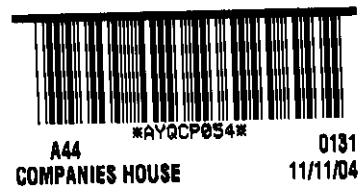


FISKE PLC

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2004



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Directors, Secretary and Advisers

DIRECTORS

Geoffrey Maitland Smith FCA *Chairman**

Stephen John Cockburn *Deputy Chairman*

Clive Fiske Harrison *Chief Executive Officer*

Philip Albert Lovegrove OBE LL.M

Francis Gerard Luchini *Compliance Director*

Alan Dennis Meech *Dealing Director*

Michael John Allen*

Martin Henry Withers Perrin*

*Non-Executive

COMPANY SECRETARY

James Philip Quibell Harrison FSI

REGISTERED OFFICE

Salisbury House
London Wall
London EC2M 5QS

REGISTERED NUMBER

2248663

NOMINATED ADVISER

Grant Thornton
Grant Thornton House
Melton Street
Euston Square
London NW1 2EP

BROKER

Fiske plc
Salisbury House
London Wall
London EC2M 5QS

SOLICITORS

Dechert
2 Serjeants' Inn
London EC4Y 1LT

AUDITORS

Deloitte & Touche LLP
London

BANKERS

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

REGISTRARS

Capita IRG Plc
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

Directors' Biographies

Details of the directors and their backgrounds are as follows:

Geoffrey Maitland Smith *FCA* (aged 71) –
Non-Executive Chairman

Geoffrey Maitland Smith joined the board in March 2000. After twelve years as a partner in Thornton Baker & Co (now Grant Thornton) he joined Sears plc as an executive director, becoming chief executive in 1978 and chairman in 1985, until he retired in 1995. Past non-executive directorships include Midland Bank plc (1986-96), serving as deputy chairman from 1992-96, HSBC Holdings (1993-96) and Hammerson plc (1990-99), serving as chairman from 1993-99.

Stephen John Cockburn (aged 64) –
Deputy Chairman

Stephen Cockburn joined the board as a non-executive director in September 1999. He is a director of Jove Investment Trust PLC which owns 1,200,000 ordinary shares in Fiske, representing 14.5% of the issued share capital. He was the chairman and principal shareholder of Ionian Group Limited which was acquired by Fiske in June 2002, at which time he was appointed to an executive role. He is a director of a number of investment trust companies.

Clive Fiske Harrison (aged 64) –
Chief Executive Officer

Clive Harrison started his career with Panmure Gordon in 1961 and moved to Hodgson & Baker (subsequently renamed Sandleson & Co) in 1965. He founded Fiske & Co in 1973 and has been senior partner and latterly chief executive officer since that time. He is responsible for overall day-to-day management of the company and also heads the Corporate Finance unit.

Philip Albert Lovegrove *OBE LLM* (aged 67) –

Philip Lovegrove joined Fiske on the acquisition of Ionian Group Limited in June 2002. He has been involved in asset management, corporate finance and corporate recoveries in the City of London for over 40 years. He is chairman of VTR plc and Stanelco plc, a director of Ashtead Group plc and two other private companies.

Francis Gerard Luchini (aged 63) –
Compliance Director

Gerard Luchini joined Fiske as compliance officer in July 1997 and became a director in January 1998. He was formerly a compliance officer with the Royal Bank of Canada. He has responsibility for all compliance and regulatory matters at the firm.

Alan Dennis Meech (aged 52) –
Dealing Director

Alan Meech joined Fiske as a dealer in 1985 and became director in charge of the dealing desk in May 1989. He was previously with J M Finn. His role at Fiske also includes part of the credit control function and he is responsible for all health and safety matters in the firm.

Michael John Allen (aged 66) –
Non-Executive

Michael Allen joined the board as an independent non-executive director in November 2002. He is a former group vice-president of the Procter and Gamble Company and a director of Alliance and Leicester plc. He is a member of the Remuneration and Nomination Committee and chairman of the Audit Committee.

Martin Henry Withers Perrin (aged 50) –
Non-Executive

Martin Perrin joined the board as a non-executive director on 3 November 2003. He is a chemist and a chartered accountant with wide experience of operations and finance in industry. He was a partner in Grahams Rintoul & Co, a fund management company, which was sold to Lazards where he gained further investment management and corporate finance experience.

Chairman's Statement

As reported in our Interim Statement issued in February 2004, the results achieved in the six months to 30 November 2003 showed a welcome return to profitability. However, whilst the second half started reasonably well, the caution we expressed at the interim stage proved to be well founded. Levels of business have remained static with the result that our profit for the year did not come up to earlier expectations.

Profit before tax for the year ended 31 May 2004 was £466,000 as compared with a loss in the previous year of £793,000. Profit after tax amounted to £317,000 as compared with a loss in the previous year of £664,000. The profit is stated after provisions of £150,000 have been made for the amortisation of goodwill. As at 31 May 2004 our shareholding in the London Stock Exchange was 50,000 ordinary shares, which is carried in our Balance Sheet at nil cost.

Management continues to focus on cost control and it is reassuring to note that in a people business like ours, we have been able to hold increases in staff costs to less than 1% and other operating costs to just over 3%.

The Board has always been conscious of the importance of a strong and liquid balance sheet with the advantages this gives to a company to come through difficult times. For the six month period to 30 November 2003 we declared a dividend of a higher proportion of the total annual dividend than hitherto. On this occasion we believe it appropriate to recommend to shareholders a final dividend of 2p per share, being equal to the interim dividend.

As last year, shareholders may elect to receive their final dividend by way of a scrip dividend of Fiske shares in lieu of cash. Shareholders eligible to receive their dividend by way of scrip will be sent an election form during the week beginning 20 September 2004.

In our Interim Statement I referred to the appointment of Mr Martin Perrin as an additional non-executive director. Mr Perrin will be proposed for election at our forthcoming Annual General Meeting. Also, at that meeting, Mr Philip Lovegrove, who joined us as an executive director in June 2002, following our acquisition of Ionian, will be proposed for re-election.

I shall be retiring from the Board as its Chairman and as a non-executive director at the end of September 2004. I feel privileged to have been associated with the company over the past four and a half years, particularly in its transition from a private company to one quoted on the London Stock Exchange AIM market. The company has an enthusiastic and hard working management team and I take the opportunity to thank them for all their support during my term of office.

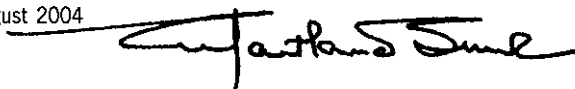
It gives me much pleasure to report that Mr Michael Allen, who joined us as a non-executive director in November 2002, has agreed to succeed me and I wish him every success in his future role.

The current year has not yet shown any positive signs of improvement in levels of business. The Stock Market continues to be volatile, largely due to a number of factors that influence the wish to invest and which are currently adversely affecting confidence levels. These include rising interest rates, company pension fund deficits, oil prices and global uncertainty over terrorist attacks. It is not surprising therefore that the public is generally becoming more cautious. However, we have traded profitably so far in the current financial year.

G Maitland Smith

Chairman

26 August 2004



Corporate Governance

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

Going Concern

After making due and careful enquiry, the directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

Internal Control

The board of directors recognises that it is responsible for the company's systems of internal control and for reviewing their effectiveness. Such systems, which include financial, operational and compliance controls and risk management, have been designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- the ongoing identification, evaluation and management of the significant risks faced by the company;
- regular consideration by the board of actual financial results;
- compliance with operating procedures and policies;
- annual review of the company's insurance cover;
- defined procedures for the appraisal and authorisation of capital expenditure and capital disposals; and
- regular consideration of the company's liquidity position and any borrowing requirements.

When reviewing the effectiveness of the systems of internal control, the board has regard to:

- a quarterly report from the compliance director covering FSA regulatory matters and conduct of business rules;
- the level of customer complaints;

- the prompt review of daily management reports including previous days' bargains, unsettled trades and outstanding debtors;
- the regular reconciliation of all bank accounts, internal accounts and stock positions; and
- Management Committee meetings of executive directors to identify any problems or new areas of risk.

Remuneration and Nomination Committee

The principal function of the Remuneration and Nomination Committee is to determine the policy on executive directors' remuneration in order to attract, retain and motivate high calibre individuals with a competitive remuneration package. The Committee consists of G Maitland Smith (Chairman), M J Allen, M H W Perrin and the Chief Executive Officer, C F Harrison.

Remuneration for executives comprises basic salary, a performance-related bonus, share options and other benefits in kind. Full details of directors' remuneration and share options granted are given in the notes to the financial statements and the Directors' Report.

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

Audit Committee

The Audit Committee, comprising M J Allen (Chairman), M H W Perrin and G Maitland Smith, meets at least twice a year. It reviews the company's external audit arrangements, including the cost effectiveness of the audit and the independence and objectivity of the auditors, the effectiveness and integrity of the company's financial reporting and internal control policies and procedures for the identification, assessment and reporting of risks. It also reviews the interim and full year financial statements prior to their submission to the board, the application of the company's accounting policies, any changes to financial reporting requirements and such other related matters as the board may direct. The external auditors and executive directors may be invited to attend the meetings.

Risk Management Committee

The Risk Management Committee, comprising F G Luchini (Chairman), A D Meech and J P Q Harrison, meets at least twice a year. Its principal function is to identify and evaluate the key risk areas of the business and ensure those risks can be managed and maintained at a level acceptable to the board.

Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 May 2004.

Activities and business review

The principal activity of the group consists of private client and institutional stockbroking, investment management and the provision of corporate financial advice. The company is authorised and regulated by the Financial Services Authority and is a member of The London Stock Exchange.

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

Results and dividends

The results of the group for the year are set out on page 10. An interim dividend was paid during the year of 2p per share (2003 – 1p) and the directors propose a final dividend of 2p per share (2003 – 1.75p) making a total for the year of 4p (2003 – 2.75p). If approved the final dividend will be paid on 19 October 2004 to shareholders on the register on 10 September 2004. A scrip dividend alternative is being offered to eligible shareholders in respect of the final dividend for the year to 31 May 2004.

Share capital

On 26 September 2003, 51,092 ordinary shares of 25p each in the company were issued pursuant to scrip dividends taken up by shareholders. On 29 September 2003, 45,000 ordinary shares of 25p each in the company were issued to satisfy the exercise of share options. On 17 October 2003, 173,000 ordinary shares of 25p each in the company were issued to satisfy the exercise of share options. These three transactions have increased the issued share capital of the company to 8,273,092 ordinary shares of 25p each.

Directors' interests – Shares

The directors who served during the year, and their beneficial interests, including those of their spouses, at the end of the year in the shares of the company, were as follows:

	Ordinary 25p shares at 31 May 2004	Ordinary 25p shares at 31 May 2003*
G Maitland Smith	7,708	7,500
S J Cockburn	819,652	797,500
C F Harrison	2,334,928	2,312,928
P A Lovegrove	253,000	253,000
F G Luchini	24,000	24,000
A D Meech	298,000	298,000
M J Allen	16,000	16,000
M H W Perrin (appointed 3 November 2003)	15,000	–

Except as disclosed below there have been no changes in the directors' shareholdings since 31 May 2004.

* or date of appointment if later.

Directors' Report *continued*

Directors' interests – Share options

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

		Number of options				Market price	Date from	
		At start	Granted	Exercised	At end	Exercise	on date of	Date from
		of year	during year	during year	of year	price	exercise	which
								exercisable
C F Harrison	SAYE Scheme	12,500	–	–	12,500	76.0p	–	01.02.05
F G Luchini	SAYE Scheme	12,500	–	–	12,500	76.0p	–	01.02.05
	Unapproved Scheme	75,000	–	(75,000)	–	28.75p	64p	01.01.03
	Unapproved Scheme	75,000	–	–	75,000	28.75p	–	01.01.05
A D Meech	Unapproved Scheme	20,000	–	(20,000)	–	37.50p	64p	01.01.03

Following the exercise of share options over 20,000 ordinary 25p shares, A D Meech gifted 20,000 ordinary 25p shares to his daughter.

The closing mid-market price of the company's ordinary 25p shares at 31 May 2004 was 80p (2003 – 46.5p).

Major shareholdings

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

	Ordinary shares	%
C F Harrison	2,334,928	28.22
Jove Investment Trust PLC	1,200,000	14.50
S J Cockburn	819,652	9.91
Mrs C M Short	375,000	4.53
A R F Harrison	315,848	3.82
Gartmore Growth Opportunities PLC	312,555	3.77
A D Meech	298,000	3.60
B A F Harrison	280,000	3.38
P A Lovegrove	253,000	3.06

Auditors

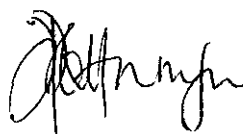
A resolution to reappoint Deloitte & Touche LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

J P Q Harrison

Secretary

26 August 2004



Statement of Directors' Responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and of the group to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of Fiske plc

We have audited the financial statements of Fiske plc for the year ended 31 May 2004 which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement, the notes to the consolidated cash flow statement, the statement of accounting policies and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

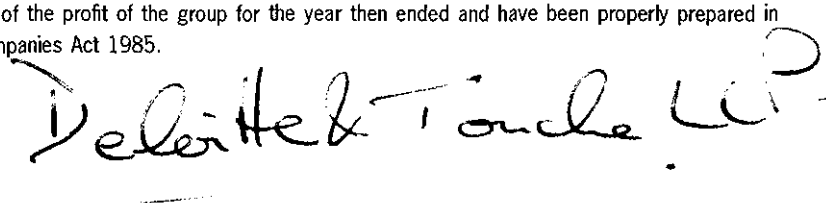
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 May 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP
Chartered Accountants
and Registered Auditors
London

26 August 2004



Consolidated Profit and Loss Account

Year ended 31 May 2004

	Notes	2004 £'000	2003 £'000
TURNOVER			
Gross commission and similar income	1	4,323	2,401
Commission payable	1	(1,207)	(649)
Other income	1	87	82
		3,203	1,834
OPERATING COSTS			
Staff costs	2,3	(1,306)	(1,295)
Depreciation	10	(65)	(102)
Amortisation of intangible fixed assets	11	(183)	(161)
Other operating charges		(1,346)	(1,304)
Goodwill write-off (exceptional)		-	(395)
		(2,900)	(3,257)
OPERATING PROFIT/(LOSS)			
	4	303	(1,423)
Gain on disposal of fixed asset investment	12	22	467
Other income from fixed asset investments	12	23	60
Interest receivable and similar income	5	126	106
Interest payable	6	(8)	(3)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		466	(793)
Taxation (charge)/credit on profit/(loss) on ordinary activities	7	(149)	129
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		317	(664)
Dividends paid and proposed	8	(330)	(220)
Retained loss for the financial year	20	(13)	(884)
Retained profit brought forward		788	1,672
Retained profit carried forward		775	788
Basic earnings/(losses) per share	9	3.9p	(8.3)p
Diluted earnings/(losses) per share	9	3.9p	(8.3)p
Headline earnings/(losses) per share	9	5.0p	(6.7)p
Headline diluted earnings/(losses) per share	9	5.0p	(6.7)p

All activities relate to continuing operations; there are no recognised gains or losses other than the profit/(loss) for the current and prior years.

Consolidated Balance Sheet

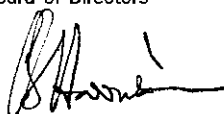
31 May 2004

	Notes	2004 £'000	2003 £'000
FIXED ASSETS			
Tangible assets	10	57	86
Intangible assets	11	806	989
Investments	12	74	251
		937	1,326
CURRENT ASSETS			
Market and client debtors	13	13,447	11,593
Other debtors	14	158	268
Cash at bank and in hand	15	4,006	3,276
		17,611	15,137
CREDITORS: amounts falling due within one year			
Market and client creditors	16	(13,808)	(11,982)
Other creditors	17	(727)	(560)
		(14,535)	(12,542)
NET CURRENT ASSETS		3,076	2,595
TOTAL ASSETS LESS CURRENT LIABILITIES		4,013	3,921
PROVISION FOR LIABILITIES AND CHARGES	18	-	(2)
NET ASSETS		4,013	3,919
CAPITAL AND RESERVES			
Called up share capital	19	2,068	2,001
Share premium account	20	1,170	1,130
Profit and loss account	20	775	788
EQUITY SHAREHOLDERS' FUNDS	20	4,013	3,919

These financial statements were approved by the Board of Directors on 26 August 2004.

Signed on behalf of the Board of Directors

C F Harrison
Chief Executive Officer



Company Balance Sheet

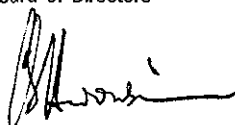
31 May 2004

	Notes	2004 £'000	2003 £'000
FIXED ASSETS			
Tangible assets	10	57	86
Intangible assets	11	806	989
Investment in subsidiary	11	432	432
Investments	12	74	251
		1,369	1,758
CURRENT ASSETS			
Market and client debtors	13	13,447	11,593
Other debtors	14	158	268
Cash at bank and in hand	15	4,006	3,276
		17,611	15,137
CREDITORS: amounts falling due within one year			
Market and client creditors	16	(13,808)	(11,982)
Other creditors	17	(1,212)	(1,045)
		(15,020)	(13,027)
NET CURRENT ASSETS		2,591	2,110
TOTAL ASSETS LESS CURRENT LIABILITIES		3,960	3,868
PROVISION FOR LIABILITIES AND CHARGES	18	-	(2)
NET ASSETS		3,960	3,866
CAPITAL AND RESERVES			
Called up share capital	19	2,068	2,001
Share premium account	20	1,170	1,130
Profit and loss account	20	722	735
EQUITY SHAREHOLDERS' FUNDS	20	3,960	3,866

These financial statements were approved by the Board of Directors on 26 August 2004.

Signed on behalf of the Board of Directors

C F Harrison
Chief Executive Officer



Consolidated Cash Flow Statement

For the year ended 31 May 2004

	Cash flow notes	2004 £'000	2003 £'000
Net cash inflow/(outflow) from operating activities	1	490	(126)
Returns on investment and servicing of finance	2	136	125
Taxation – UK corporation tax repaid/(paid)		131	(16)
Capital expenditure and financial investment	2	171	519
Acquisitions	2	–	(572)
Equity dividends paid		(273)	(378)
Financing	2	75	8
Increase/(decrease) in cash	3, 4	730	(440)

Notes to the Consolidated Cash Flow Statement

For the year ended 31 May 2004

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2004 £'000	2003 £'000
Operating profit/(loss)	303	(1,423)
Depreciation charges	65	102
Amortisation of intangible fixed assets	183	161
Goodwill write-off (exceptional)	-	395
Increase in debtors	(1,812)	(4,827)
Increase in creditors	1,751	5,466
Net cash inflow/(outflow) from operating activities	490	(126)

2. GROSS CASH FLOWS

	2004 £'000	2003 £'000
Returns on investments and servicing of finance		
Interest received	126	106
Interest paid	(8)	(3)
Dividends received	18	22
	136	125
Capital expenditure and financial investment		
Proceeds from sale of London Stock Exchange shares	-	467
Payments to acquire tangible fixed assets	(36)	(21)
Payments to acquire intangible fixed assets	-	(99)
Purchase of fixed asset investments	(159)	(504)
Proceeds from sale of fixed asset investments	366	676
	171	519
Acquisitions		
Cash paid upon purchase of subsidiary undertaking	-	(430)
Cash paid upon purchase of associate's business	-	(300)
Cash acquired with subsidiary undertakings	-	158
	-	(572)
Financing		
Issue of ordinary share capital	54	5
Premium on issue of ordinary share capital less expenses	21	3
	75	8

Notes to the Consolidated Cash Flow Statement

For the year ended 31 May 2004

3. ANALYSIS OF CHANGES IN NET CASH

	At 1 June 2003 £'000	Cash flows £'000	At 31 May 2004 £'000
Cash at bank and in hand	3,276	730	4,006

4. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Note	2004 £'000	2003 £'000
Increase/(decrease) in cash in the year	3	730	(440)
Change in net cash		730	(440)
Net funds at 1 June 2003		3,276	3,716
Net funds at 31 May 2004		4,006	3,276

5. ACQUISITION OF SUBSIDIARY UNDERTAKINGS

	2004 £'000	2003 £'000
Net assets acquired:		
Tangible fixed assets	-	3
Debtors	-	346
Cash at bank and in hand	-	158
Creditors	-	(75)
	-	432
Goodwill	-	1,146
	-	1,578
Satisfied by:		
Nominal value of shares allotted	-	366
Premium on shares allotted	-	782
Cash	-	430
	-	1,578

Accounting Policies

For the year ended 31 May 2004

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The principal accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The consolidated accounts incorporate the results of Fiske plc and its subsidiary undertakings. The group has adopted the principles of acquisition accounting. Under acquisition accounting the results of subsidiary undertakings acquired in the year are included in the consolidated profit and loss account from the date of acquisition. In accordance with the concession granted under Section 230(2) of the Companies Act 1985 the company's profit and loss account has not been presented separately in these financial statements. The profit after taxation of the company for the year ended 31 May 2004 was £317,000 (2003 – loss £717,000).

Turnover

Turnover comprises:

- i) Gross commission and other income from acting as agent or principal in investment business, less commissions shared and paid away to associates and external introducers of business;
- ii) Fee income from corporate finance and advisory services, the provision of investment management services; and
- iii) Other income.

Turnover is recognised on an accruals basis and is stated exclusive of value added tax.

Balances with clients and counterparties

In accordance with market practice, certain balances with clients, Stock Exchange member firms and settlement offices are included gross in debtors and creditors for their unsettled bought and sold transactions respectively.

Foreign currency translation

Transactions in foreign currencies are recorded in sterling at the rates of exchange ruling on the dates of the transactions. Assets and liabilities are translated into sterling at the rates ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Tangible fixed assets and depreciation

Tangible fixed assets are held at cost less accumulated depreciation.

For all tangible fixed assets, depreciation is calculated to write down their cost or valuation to their estimated residual values by equal annual instalments over the period of their estimated useful economic lives, which are considered to be as follows:

Office furniture and equipment	- 4 years
Computer equipment	- 3 years

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings, representing any excess of the fair value of the consideration given over the fair value of the separable net assets acquired, is capitalised and amortised by equal annual instalments over its estimated useful life. Any impairment charge is included within operating profits.

Goodwill arising on the acquisition of a business is accounted for in the same manner.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Leased assets

The costs of operating leases are charged to the profit and loss account as they accrue over the life of the lease.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Clients' money

The company holds money on behalf of clients in accordance with the Client Money Rules of the Financial Services Authority. With the exception of money arising in the course of clients' transactions, as disclosed in note 15, such monies and the corresponding liability to clients are not shown on the face of the balance sheet as the company has no beneficial entitlement thereto. The amount so held on behalf of clients at the year end is stated in note 23.

Notes to the Accounts

For the year ended 31 May 2004

1. Turnover

Turnover comprises:

	2004 £'000	2003 £'000
Commission receivable	3,740	1,853
Corporate finance and advisory fees	172	184
Investment management fees	411	364
	4,323	2,401
Commission payable to associates	(1,156)	(617)
Commission payable to third parties	(51)	(32)
	(1,207)	(649)
	3,116	1,752
Other income	87	82
	3,203	1,834

All turnover is generated in the UK and derives solely from the provision of financial services (2003 – same).

2. Staff Costs

The average number of employees, including directors, employed by the company within each category of persons was:

	2004 No.	2003 No.
Dealing and sales	8	9
Settlement	7	8
Administration	8	8
	23	25

Employees', including directors', costs comprise:

	2004 £'000	2003 £'000
Wages, salaries and other staff costs	1,181	1,194
Social security costs	125	101
	1,306	1,295

3. Directors

a) Directors' emoluments comprise:

	2004 £'000	2003 £'000
Emoluments	519	465

Highest paid director's remuneration:

Emoluments	130	121
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Share options granted to and exercised by directors during the year are shown under Directors' Interests in the Directors' Report.

Notes to the Accounts

For the year ended 31 May 2004

3. Directors – continued

The emoluments of the directors for the current and previous year are as follows:

31 May 2004	Gross salary £'000	Bonus £'000	Fees £'000	Commission £'000	Benefits £'000	Total £'000
G Maitland Smith	–	–	33	–	–	33
C F Harrison	88	13	–	–	29	130
F G Luchini	87	5	–	–	1	93
A D Meech	56	5	–	26	3	90
S J Cockburn	–	–	94	–	–	94
P A Lovegrove	–	13	43	–	–	56
M J Allen	–	–	14	–	–	14
M H W Perrin ⁽¹⁾	–	–	9	–	–	9
	231	36	193	26	33	519

(1) Appointed 3 November 2003.

31 May 2003	Gross salary £'000	Bonus £'000	Fees £'000	Commission £'000	Benefits £'000	Total £'000
G Maitland Smith	–	–	33	–	–	33
C F Harrison	92	–	–	–	29	121
F G Luchini	86	–	–	–	1	87
A D Meech	55	–	–	20	2	77
S J Cockburn	–	–	98	–	–	98
P A Lovegrove ⁽¹⁾	–	–	44	–	–	44
M J Allen ⁽²⁾	–	–	5	–	–	5
	233	–	180	20	32	465

(1) Appointed 5 June 2002.

(2) Appointed 21 November 2002.

b) Directors' balances

The directors' trading balances have been included within client debtors and creditors and directors' current account balances are included in other creditors.

c) Related party transactions

Directors and staff are entitled to deal in securities through Fiske plc in accordance with 'in house' dealing rules, which include the provision that directors and staff are entitled to reduced commission rates.

During the financial year, Fairfax Perrin Ltd, a company controlled by M H W Perrin also charged to Fiske plc £6,815 in respect of consultancy work in the period before appointment as a director.

Other than the above there were no transactions with related parties during the year requiring disclosure under Financial Reporting Standard 8.

4. Operating profit/(loss)

	2004 £'000	2003 £'000
The operating profit/(loss) is arrived at after charging:		
Auditors' remuneration	54	55
Other fees payable to auditors	25	38
Operating lease rentals – Land and buildings	219	219
– Other	18	18

Notes to the Accounts

For the year ended 31 May 2004

5. Interest receivable and similar income

	2004 £'000	2003 £'000
Interest receivable:		
Banks	123	103
Others	3	3
	126	106

6. Interest payable and similar charges

	2004 £'000	2003 £'000
Interest payable:		
Bank loans, overdrafts and other interest payable	8	3

7. Tax on profit/(loss) on ordinary activities

Taxation is based on the results for the year and comprises:

	2004 £'000	2003 £'000
United Kingdom corporation tax at 30% (2003 – 16.5%) based on the profit/(loss) for the year	(161)	131
Deferred taxation	12	(2)
Tax (charge)/credit	(149)	129

The standard rate of tax for the year, based on the United Kingdom standard rate of corporation tax is 30%.

The actual tax charge for the current and previous years differs from the standard rate for the reason set out in the following reconciliation:

	2004 £'000	2003 £'000
Profit/(loss) on ordinary activities before taxation	466	(793)
(Charge)/credit on profit/(loss) on ordinary activities at standard rate	(140)	238
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	(32)	(157)
Capital allowances in excess of depreciation	(12)	45
UK dividend income	-	2
Overseas tax rates	(1)	-
Small company relief	24	(5)
Utilisation of tax losses	-	8
Adjustment to tax charge in respect of prior years	-	-
	(161)	131

Notes to the Accounts

For the year ended 31 May 2004

8. Dividends paid and proposed

	2004 £'000	2003 £'000
Interim dividend paid of 2p per share (2003 – 1p)	165	80
Final dividend proposed of 2p per share (2003 – 1.75p)	165	140
	330	220

The interim dividend was paid to holders of 8,263,602 ordinary 25p shares. The final dividend, if approved, will be paid to holders of 8,263,602 ordinary 25p shares.

The Employee Share Option Scheme, which held shares to the benefit of nominated employees, waived the entitlement to any dividend on its holding of 9,490 ordinary shares of 25p each (2003 – 21,490 ordinary shares of 25p each).

9. Earnings/(losses) per share

Basic earnings/(losses) per share has been calculated by dividing the profit/(loss) on ordinary activities after taxation by the weighted average number of shares in issue during the year. Diluted earnings/(losses) per share is basic earnings/(losses) per share adjusted for the effect of conversion into fully paid shares of the weighted average number of share options during the year.

Headline earnings and losses per share have been calculated in accordance with the definition in the Institute of Investment Management Research ("IIMR") Statement of Investment Practice No. 1, 'The Definition of IIMR Headline Earnings', in order to take out the exceptional gain arising on disposal of certain fixed asset investments, as follows:

31 May 2004	Basic eps £'000	Headline eps £'000	Diluted Basic eps £'000	Diluted Headline eps £'000
Profit on ordinary activities after taxation	317	317	317	317
Add: Goodwill written off after taxation	–	105	–	105
Less: Exceptional gain on disposal of fixed asset investment after tax	–	(15)	–	(15)
Add: Adjustment to reflect impact of dilutive share options	–	–	3	3
Earnings	317	407	320	410
Number of shares (000s)	8,167	8,167	8,250	8,250
Earnings per share (pence)	3.9	5.0	3.9	5.0
31 May 2003	Basic eps £'000	Headline eps £'000	Diluted Basic eps £'000	Diluted Headline eps £'000
Loss on ordinary activities after taxation	(664)	(664)	(664)	(664)
Add: Goodwill written off after taxation	–	520	–	520
Less: Exceptional gain on disposal of fixed asset investment after tax	–	(390)	–	(390)
Losses	(664)	(534)	(664)	(534)
Number of shares (000s)	7,983	7,983	7,983	7,983
Losses per share (pence)	(8.3)	(6.7)	(8.3)	(6.7)
			31 May 2004	31 May 2003
Number of shares (000s):				
Weighted average number of shares			8,167	7,983
Dilutive effect of share option schemes			83	–
			8,250	7,983

Notes to the Accounts

For the year ended 31 May 2004

10. Tangible fixed assets

Group	Office furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost			
At 1 June 2003	254	411	665
Additions	10	26	36
Disposals	–	(37)	(37)
At 31 May 2004	264	400	664
Accumulated depreciation			
At 1 June 2003	205	374	579
Charge for the year	28	37	65
Disposals	–	(37)	(37)
At 31 May 2004	233	374	607
Net book value			
At 31 May 2004	31	26	57
At 31 May 2003	49	37	86
Company			
Cost			
At 1 June 2003	254	403	657
Additions	10	26	36
Disposals	–	(37)	(37)
At 31 May 2004	264	392	656
Accumulated depreciation			
At 1 June 2003	205	366	571
Charge for the year	28	37	65
Disposals	–	(37)	(37)
At 31 May 2004	233	366	599
Net book value			
At 31 May 2004	31	26	57
At 31 May 2003	49	37	86

Notes to the Accounts

For the year ended 31 May 2004

11. Intangible fixed assets

Group and Company	Fund management acquisition £'000	Other acquisition £'000	Fiscal licence £'000	Total £'000
Cost				
At 1 June 2003	1,146	300	99	1,545
At 31 May 2004	1,146	300	99	1,545
Accumulated amortisation				
At 1 June 2003	470	75	11	556
Charge for year	75	75	33	183
At 31 May 2004	545	150	44	739
Net book value				
At 31 May 2004	601	150	55	806
At 31 May 2003	676	225	88	989

The following are the principal subsidiaries of the company at the date of these financial statements, held at a cost of £432,000, all of which have been included in the financial statements:

Incorporated in the UK:

	Class of shares	Proportion of nominal value and voting rights held by parent company	Nature of business
Ionian Group Limited	Ordinary	100%	Intermediate holding company
Ionian Corporate Finance Limited	Ordinary	100%	Non trading

12. Investments held as fixed assets

Group and Company	Listed £'000	Unlisted £'000	Total £'000
Cost			
At 1 June 2003	177	74	251
Additions	51	-	51
Disposals	(228)	-	(228)
At 31 May 2004	-	74	74

Notes to the Accounts

For the year ended 31 May 2004

12. Investments held as fixed assets – continued

Separately, at the year end, the company was the beneficial owner of 50,000 London Stock Exchange ordinary shares of 5p each which had been included at nil cost (2003 – 50,000 shares at nil cost). The market value of these shares at 31 May 2004 was £188,250.

In the opinion of the directors the value of the unlisted investment is not less than the amount included within the financial statements.

Other income from fixed asset investments

	2004 £'000	2003 £'000
Dividends and Interest received	18	22
Gain on disposal of bond investment	5	38
	23	60

13. Market and client debtors

	2004 £'000		2003 £'000	
	Group	Company	Group	Company
Market balances	9,133	9,133	8,370	8,370
Clients' balances	4,314	4,314	3,223	3,223
	13,447	13,447	11,593	11,593

14. Other debtors

	2004 £'000		2003 £'000	
	Group	Company	Group	Company
Sundry debtors	22	22	19	19
Prepayments	126	126	118	118
Corporation tax recoverable	–	–	131	131
Deferred tax asset	10	10	–	–
	158	158	268	268

15. Cash at bank and in hand

Cash at bank includes £1,428,000 (2003 – £508,000) received in the course of settlement of client bargains.

This amount is held by the company in trust on behalf of clients but may be utilised to complete settlement of outstanding bargains.

16. Market and client creditors

	2004 £'000		2003 £'000	
	Group	Company	Group	Company
Market balances	7,956	7,956	7,851	7,851
Clients' balances	5,852	5,852	4,131	4,131
	13,808	13,808	11,982	11,982

Notes to the Accounts

For the year ended 31 May 2004

17. Other creditors

	2004 £'000		2003 £'000	
	Group	Company	Group	Company
Amounts owed to group undertakings	-	485	-	485
Corporation tax	162	162	-	-
Sundry creditors and accruals	400	400	420	420
Proposed dividend	165	165	140	140
	727	1,212	560	1,045

18. Provisions for liabilities and charges

	2004 £'000		2003 £'000	
	Group	Company	Group	Company
Deferred taxation as at 1 June	2	2	-	-
Charge for the year	(12)	(12)	2	2
Transfer to debtors (note 14)	10	10	-	-
Deferred taxation as at 31 May	-	-	2	2

The amounts of deferred taxation liability provided and unprovided in the accounts are:

	Provided		Unprovided	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Deferred taxation as at 31 May	-	2	-	-

19. Called up share capital

	2004		2003	
	No. of shares '000	£'000	No. of shares '000	£'000
Authorised:				
Ordinary shares of 25p	12,000	3,000	12,000	3,000
Allotted and fully paid:				
Ordinary shares of 25p	8,273	2,068	8,004	2,001

On 26 September 2003, 51,092 ordinary shares of 25p each in the company were issued pursuant to scrip dividends taken up by shareholders.

On 29 September 2003, 45,000 ordinary shares of 25p each in the company were issued to satisfy the exercise of share options.

On 17 October 2003, 173,000 ordinary shares of 25p each in the company were issued to satisfy the exercise of share options.

Included within the allotted and fully paid share capital were 9,490 ordinary shares of 25p each (2003 - 21,490 ordinary shares of 25p each) held for the benefit of employees.

Notes to the Accounts

For the year ended 31 May 2004

19. Called up share capital – continued

At 31 May 2004 the following options to subscribe for ordinary shares of 25p each granted to staff and associates (being in addition to those granted to directors as set out in the Directors' Report) were outstanding:

Grant date	No. of options	Exercise price	Date from which exercisable
3 December 1999	20,000	28.75p	1 January 2003
3 December 1999	20,000	28.75p	1 January 2005
29 November 2001	18,000	76.00p	1 February 2005
11 September 2003	25,000	50.00p	11 September 2006
11 November 2003	107,500	80.00p	12 November 2006

20. Equity shareholders' funds

Group	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Balance at 1 June 2003	2,001	1,130	788	3,919
Retained loss for the year	–	–	(13)	(13)
Issue of share capital	67	40	–	107
Balance at 31 May 2004	2,068	1,170	775	4,013

Company	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Balance at 1 June 2003	2,001	1,130	735	3,866
Retained loss for the year	–	–	(13)	(13)
Issue of share capital	67	40	–	107
Balance at 31 May 2004	2,068	1,170	722	3,960

21. Contingent liabilities

In the ordinary course of business, the company has given letters of indemnity in respect of lost certified stock transfers and share certificates. While the contingent liability arising thereon is not quantifiable, it is not believed that any material liability will arise under these indemnities.

The group has received a small number of claims from discretionary and advisory clients. The theoretical maximum exposure to the group of these claims is £600,000. The directors are of the opinion that few, if any, of these claims will be sustained.

Notes to the Accounts

For the year ended 31 May 2004

22. Financial commitments

Operating leases

At 31 May 2004 the company was committed to making the following payments during the next year in respect of operating leases:

	2004		2003	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire:				
Within one year	-	3	-	-
Within two to five years	219	-	218	18

23. Clients' money

At 31 May 2004 amounts held by the company on behalf of clients in accordance with the Client Money Rules of The Financial Services Authority amounted to £19,750,000 (2003 – £17,564,000). The company has no beneficial interest in these amounts and accordingly they are not included in the balance sheet.

24. Financial instruments

The company's financial instruments comprise, for the purpose of FRS 13, cash and liquid resources, trade debtors and trade creditors arising from operations, and fixed asset investments. The main risks arising from the company's financial instruments are market risk and credit risk. The board of directors reviews and agrees policies for managing these risks.

The company is mainly exposed to market risk in respect of its trading as agent in equities and debt instruments. During the year the company traded quoted investments on its own behalf with a maximum open position of £200,000 (2003 – £100,000). The company also trades on a matched riskless principal basis and does not make markets in securities or in derivatives.

The strategy in respect of longer term investments is reviewed monthly by the company's directors. The value of the company's investments are shown in note 12.

The other main financial risk in acting as agent is credit risk. This risk is monitored and controlled. The company does not undertake margin trading for clients.

Notice of Meeting

Notice is hereby given that an Annual General Meeting of Fiske plc, will be held in Room 527 at Salisbury House, London Wall, London EC2M 5QS on Thursday, 23 September 2004 at 12.30 p.m. for the following purposes

Ordinary Business

1. To receive the Report of the Directors and Auditors and the Accounts for the year ended 31 May 2004.
2. To re-elect Alan Dennis Meech as a director of the company.
3. To re-elect Philip Albert Lovegrove as a director of the company.
4. To elect Martin Henry Withers Perrin who, having been appointed as a director since the last general meeting of the company, offers himself for election as a director.
5. To approve a final dividend of 2 pence per share in respect of the year ended 31 May 2004 for holdings registered at 10 September 2004, payable on 19 October 2004.
6. To reappoint Deloitte & Touche LLP as auditors and to authorise the board to fix their remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions which will be proposed as to Resolution 7 as an Ordinary Resolution and as to Resolutions 8 and 9 as Special Resolutions:

7. THAT:
 - (a) the directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 ("the Act") to allot any relevant securities (as defined in section 80(2) of the Act) of the company up to a maximum aggregate nominal amount of £620,400 provided that:
 - (b) this authority shall expire at the conclusion of the next Annual General Meeting of the company after the passing of this resolution unless previously varied, revoked or renewed by the company in general meeting; and
 - (c) 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
 - (d) all prior authorities to allot relevant securities be revoked but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.
8. THAT:

the company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Act) of ordinary shares of 25p each in the capital of the company ("ordinary shares") on such terms and in such a manner as the directors may from time to time determine provided that:

 - (a) the maximum number of ordinary shares hereby authorised to be acquired is 827,309;
 - (b) the minimum price which may be paid for an ordinary share is 25p;
 - (c) 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;
 - (d) 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
 - (e) 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.
9. THAT:
 - (a) the directors be granted power pursuant to section 95 of the Companies Act 1985 ("the Act") to allot equity securities (within the meaning of section 94 of the Act) wholly for cash pursuant to the authority conferred on them by Resolution 7 contained in the Notice of the Annual General Meeting of the company of which this Resolution forms part as if section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to:

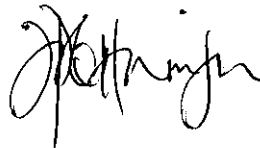
Notice of Meeting

- (b) the allotment of equity securities, in connection with a rights issue, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange or otherwise in any territory; and for the purposes of this resolution "rights issue" means an offer of equity securities to holders of ordinary shares in proportion to their respective holdings (as nearly as may be);
- (c) the allotment (otherwise than pursuant to paragraph 10(b) above) of equity securities up to an aggregate nominal value of £103,400; and
- (d) 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
- (e) all prior powers granted under section 95 of the Act be revoked provided that such revocation shall not have retrospective effect.

By order of the Board

J P Q Harrison
Secretary

26 August 2004



Registered office:
Salisbury House
London Wall
London EC2M 5QS

Notes:

1. A member entitled to attend and vote may appoint a proxy to attend and, on a poll, to vote instead of him/her. A proxy need not be a member of the company. A form of proxy is enclosed which, to be valid, must be delivered to the company's registrars, Capita IRG Plc, Bourne House, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to be received not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Lodgement of a form of proxy will not prevent a member from attending and voting in person if so desired.
2. Copies of contracts of service between the directors and the company will be available at the registered office of the company on any weekday prior to the meeting (Weekends and public holidays excepted) during normal business hours. Copies of the above mentioned documents will also be available on the date of the Annual General Meeting at the place of the meeting for 15 minutes prior to the meeting until its conclusion.
3. The company, pursuant to regulation 34 of the Uncertified Securities Regulations 1995, specifies that in order to attend and vote at the Annual General Meeting (and for the purposes of calculating how many votes a person entitled to vote may cast), a person must be entered on the Register of Shareholders by 8 a.m. on 22 September 2004. If the meeting is adjourned, the time by which a person must be entered on the Register of Members in order to have the right to attend or vote at the adjourned meeting is 8 a.m. on the business day preceding the date fixed for the adjourned meeting. Changes to the Register after this time will be disregarded in determining the rights of any person to attend or vote at the meeting.
4. By attending the Annual General Meeting members agree to receive any communications made at that meeting.