
CURRENT LIABILITIES							
Trade and other payables	i,ii	3,504	(690)	**2,814**	3,312	(690)	**2,622**
Current tax liabilities		–	–	**–**	–	–	**–**
TOTAL CURRENT LIABILITIES		3,504	(690)	**2,814**	3,312	(690)	**2,622**
NET CURRENT ASSETS		1,114	532	**1,646**	849	532	**1,381**
NON–CURRENT LIABILITIES							
Deferred tax liabilities		797	–	**797**	797	–	**797**
TOTAL NON–CURRENT LIABILITIES		797	–	**797**	797	–	**797**
NET ASSETS		7,648	532	**8,180**	7,455	532	**7,987**
EQUITY							
Share capital		2,904	–	**2,904**	2,904	–	**2,904**
Share premium		2,029	–	**2,029**	2,029	–	**2,029**
Revaluation reserve		4,203	–	**4,203**	4,203	–	**4,203**
Retained losses		(1,488)	532	**(956)**	(1,681)	532	**(1,149)**
SHAREHOLDERS' EQUITY		7,648	532	**8,180**	7,455	532	**7,987**

Company Information

DIRECTORS
Clive Fiske Harrison
Chairman

James Philip Quibell Harrison
Chief Executive Officer

Tony Robert Pattison

Martin Henry Withers Perrin*

Alexander Rupert Fiske-Harrison *

**Non-Executive*

REGISTERED OFFICE
3rd Floor, Salisbury House
London Wall
London EC2M 5QS

REGISTERED NUMBER
02248663
LEI: 213800Z5PKJOV7GWXE43

AIM Listing
Lon: FKE
ISIN: GB0003353157
Sedol: 0335315

NOMINATED ADVISER
Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG

AUDITOR
BDO LLP
55 Baker Street
London W1U 7EU

REGISTRARS
Link Asset Services Limited
The Registry
34 Beckenham Road
Beckenham, Kent BR3 4TU

Company Information

continued

Details of the Directors and their backgrounds are as follows:

Clive Fiske Harrison

Chairman

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

James Philip Quibell Harrison

Chief Executive Officer

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

Tony Robert Pattison

Director

Tony Pattison, is a Chartered Fellow of the Chartered Institute of Securities and Investment. During a City career spanning five decades, he has been actively involved at senior director level in the management of a number of investment companies including Fieldings Investment Management Limited which was acquired by Fiske plc in 2017. Until his retirement from the board in 2015 he was Chairman of Capital Gearing Trust plc. He continues to personally manage private client, charity and institution portfolios.

Martin Henry Withers Perrin

Non-Executive

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

Alexander Rupert Fiske-Harrison

Non-Executive

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

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Fiske plc will be held at Salisbury House, London Wall, London EC2M 5QS on Wednesday 23 December 2020 at 12.30 pm for the following purposes:

Ordinary Business:

1. To receive the Report of the Directors and Auditor and the Accounts for the year ended 31 May 2020.
2. To re-elect Martin Henry Withers Perrin as a director of the Company.
3. To re-elect Alexander Rupert Fiske-Harrison as a director of the Company.
4. To re-appoint BDO 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 5 as an ordinary Resolution and as to Resolutions 6 and 7 as special Resolutions:

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

   (a) the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the 2006 Act respectively up to a maximum nominal amount of £1,316,827 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.

6. THAT:

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

   (b) the maximum number of ordinary shares hereby authorised to be acquired is 1,169,378;

   (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.

7. THAT the Directors be granted power pursuant to Section 570 and 573 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 5 contained in the Notice of the Annual General Meeting of the Company of which this Resolution forms part as if section 561(1) and sub sections (1)-(6) of section 562 of the 2006 Act did not apply to any such allotment, provided that the power conferred by this Resolution shall be limited to:

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

   (b) the allotment of equity securities up to an aggregate nominal value of £1,024,483; 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

T Stavrou

Secretary

27 November 2020

Registered office:
Salisbury House
London Wall
London EC2M 5QS

Notes to Notice of Annual General Meeting

Please note that in light of the current Covid-19 restrictions on public gatherings the Annual General Meeting will be run as a closed meeting and shareholders will not be permitted to attend in person. Shareholders attempting to attend the AGM will be refused entry.

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

2. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or relates to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by no later than two working days before the date of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at www.euroclear.com

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

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

Notes to Notice of Annual General Meeting

continued

4. 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 close of business two working days before the time appointed for holding the Meeting shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at such time. If the Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is at close of business two working days 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.

5. 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.

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

Park Communications – 43951