

Annual Report and Accounts

For the year ended 31 May 2008

**Fiske plc**

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# Directors, Secretary and Advisers

## DIRECTORS

Michael John Allen *Chairman\**

Clive Fiske Harrison *Chief Executive Officer*

Amanda Jane Andrews *Finance Director*

James Philip Quibell Harrison

Francis Gerard Luchini *Compliance Director*

Alan Dennis Meech *Dealing Director*

Stephen John Cockburn\*

Martin Henry Withers Perrin\*

*\*Non-Executive*

## COMPANY SECRETARY

Francis Gerard Luchini

## REGISTERED OFFICE

3rd Floor  
Salisbury House  
London Wall  
London EC2M 5QS

## REGISTERED NUMBER

2248663

## NOMINATED ADVISER

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2P 2YU

## BROKER

Fiske plc  
Salisbury House  
London Wall  
London EC2M 5QS

## SOLICITORS

Dechert LLP  
160 Queen Victoria Street  
London EC4V 4QQ

## AUDITORS

Deloitte & Touche LLP  
London

## BANKERS

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

## REGISTRARS

Capita IRG Plc  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield  
West Yorkshire HD8 0LA

## Directors' Biographies

Details of the directors and their backgrounds are as follows:

**Michael John Allen** (aged 70) –  
*Non-Executive Chairman*

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

**Clive Fiske Harrison** (aged 68) –  
*Chief Executive Officer*

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

**Amanda Jane Andrews** (aged 37) –  
*Finance Director*

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

**James Philip Quibell Harrison** (aged 35) –

James Harrison joined Fiske in 1996 in the private client investment department and now manages a substantial client portfolio. He is a member of the Corporate Finance team and from 2001 to 2005 was the company secretary. He was appointed to the Board as an executive director in May 2007.

**Francis Gerard Luchini** (aged 67) –  
*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. He is Chairman of the Risk Management Committee.

**Alan Dennis Meech** (aged 56) –  
*Dealing Director*

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

**Stephen John Cockburn** (aged 68) –  
*Non-Executive*

Stephen Cockburn joined the Board as a non-executive director in September 1999. He was the chairman and principal shareholder of Ionian Group Limited which was acquired by Fiske in June 2002. He is the managing director of The Investment Company Plc.

**Martin Henry Withers Perrin** (aged 54) –  
*Non-Executive*

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

## Chairman's Statement

After an encouraging first half year to November 2007 the next six months witnessed tougher conditions. We were profitable in this period but it was marginal. Profit for the second half was £33,000, making a total of £433,000 for the year against last year's £904,000. We maintained our strict control of costs and our strong balance sheet was further improved by the firm's holding in Euroclear shares valued at 31 May 2008 at £1,248,000.

The principal reason for our lower commission revenue in 2008 is that we judge it to be in the best interests of our clients to have a high level of liquidity in their portfolios and thus dealing activity has reduced. In our view this situation will prevail for the rest of the calendar year. Investors are experiencing a banking and credit crisis of a scale that, seeking precedents, we would need to go back 75 years to the 1930s. The 1974 so called secondary banking crisis, which in fact was a full blown banking crisis, was essentially limited to London. The current problems are totally international in nature although the initial spark was sub-prime mortgages in the US. Hopefully 2009 should begin to see increasing stability followed by a restoration of confidence although on a more subdued basis. However the problems will get worse before they get better.

We have the security of a good balance sheet, a growing flow of regular fee income and confidence that we will come through these turbulent times successfully. Accordingly the Board has decided to maintain our second interim dividend at 3p per share.

Earlier this year Byron Harrison decided for personal family reasons to return to Singapore where he has lived for some 15 years. We respect his wishes and he leaves with our goodwill. He remains a significant shareholder.

After the Annual General Meeting this year I will be retiring as Chairman and from the Board. I joined the Board as an independent non-executive Director in November 2002 and so will have been a Director for six years and Chairman for four years. It has been an absorbing period and I leave the company in good shape.

It is the intention of the Board to appoint Clive Harrison, the founder of the company and currently the

Chief Executive, as Chairman to succeed me. We are aware that for fully quoted companies in the UK it is not considered best practice to combine the roles of Chairman and Chief Executive. However Fiske is AIM listed, it is a small company and it is not intended that this arrangement should be permanent. In those circumstances we feel it to be in the best interest of the company. Succession and the successful continuation and growth of the business are the primary goals of the Board.

**M J Allen**

*Chairman*

29 August 2008

# 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.

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

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

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

## Remuneration and Nomination Committee

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

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

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

## Audit Committee

The Audit Committee, comprising M H W Perrin (Chairman) and M J Allen, 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. 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, J P Q Harrison, meets at least twice a year. It identifies and evaluates the key risk areas of the business and ensure those risks can be managed at a level acceptable to the Board. It makes recommendations to the Board in relation to capital adequacy matters.

# Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 May 2008.

## 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.

## Strategy and future developments

The Group's core strategy is to focus on delivering a high quality of service to clients. This entails giving both private and institutional clients a personalised service delivered by experienced individuals. The Board intends to maintain a strong balance sheet and a clear demarcation of corporate broking from other activities of the Group, to enable clear, unbiased advice to be given to clients. Looking forward, the directors expect to continue to grow its asset management business.

## Risk management

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

In common with other businesses operating in a regulated financial services environment, and to a greater or lesser extent other business sectors, the Group has identified the following as the key risks and their mitigation:

- Credit risk – management of the Group's credit risk has historically been focussed on client risk, with existing credit control procedures and the range and variety of clients substantially mitigating the impact of default by any one client. More recently, in current market conditions, the risk of default by a market counterparty has grown and the Group must be diligent in its choice of market makers.
- Loss of staff – staff are a key asset in the businesses and retaining the services of key staff is essential to ongoing revenue generation and development of the businesses. All directors are shareholders in the business with longstanding commitment to its prosperity.
- Operational risk – there is a whole range of further operational risks including reputational risks and the key mitigation is management attention to detail.
- Market risk – the Group is affected by conditions in the financial markets and the wider economy, with the volume of trading retreating in market downturns.

## Adoption of International Financial Reporting Standards

We were required to adopt International Financial Reporting Standards ("IFRSs") for the first time this year. Details of the ways in which these have affected the reported performance of the Group are shown in the notes to this Annual Report, and include restatement of the 2007 numbers. A full reconciliation of the differences between the original 2007 results, reported under UK Generally Accepted Accounting Practice ("UK GAAP") and the restated 2007 results prepared under IFRSs is shown in note 30 to the financial statements.

Trading performance is now reported in the Income Statement, rather than the Profit & Loss account, where the majority of the figures are prepared on a similar basis but are presented slightly differently.

The single largest change to the reported results under IFRSs relates to the requirement to value available-for-sale investments (formerly called fixed asset investments) at current market price, with the uplift, after provision for (deferred) taxation, being taken directly to a new reserve: revaluation reserve.

## Directors' Report *(continued)*

### Results and dividends

The results of the Group for the year are set out on page 11. A first interim dividend of 2.5p was paid on 14 March 2008 (2007 – 2p) and a second interim dividend of 3p (2007 – 3p) will be paid on 10 October 2008 making the total in the year of 5.5p. The shares will be marked ex-dividend on the 17 September 2008 and the record date being the 19 September 2008.

### Directors' interests – Shares

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

	Ordinary 25p shares at 31 May 2008	Ordinary 25p shares at 31 May 2007
M J Allen	16,000	16,000
A J Andrews	3,000	3,000
S J Cockburn	830,972	830,972
B A F Harrison (resigned 31 March 2008)	280,000	280,000
C F Harrison	2,334,828	2,334,828
J P Q Harrison	15,000	–
F G Luchini	24,000	24,000
A D Meech	100,000	100,000
M H W Perrin	15,000	15,000

There have been no changes in the directors' shareholding since 31 May 2008.

### Directors' interests – Share options

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

	Number of options				At end of year	Exercise price	Market price on date of exercise	Date from which exercisable
	At start of year	Granted during year	Exercised during year	Expired during year				
A J Andrews – EMI	25,000	–	–	–	25,000	80.00p	–	12.11.06
J P Q Harrison – EMI	25,000	–	–	–	25,000	80.00p	–	12.11.06
J P Q Harrison – Unapproved	20,000	–	(20,000)	–	–	28.75p	81.00p	01.01.03
J P Q Harrison – Unapproved	20,000	–	(20,000)	–	–	28.75p	81.00p	01.01.05
F G Luchini – Unapproved	75,000	–	–	–	75,000	28.75p	–	01.01.05

The closing mid-market price of the company's ordinary 25p shares at 31 May 2008 was 85p (2007 – 75p).

### Major shareholdings

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

	Ordinary shares	%
C F Harrison	2,334,828	27.96
The Investment Company Plc	1,071,000	12.83
S J Cockburn	830,972	9.95
Mrs C M Short	386,029	4.62
A R F Harrison	315,842	3.78
B A F Harrison	280,000	3.35

# Directors' Report *(continued)*

## **Rights of ordinary shares**

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.

## **Articles of Association**

The Company proposes to adopt new Articles of Association. These incorporate amendments to the current Articles of Association to reflect the provisions of the Companies Act 2006 ("the 2006 Act") which came, or will come, into effect in 2007 and 2008. As the 2006 Act will not be fully in force until October 2009, and so it is not yet possible to fully reflect the 2006 Act changes, it is anticipated that shareholders will be asked to approve further changes to the Articles of Association at the 2009 AGM.

## **Supplier payment policy**

It is the company's policy to pay suppliers promptly on receipt of an accurate invoice. As at 31 May 2008 the number of creditor days in respect of trade creditors was 13 days (2007 – 6 days).

## **Financial instruments**

Details regarding the Group's use of financial instruments and their associated risks are given in note 28 to the financial statements.

## **Disclosure of information to auditors**

Each of the directors at the date of approval of this report confirms that:

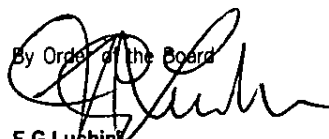
- (i) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (ii) the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

## **Auditors**

The directors review the terms of reference for the auditors and obtain written confirmation that the firm has complied with its relevant ethical guidance on ensuring independence. Deloitte & Touche LLP provide audit services to the Group and Company as well as corporation tax compliance and advisory services. The Board reviews the level of their fees to ensure they remain competitive and to ensure no conflicts of interest arise.

Deloitte & Touche LLP is willing to remain in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

By Order of the Board  
  
F G Luchini  
Secretary

29 August 2008

Salisbury House  
London Wall  
London EC2M 5QS

## Statement of Directors' Responsibilities

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. The directors are required by the IAS Regulation to prepare the group financial statements under IFRSs as adopted by the European Union and have also elected to prepare the parent company financial statements in accordance with IFRS as adopted by the European Union. The financial statements are also required by law to be properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standard Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- 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.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

# Independent Auditors' Report to the Members of Fiske plc

We have audited the group and parent company financial statements of Fiske plc for the year ended 31 May 2008 which comprise the consolidated income statement, the consolidated and company balance sheets, the consolidated and company cash flow statements, the consolidated statement of recognised income and expense the statement of accounting policies and the related notes 1 to 30. These financial statements have been prepared under 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the annual report as described in the contents section and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 group's and company's circumstances, 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, in accordance with IFRSs adopted by the European Union, of the group's and parent company affairs as at 31 May 2008 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



**Deloitte & Touche LLP**

Chartered Accountants

and Registered Auditors

London, United Kingdom

29 August 2008

# Consolidated Income Statement

For the year ended 31 May 2008

	Notes	2008 £'000	2007 £'000
Fee and commission income	3	3,769	4,516
Fee and commission expenses	3	(913)	(1,148)
Net fee and commission income		2,856	3,368
Other income	3	200	114
<b>TOTAL REVENUE</b>		<b>3,056</b>	<b>3,482</b>
Profit on disposal of available-for-sale investments		7	14
(Loss)/profit on investments held for trading		(88)	63
Operating expenses		(2,706)	(2,699)
Write-down of goodwill	12	-	(75)
Amortisation of intangibles	13	(96)	(106)
<b>OPERATING PROFIT</b>	6	<b>173</b>	<b>679</b>
Investment revenue		36	26
Finance income	7	228	202
Finance costs	8	(4)	(4)
Profit on disposal of property, plant and equipment		-	1
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>433</b>	<b>904</b>
Taxation	9	(116)	(312)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>317</b>	<b>592</b>
<b>PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS</b>		<b>317</b>	<b>592</b>
<b>Basic earnings per share</b>	11	<b>3.8p</b>	<b>7.1p</b>
<b>Diluted earnings per share</b>	11	<b>3.8p</b>	<b>7.1p</b>

# Consolidated Balance Sheet

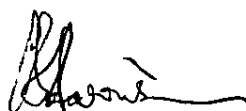
31 May 2008

	Notes	2008 £'000	2007 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	12	375	375
Other intangible assets	13	45	141
Property, plant and equipment	14	106	152
Available-for-sale investments	16	1,437	542
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,963</b>	<b>1,210</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	17	8,584	22,552
Investments held for trading	18	353	213
Cash and cash equivalents	19	3,786	4,411
<b>TOTAL CURRENT ASSETS</b>		<b>12,723</b>	<b>27,176</b>
<b>TOTAL ASSETS</b>		<b>14,686</b>	<b>28,386</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	9,009	23,161
Current tax liabilities		113	288
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,122</b>	<b>23,449</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	21	312	118
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>312</b>	<b>118</b>
<b>TOTAL LIABILITIES</b>		<b>9,434</b>	<b>23,567</b>
<b>EQUITY</b>			
Share capital	22	2,087	2,078
Share premium	23	1,187	1,185
Revaluation reserve	23	850	286
Retained earnings	23	1,128	1,270
<b>SHAREHOLDERS' EQUITY</b>		<b>5,252</b>	<b>4,819</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,686</b>	<b>28,386</b>

These financial statements were approved by the Board of Directors and authorised for issue on 29 August 2008.

Signed on behalf of the Board of Directors

**C F Harrison**  
Chief Executive Officer



# Company Balance Sheet

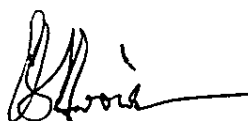
31 May 2008

	Notes	2008 £'000	2007 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	12	375	375
Other intangible assets	13	45	141
Property, plant and equipment	14	106	152
Investments in subsidiary undertakings	15	432	432
Available-for-sale investments	16	1,437	542
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,395</b>	<b>1,642</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	17	8,584	22,552
Investments held for trading	18	353	213
Cash and cash equivalents	19	3,786	4,411
<b>TOTAL CURRENT ASSETS</b>		<b>12,723</b>	<b>27,176</b>
<b>TOTAL ASSETS</b>		<b>15,118</b>	<b>28,818</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	9,494	23,646
Current tax liabilities		113	288
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,607</b>	<b>23,934</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	21	312	118
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>312</b>	<b>118</b>
<b>TOTAL LIABILITIES</b>		<b>9,919</b>	<b>24,052</b>
<b>EQUITY</b>			
Share capital	22	2,087	2,078
Share premium	23	1,187	1,185
Revaluation reserve	23	850	286
Retained earnings	23	1,075	1,217
<b>SHAREHOLDERS' EQUITY</b>		<b>5,199</b>	<b>4,766</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,118</b>	<b>28,818</b>

These financial statements were approved by the Board of Directors and authorised for issue on 29 August 2008.

Signed on behalf of the Board of Directors

**C F Harrison**  
Chief Executive Officer



## Consolidated and Company Cash Flow Statement

For the year ended 31 May 2008

	Notes	2008		2007	
		Group £'000	Company £'000	Group £'000	Company £'000
<b>CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	24	<b>(304)</b>	<b>(304)</b>	207	207
<b>INVESTING ACTIVITIES</b>					
Interest received		228	228	202	202
Dividends received		37	37	26	26
Proceeds on disposal of available-for-sale investments		65	65	153	153
Proceeds on disposal of property, plant and equipment		-	-	5	5
Purchases of available-for-sale investments		(192)	(192)	(90)	(90)
Purchases of property, plant and equipment		(11)	(11)	(25)	(25)
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>		<b>127</b>	<b>127</b>	271	271
<b>FINANCING ACTIVITIES</b>					
Proceeds from issue of ordinary share capital		11	11	-	-
Dividends paid		(459)	(459)	(332)	(332)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(448)</b>	<b>(448)</b>	(332)	(332)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(625)</b>	<b>(625)</b>	146	146
Cash and cash equivalents at beginning of year		4,411	4,411	4,265	4,265
Cash and cash equivalents at end of year		3,786	3,786	4,411	4,411

## Consolidated Statement of Recognised Income and Expense

For the year ended 31 May 2008

	2008 £'000	2007 £'000
Gains on revaluation of available-for-sale investments taken to equity	762	136
Deferred tax on revaluation of available-for-sale investments	(198)	(41)
<b>INCOME RECOGNISED DIRECTLY IN EQUITY TRANSFERS</b>	<b>564</b>	<b>95</b>
Transfers to profit or loss on sale of available-for-sale investments	-	3
<b>PROFIT FOR THE PERIOD</b>	<b>317</b>	<b>592</b>
<b>TOTAL RECOGNISED INCOME AND EXPENSE FOR THE PERIOD</b>	<b>881</b>	<b>690</b>
Attributable to equity shareholders	881	690

# Notes to the Accounts

For the year ended 31 May 2008

## 1. Accounting policies

### Adoption of new and revised standards

The Group has adopted the requirements of International Financial Reporting Standards and International Accounting Standards as endorsed by the EU (collectively "IFRSs") for the first time for the purpose of preparing consolidated financial statements for the year ended 31 May 2008. Transitional disclosures are provided in note 30. In the current year, the Group has adopted IFRS 7 Financial Instruments: Disclosures which is effective for annual reporting periods beginning on or after 1 January 2007, and the related amendments to IAS 1 Presentation of Financial Statements. The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures required in these financial statements regarding the Group's financial instruments and management of capital (see note 28).

At the date of authorisation of these financial statements, the following Standard which has not been applied in these financial statements was in issue but not yet effective:

#### IFRS 8 Operating Segments

The directors anticipate that the adoption of this Standard in future periods will have no material impact on the financial statements of the Group.

### (a) Basis of Preparation

These financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee ("IFRIC") and with the Companies Act 1985. The consolidated financial statements have been prepared under the historical cost convention, with the exception of financial instruments, which are stated in accordance with IAS 39 Financial Instruments: recognition and measurement.

### (b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) made up to 31 May each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefit from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

### (c) Revenue recognition

The Group follows the principles of IAS 18, 'Revenue Recognition', in determining appropriate revenue recognition policies. Therefore, revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the Group.

Stockbroking: Revenue comprises commission and other fees and is recognised when receivable in accordance with the trade date of the underlying transaction.

Corporate Finance: Revenue comprises the value of services supplied by the Group, exclusive of value added tax and retainer fees which are recognised over the length of time of the agreement.

Other income includes dividend income on available-for-sale investments, recognised when an unconditional right to receive the income has been established.

### (d) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date. As permitted by IFRS 1, the Group has chosen not to restate, under IFRS, business combinations that took place prior to 1 June 2006 the date of transition to IFRS.

# Notes to the Accounts

For the year ended 31 May 2008

## 1. Accounting policies (continued)

### (e) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any impairment. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately and is not subsequently reversed.

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

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

### (f) 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 are considered to be as follows:

Office refurbishment	-	5 years
Office furniture and equipment	-	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.

### (g) Impairment of intangible assets

Our policy is to amortise intangible assets over the life of the contract, in this instance, the period to 31 October 2008.

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

For the year ended 31 May 2008

## 1. Accounting policies (continued)

### (h) Available-for-sale investments

Investments previously classified as fixed asset investments have been re-classified as available-for-sale investments, and initially recognised at fair value. Subsequent available-for-sale investments are recognised and derecognised on a trade date where a purchase or sale of an investment is effected under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

At subsequent reporting dates, available-for-sale investments are measured at fair value. Gains or losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period. Impairment losses recognised in profit or loss are not subsequently reversed through profit or loss.

The fair values of available-for-sale investments quoted in active markets are determined by reference to the current quoted bid price. Where independent market prices are not available, fair values may be determined using valuation techniques with reference to observable market data.

### (i) Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

### (j) Investments held for trading

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

### (k) Cash and cash equivalents

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

### (l) Client money

The company holds money on behalf of clients in accordance with the Client Money Rules of the Financial Services Authority. With the exception of money arising in the course of clients' transactions, as disclosed in note 19, such monies and the corresponding liability to clients are not shown on the face of the balance sheet as the company has no beneficial entitlement thereto. The amount so held on behalf of clients at the year end is stated in note 27.

### (m) Trade and other payables

Trade and other payables are recognised initially at fair value, which is the agreed market price at the time goods or services are provided. The Group accrues for all goods and services consumed but as yet unbilled at amounts representing management's best estimate of fair value.

### (n) Equity instruments

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

### (o) Dividends

Interim equity dividends are recognised when paid.

# Notes to the Accounts

For the year ended 31 May 2008

## 1. Accounting policies (continued)

### (p) Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount 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.

### (q) Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

# Notes to the Accounts

For the year ended 31 May 2008

## **1. Accounting policies** *(continued)*

### **(r) 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 consolidated 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 consolidated 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.

### **(s) Leases**

Operating lease rentals are charged to the income statement on a straight-line basis over the term of the lease. Reverse premiums and similar incentives received to enter into operating lease agreements are released to income statement over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

## **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period.

### **Allowance for bad debts**

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

### **Fair value of investments**

The Group currently holds an investment in Euroclear Plc, which is held as an available-for-sale financial asset and measured at fair value at the balance sheet date. The Euroclear Plc shares do not trade in an active market, and therefore a view is formed as to fair value based on the most recent published earnings and the net asset value.

### **Impairment**

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

# Notes to the Accounts

For the year ended 31 May 2008

## 3. Total Revenue

Total revenue comprises:

	2008 £'000	2007 £'000
Commission receivable	3,248	3,701
Corporate finance and retainer fees	121	463
Investment management fees	400	352
	<b>3,769</b>	<b>4,516</b>
Commission payable to associates	(886)	(1,102)
Commission payable to third parties	(27)	(46)
	<b>(913)</b>	<b>(1,148)</b>
	<b>2,856</b>	<b>3,368</b>
Other income	200	114
	<b>3,056</b>	<b>3,482</b>

All revenue in the current and prior year is generated in the UK and derives solely from the provision of financial services.

## 4. Staff Costs

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

	2008 No.	2007 No.
Dealing and sales	8	7
Settlement	9	9
Administration	8	8
	<b>25</b>	<b>24</b>

Employees', including directors', costs comprise:

	2008 £'000	2007 £'000
Wages, salaries and other staff costs	1,317	1,298
Social security costs	152	146
	<b>1,469</b>	<b>1,444</b>

# Notes to the Accounts

For the year ended 31 May 2008

## 5. Directors

(a) Directors' emoluments comprise:

	2008 £'000	2007 £'000
Emoluments	<b>673</b>	<b>469</b>
Highest paid director's remuneration:		
Emoluments	<b>131</b>	<b>133</b>

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 2008	Gross salary £'000	Bonus £'000	Fees £'000	Commission £'000	Benefits £'000	Total £'000
M J Allen	-	-	31	-	-	31
A J Andrews	89	20	-	-	1	110
B A F Harrison (i)	90	5	-	-	-	95
C F Harrison	78	20	-	-	33	131
J P Q Harrison	67	5	-	-	1	73
F G Luchini	96	5	-	-	2	103
A D Meech	66	5	-	26	3	100
S J Cockburn	-	-	15	-	-	15
M H W Perrin	-	-	15	-	-	15
	<b>486</b>	<b>60</b>	<b>61</b>	<b>26</b>	<b>40</b>	<b>673</b>

(i) Resigned 31 March 2008.

31 May 2007	Gross salary £'000	Bonus £'000	Fees £'000	Commission £'000	Benefits £'000	Total £'000
M J Allen	-	-	31	-	-	31
A J Andrews	1	-	-	-	-	1
B A F Harrison	75	-	-	-	1	76
C F Harrison	99	10	-	-	24	133
J P Q Harrison	1	-	-	-	-	1
F G Luchini	92	-	-	-	3	95
A D Meech	64	-	-	27	3	94
S J Cockburn	-	-	15	-	-	15
M H W Perrin	-	-	23	-	-	23
	<b>332</b>	<b>10</b>	<b>69</b>	<b>27</b>	<b>31</b>	<b>469</b>

(b) Directors' balances

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

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.

# Notes to the Accounts

For the year ended 31 May 2008

## 6. Operating profit

	2008 £'000	2007 £'000
The operating profit is arrived at after charging:		
Auditors' remuneration for the audit	58	62
Other fees payable to auditors – Interim review	5	7
– Tax compliance	14	16
– IFRS advice	5	–
– PAYE advice	7	23
Operating lease rentals – Land and buildings	171	175
– Other	4	1

## 7. Finance income

	2008 £'000	2007 £'000
Interest receivable:		
Banks	228	202
	228	202

## 8. Finance costs

	2008 £'000	2007 £'000
Interest payable:		
Bank loans, overdrafts and other interest payable	4	4

## 9. Tax

*Analysis of tax charge on ordinary activities*

	2008 £'000	2007 £'000
<b>Current tax</b>		
Current year	115	289
Prior year adjustment	5	16
	120	305
<b>Deferred tax</b>		
Current year	(4)	7
<b>Total tax charge (to income statement)</b>	<b>116</b>	<b>312</b>

## Notes to the Accounts

For the year ended 31 May 2008

### 9. Tax (continued)

*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 28% (2007 – 30%).

The charge for the year can be reconciled to the profit per the income statement as follows:

	2008 £'000	2007 £'000
Profit before tax	433	904
Charge on profit on ordinary activities at standard rate	121	271
Effects of:		
Expenses not deductible in determining taxable profit	10	42
Effect of tax rate change	8	–
Capital allowances less than/(in excess of) depreciation	–	(1)
Double tax relief	(4)	(3)
Small company relief	(24)	(13)
Adjustment to tax charge in respect of prior years	5	16
<b>Current year total</b>	<b>116</b>	<b>312</b>

### 10. Dividends paid

	2008 £'000	2007 £'000
Second interim paid in 2007/08 for the year 2006/07	249	166
First interim dividend	210	166
	459	332
Second interim dividend proposed	250	249

The dividends listed above were or will be paid to holders of 8,340,245 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 at 25p each (2007 – 9,490 ordinary shares of 25p each).

# Notes to the Accounts

For the year ended 31 May 2008

## 11. Earnings per share

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

Headline earnings per share has 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 available-for-sale investments, as follows:

31 May 2008	Basic eps	Headline eps	Diluted	Diluted
	£'000	£'000	Basic eps	Headline eps
			£'000	£'000
Profit on ordinary activities after taxation	317	317	317	317
Adjustment to reflect impact of dilutive share options	-	-	4	4
<b>Earnings</b>	<b>317</b>	<b>317</b>	<b>321</b>	<b>321</b>
Number of shares (000's)	8,331	8,331	8,400	8,400
<b>Earnings per share (pence)</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>

31 May 2007	Basic eps	Headline eps	Diluted	Diluted
	£'000	£'000	Basic eps	Headline eps
			£'000	£'000
Profit on ordinary activities after taxation	592	592	592	592
Add: Goodwill written off after taxation	-	75	-	75
Adjustment to reflect impact of dilutive share options	-	-	2	2
<b>Earnings</b>	<b>592</b>	<b>667</b>	<b>594</b>	<b>669</b>
Number of shares (000's)	8,300	8,300	8,379	8,379
<b>Earnings per share (pence)</b>	<b>7.1</b>	<b>8.0</b>	<b>7.1</b>	<b>8.0</b>

	31 May 2008	31 May 2007
Number of shares (000's):		
Weighted average number of shares	8,331	8,300
Dilutive effect of share option scheme	69	79
	<b>8,400</b>	<b>8,379</b>

# Notes to the Accounts

For the year ended 31 May 2008

## 12. Goodwill

Group and Company	Fund management acquisition £'000	Total £'000
<b>Cost</b>		
At 1 June 2006	1,146	1,146
At 1 June 2007	1,146	1,146
At 31 May 2008	<b>1,146</b>	<b>1,146</b>
<b>Accumulated amortisation</b>		
At 1 June 2006	696	696
Charge for the year	75	75
At 1 June 2007	771	771
At 31 May 2008	<b>771</b>	<b>771</b>
<b>Net book value</b>		
At 31 May 2008	<b>375</b>	<b>375</b>
At 31 May 2007	375	375

## 13. Other intangible assets

Group and Company	Systems licence £'000	Total £'000
<b>Cost</b>		
At 1 June 2006	282	282
At 1 June 2007	282	282
At 31 May 2008	<b>282</b>	<b>282</b>
<b>Accumulated amortisation</b>		
At 1 June 2006	35	35
Charge for the year	106	106
At 1 June 2007	141	141
Charge for the year	96	96
At 31 May 2008	<b>237</b>	<b>237</b>
<b>Net book value</b>		
At 31 May 2008	<b>45</b>	<b>45</b>
At 31 May 2007	141	141

# Notes to the Accounts

For the year ended 31 May 2008

## 14. Property, plant and equipment

Group	Office furniture and equipment £'000	Computer equipment £'000	Office refurbishment £'000	Total £'000
<b>Cost</b>				
At 1 June 2007	139	136	175	450
Additions	2	9	-	11
Disposals	(11)	(39)	-	(50)
At 31 May 2008	<b>130</b>	<b>106</b>	<b>175</b>	<b>411</b>
<b>Accumulated depreciation</b>				
At 1 June 2007	132	116	50	298
Charge for the year	7	15	35	57
Disposals	(11)	(39)	-	(50)
At 31 May 2008	<b>128</b>	<b>92</b>	<b>85</b>	<b>305</b>
<b>Net book value</b>				
At 31 May 2008	<b>2</b>	<b>14</b>	<b>90</b>	<b>106</b>
At 31 May 2007	7	20	125	152

Company	Office furniture and equipment £'000	Computer equipment £'000	Office refurbishment £'000	Total £'000
<b>Cost</b>				
At 1 June 2007	139	128	175	442
Additions	2	9	-	11
Disposals	(11)	(39)	-	(50)
At 31 May 2008	<b>130</b>	<b>98</b>	<b>175</b>	<b>403</b>
<b>Accumulated depreciation</b>				
At 1 June 2007	132	108	50	290
Charge for the year	7	15	35	57
Disposals	(11)	(39)	-	(50)
At 31 May 2008	<b>128</b>	<b>84</b>	<b>85</b>	<b>297</b>
<b>Net book value</b>				
At 31 May 2008	<b>2</b>	<b>14</b>	<b>90</b>	<b>106</b>
At 31 May 2007	7	20	125	152

## 15. Investment in subsidiary undertakings

Company	2008 £'000	2007 £'000
<b>Cost</b>	<b>432</b>	<b>432</b>

The following is the principal subsidiary of the company at 31 May 2008 and at the date of these financial statements.

### Incorporated in the UK:

	Class of shares	Proportion of nominal value and voting rights held by parent company	Nature of business
<b>Ionian Group Limited</b>	Ordinary	100%	Intermediate holding company

# Notes to the Accounts

For the year ended 31 May 2008

## 16. Available-for-sale investments

Group and Company	2008 £'000	2007 £'000
Listed	189	62
Unlisted	1,248	480
Available-for-sale investments carried at fair value	1,437	542

The shares included above represent investments in equity securities that present the Group with the opportunity for return through dividend income and capital gains. These shares are not held for trading and are accordingly classified as available-for-sale.

## 17. Trade and other receivables

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Counterparty debtors	4,755	4,755	17,916	17,916
Trade receivables	3,473	3,473	4,207	4,207
	8,228	8,228	22,123	22,123
Other debtors	84	84	98	98
Prepayments and accrued income	272	272	331	331
	8,584	8,584	22,552	22,552

### Trade receivables

Included in the Group's trade receivables balance are debtors with a carrying amount of £127,000 (2007 – £82,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Ageing of past due but not impaired trade receivables:

	2008 £'000	2007 £'000
0 – 15 days	126	82
16 – 30 days	-	-
31 – 60 days	1	-
	127	82

### Counterparty receivables

Included in the Group's counterparty receivables are debtors with a carrying amount of £304,000 (2007 – £217,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Ageing of past due but not impaired counterparty receivables:

	2008 £'000	2007 £'000
0 – 30 days	219	128
31 – 60 days	85	89
	304	217

# Notes to the Accounts

For the year ended 31 May 2008

## 18. Investments held for trading

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Listed	353	353	213	213

## 19. Cash and cash equivalents

Cash and cash equivalents includes £774,000 (2007 – £921,000) 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.

## 20. Trade and other payables

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Counterparty creditors	5,106	5,106	5,087	5,087
Trade payables	3,517	3,517	17,555	17,555
	8,623	8,623	22,642	22,642
Amount owed to group undertakings	–	485	–	485
Sundry creditors and accruals	386	386	519	519
	9,009	9,494	23,161	23,646

## 21. Deferred taxation

Group and Company	Capital allowances £'000	Available- for-sale investments £'000	Deferred tax liability £'000
At 1 June 2007	(5)	123	118
Credit for the year	(4)	–	(4)
Charge to statement of recognised income and expense	–	198	198
At 31 May 2008	(9)	321	312

## 22. Called up share capital

	2008		2007	
	No. of shares '000	£'000	No. of shares '000	£'000
<b>Authorised:</b>				
Ordinary shares of 25p	12,000	3,000	12,000	3,000
<b>Allotted and fully paid:</b>				
Ordinary shares of 25p	8,350	2,087	8,310	2,078

Included within the allotted and fully paid share capital were 9,490 ordinary shares of 25p each (2007 – 9,490 ordinary shares of 25p each) held for the benefit of employees.

At 31 May 2008 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
11 September 2003	25,000	50.00p	11 September 2006
11 November 2003	37,500	80.00p	12 November 2006

# Notes to the Accounts

For the year ended 31 May 2008

## 23. Reconciliation of shareholders' funds and statement of movement on reserves

Group	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 June 2006	2,078	1,185	188	1,010	4,461
Revaluation of available-for-sale investments	-	-	98	-	98
Profit for the financial year	-	-	-	592	592
Dividends paid	-	-	-	(332)	(332)
Balance at 1 June 2007	2,078	1,185	286	1,270	4,819
Issue of ordinary share capital	9	2	-	-	11
Revaluation of available-for-sale investments	-	-	762	-	762
Deferred tax on revaluation of available-for-sale investments	-	-	(198)	-	(198)
Profit for the financial year	-	-	-	317	317
Dividends paid	-	-	-	(459)	(459)
Balance at 31 May 2008	<b>2,087</b>	<b>1,187</b>	<b>850</b>	<b>1,128</b>	<b>5,252</b>

Company	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 June 2006	2,078	1,185	188	957	4,408
Revaluation of available-for-sale investments	-	-	98	-	98
Profit for the financial year	-	-	-	592	592
Dividends paid	-	-	-	(332)	(332)
Balance at 1 June 2007	2,078	1,185	286	1,217	4,766
Issue of ordinary share capital	9	2	-	-	11
Revaluation of available-for-sale investments	-	-	762	-	762
Deferred tax on revaluation of available-for-sale investments	-	-	(198)	-	(198)
Profit for the financial year	-	-	-	317	317
Dividends paid	-	-	-	(459)	(459)
Balance at 31 May 2008	<b>2,087</b>	<b>1,187</b>	<b>850</b>	<b>1,075</b>	<b>5,199</b>

## 24. Notes to cash flow statement

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Operating profit	173	173	679	679
Profit on disposal of available-for-sale investments	(7)	(7)	(14)	(14)
Depreciation of property, plant and equipment	57	57	61	61
Write-down of goodwill	-	-	75	75
Amortisation of intangibles	96	96	106	106
Increase in investments held for trading	(140)	(140)	(213)	(213)
Decrease/(increase) in receivables	13,968	13,968	(15,755)	(15,755)
(Decrease)/increase in payables	(14,152)	(14,152)	15,443	15,443
Cash (used in)/generated by operations	(5)	(5)	382	382
Interest paid	(4)	(4)	(4)	(4)
Tax paid	(295)	(295)	(171)	(171)
Net cash (used in)/generated from operating activities	<b>(304)</b>	<b>(304)</b>	207	207

# Notes to the Accounts

For the year ended 31 May 2008

## 25. 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.

## 26. Financial commitments

### Operating leases

At 31 May 2008 the company was committed to making the following payments during the next year in respect of operating leases:

	2008		2007	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire:				
Within two to five years	172	5	175	5

## 27. Clients' money

At 31 May 2008 amounts held by the company on behalf of clients in accordance with the Client Money Rules of the Financial Services Authority amounted to £44,981,000 (2007 – £42,194,000). The company has no beneficial interest in these amounts and accordingly they are not included in the balance sheet.

## 28. 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 cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The Group has no debt.

### Externally imposed capital requirement

The Group is subject to the minimum capital requirements imposed by the Financial Services Authority (FSA), and has complied with those requirements throughout both financial periods. Capital adequacy and capital resources are monitored by the Group on the basis of the Capital Requirements Directive. The Group has a strong balance sheet, and has maintained regulatory capital at a level in excess of its capital requirement. The Group's capital requirement is under continuous review as part of the Internal Capital Adequacy Assessment Process.

### Significant accounting policies

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

### Categories of financial instruments

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Available-for-sale investments	1,437	1,437	542	542
Trade and other receivables	8,584	8,584	22,552	22,552
Investments held for trading	353	353	213	213
Cash and cash equivalents	3,786	3,786	4,411	4,411
Trade and other payables	9,009	9,494	23,161	23,646

The carrying value of each class of financial asset denoted above approximates to its 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 risk, other price risk, interest rate risk, credit risk and liquidity risk.

The Board of Directors monitor risks and implement policies to mitigate risk exposures.

# Notes to the Accounts

For the year ended 31 May 2008

## 28. Financial instruments (continued)

### Market risk

The Group is mainly exposed to market risk in respect of its trading as agent in equities and debt instruments. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risks.

### Other price risk

The Group is exposed to equity price risks arising from equity instruments. Equity instruments are designated as available for sale and are held for strategic rather than trading purposes. The Group does not actively trade these investments.

### 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.

### Credit risk management

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to the Group. Trade receivables consist of a large number of customers, spread across institutional and private clients. Ongoing credit evaluation is performed on the trading history and financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single third party or any group of third parties having similar characteristics. The credit risk on liquid funds is limited because the third parties are banks with high credit-ratings assigned by international credit-rating agencies.

The amount that best represents its maximum exposure to credit risk at the reporting date is £8,312,000 (2007 – £22,221,000). In respect of the credit quality of financial assets that are neither past due or impaired the directors are of the opinion that such balances are fully recoverable.

### Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. In respect of counterparty creditors and trade payables the amounts due are all payable between 0 – 30 days.

### Sensitivity analysis

#### Equity

The fair values of all available-for-sale investments and their exposure to equity price risks at the reporting date are based on the accounting policy in note 1(h). If equity prices had been 5% higher/lower the revaluation reserve would increase/decrease by £72,000 (2007 – increase/decrease by £27,000)

In respect of investments held for trading purposes and their exposure to equity price risks at the reporting date, if equity prices had been 5% higher, net profit for the year ended 31 May 2008 would have been £18,000 higher (2007 – £11,000 higher) and vice versa if prices were lower.

#### Cash

The Group's financial cash asset of £3,786,000 (2007 – £4,411,000) is held at a fixed interest rate and is available on demand. The financial statements are not materially affected by reasonable interest rate movements.

## 29. Related party transactions

### Group

Transactions between the company and its subsidiaries which are related parties, have been eliminated on consolidation and are not disclosed in this note.

### Directors' transactions

The Group and Company received by way of a service fee £111,000 (2007 – £111,000) from The Investment Company Plc, a company of which S. J. Cockburn is a director and holds an interest.

# Notes to the Accounts

For the year ended 31 May 2008

## 30. Reconciliation of equity, net assets and profit under UK GAAP to IFRS

Fiske Plc reported under UK GAAP in its previously published financial statements for the year ended 31 May 2007. The analyses that follow show reconciliations of equity, net assets and profit as at 31 May 2007 to the revised equity, net assets and profit as reported in these financial statements. In addition there is a reconciliation of net assets under UK GAAP to IFRS at the transition date of the Group, being 1 June 2006.

### (i) Reconciliation of equity at 1 June 2006 (Date of transition to IFRS)

Group	Notes	Effect of transition to IFRS			IFRS £'000
		UK GAAP £'000	Re-measurement £'000	Reclassification £'000	
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Goodwill	a	-	-	450	450
Other intangible assets	c	697	-	(450)	247
Fixed asset investments		176	268	(444)	-
Tangible fixed assets		192	-	(192)	-
Property, plant and equipment	d	-	-	192	192
Available-for-sale investments	e	-	-	444	444
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,065</b>	<b>268</b>	<b>-</b>	<b>1,333</b>
<b>CURRENT ASSETS</b>					
Trade and other receivables		-	-	6,804	6,804
Market and client debtors		6,518	-	(6,518)	-
Other debtors		298	-	(298)	-
Cash and cash equivalents		4,265	-	-	4,265
<b>TOTAL CURRENT ASSETS</b>		<b>11,081</b>	<b>-</b>	<b>(12)</b>	<b>11,069</b>
<b>TOTAL ASSETS</b>		<b>12,146</b>	<b>268</b>	<b>(12)</b>	<b>12,402</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables		-	-	7,718	7,718
Creditors: amounts falling due within one year		7,873	-	(7,873)	-
Current tax liabilities	f	-	-	155	155
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,873</b>	<b>-</b>	<b>-</b>	<b>7,873</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities	g	-	80	(12)	68
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>80</b>	<b>(12)</b>	<b>68</b>
<b>TOTAL LIABILITIES</b>		<b>7,873</b>	<b>80</b>	<b>(12)</b>	<b>7,941</b>
<b>EQUITY</b>					
Share capital		2,078	-	-	2,078
Share premium		1,185	-	-	1,185
Revaluation reserve		-	188	-	188
Retained earnings		1,010	-	-	1,010
Shareholders' equity		4,273	188	-	4,461
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,146</b>	<b>268</b>	<b>(12)</b>	<b>12,402</b>

# Notes to the Accounts

For the year ended 31 May 2008

## 30. Reconciliation of equity, net assets and profit under UK GAAP to IFRS (continued)

### (ii) Reconciliation of equity at 31 May 2007

Group	Notes	Effect of transition to IFRS			IFRS £'000
		UK GAAP £'000	Re-measurement £'000	Re-classification £'000	
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Goodwill	a	-	-	375	375
Other intangible assets	c	516	-	(375)	141
Fixed asset investments		133	409	(542)	-
Tangible fixed assets		152	-	(152)	-
Property, plant and equipment	d	-	-	152	152
Available-for-sale investments	e	-	-	542	542
<b>TOTAL NON-CURRENT ASSETS</b>		<b>801</b>	<b>409</b>	<b>-</b>	<b>1,210</b>
<b>CURRENT ASSETS</b>					
Trade and other receivables		-	-	22,552	22,552
Market and client debtors		22,123	-	(22,123)	-
Other debtors		434	-	(434)	-
Current asset investments		213	-	(213)	-
Investments held for trading		-	-	213	213
Cash and cash equivalents		4,411	-	-	4,411
<b>TOTAL CURRENT ASSETS</b>		<b>27,181</b>	<b>-</b>	<b>(5)</b>	<b>27,176</b>
<b>TOTAL ASSETS</b>		<b>27,982</b>	<b>409</b>	<b>(5)</b>	<b>28,386</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables		-	-	23,161	23,161
Creditors: amounts falling due within one year		23,449	-	(23,449)	-
Current tax liabilities	f	-	-	288	288
<b>TOTAL CURRENT LIABILITIES</b>		<b>23,449</b>	<b>-</b>	<b>-</b>	<b>23,449</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities	g	-	123	(5)	118
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>123</b>	<b>(5)</b>	<b>118</b>
<b>TOTAL LIABILITIES</b>		<b>23,449</b>	<b>123</b>	<b>(5)</b>	<b>23,567</b>
<b>EQUITY</b>					
Share capital		2,078	-	-	2,078
Share premium		1,185	-	-	1,185
Revaluation reserve		-	286	-	286
Retained earnings		1,270	-	-	1,270
Shareholders' equity		4,533	286	-	4,819
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,982</b>	<b>409</b>	<b>(5)</b>	<b>28,386</b>

# Notes to the Accounts

For the year ended 31 May 2008

## 30. Reconciliation of equity, net assets and profit under UK GAAP to IFRS (continued)

### (iii) Reconciliation of profit for the year ended 31 May 2007

Group	Effect of transition to IFRS			IFRS £'000
	UK GAAP £'000	Re-measurement £'000	Reclassification £'000	
Gross commission and similar income	4,516	-	(4,516)	-
Fee and commission income	-	-	4,516	4,516
Fee and commission expenses	-	-	(1,148)	(1,148)
Net fee and commission income	4,516	-	(1,148)	3,368
Other income	177	-	(63)	114
Commission payable	(1,148)	-	1,148	-
<b>GROSS PROFIT/TOTAL INCOME</b>	<b>3,545</b>	<b>-</b>	<b>(63)</b>	<b>3,482</b>
Profit on disposal of available-for-sale investments	-	-	14	14
Profit/(loss) on disposal of investments	14	-	(14)	-
Profit on investments held for trading	-	-	63	63
Operating expenses	(2,699)	-	-	(2,699)
Write-down of goodwill	-	-	(75)	(75)
Amortisation of intangibles	(181)	-	75	(106)
<b>OPERATING PROFIT</b>	<b>679</b>	<b>-</b>	<b>-</b>	<b>679</b>
Investment revenue	26	-	-	26
Finance income	202	-	-	202
Finance costs	(4)	-	-	(4)
Profit on disposal of property, plant and equipment	1	-	-	1
Profit on ordinary activities before taxation	904	-	-	904
Taxation	(312)	-	-	(312)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>592</b>	<b>-</b>	<b>-</b>	<b>592</b>
Profit attributable to equity shareholders	592	-	-	592

# Notes to the Accounts

For the year ended 31 May 2008

## 30. Reconciliation of equity, net assets and profit under UK GAAP to IFRS (continued)

### (iv) Reconciliation of equity at 1 June 2006 (Date of transition to IFRS)

Company		Effect of transition to IFRS			IFRS £'000
		UK GAAP £'000	Re-measurement £'000	Re-classification £'000	
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
	a	-	-	450	450
Goodwill					
Other intangible assets	c	697	-	(450)	247
Fixed Asset investments		176	268	(444)	-
Tangible fixed assets		192	-	(192)	-
Property, plant and equipment	d	-	-	192	192
Investments in subsidiary undertakings		432	-	-	432
Available-for-sale investments	e	-	-	444	444
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,497</b>	<b>268</b>	<b>-</b>	<b>1,765</b>
<b>CURRENT ASSETS</b>					
Trade and other receivables		-	-	6,804	6,804
Market and client debtors		6,518	-	(6,518)	-
Other debtors		298	-	(298)	-
Cash and cash equivalents		4,265	-	-	4,265
<b>TOTAL CURRENT ASSETS</b>		<b>11,081</b>	<b>-</b>	<b>(12)</b>	<b>11,069</b>
<b>TOTAL ASSETS</b>		<b>12,578</b>	<b>268</b>	<b>(12)</b>	<b>12,834</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables		-	-	8,203	8,203
Creditors: amounts falling due within one year		8,358	-	(8,358)	-
Current tax liabilities	f	-	-	155	155
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,358</b>	<b>-</b>	<b>-</b>	<b>8,358</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities	g	-	80	(12)	68
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>80</b>	<b>(12)</b>	<b>68</b>
<b>TOTAL LIABILITIES</b>		<b>8,358</b>	<b>80</b>	<b>(12)</b>	<b>8,426</b>
<b>EQUITY</b>					
Share capital		2,078	-	-	2,078
Share premium		1,185	-	-	1,185
Revaluation reserve		-	188	-	188
Retained earnings		957	-	-	957
Shareholders' equity		4,220	188	-	4,408
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,578</b>	<b>268</b>	<b>(12)</b>	<b>12,834</b>

# Notes to the Accounts

For the year ended 31 May 2008

## 30. Reconciliation of equity, net assets and profit under UK GAAP to IFRS (continued)

### (v) Reconciliation of equity at 31 May 2007

Company	Effect of transition to IFRS			IFRS £'000
	UK GAAP £'000	Re-measurement £'000	Re-classification £'000	
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Goodwill	a	–	375	375
Other intangible assets	c	516	(375)	141
Fixed asset investments		133	409	–
Tangible fixed assets		152	(152)	–
Property, plant and equipment	d	–	152	152
Investments in subsidiary undertakings		432	–	432
Available-for-sale investments	e	–	542	542
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,233</b>	<b>409</b>	<b>1,642</b>
<b>CURRENT ASSETS</b>				
Trade and other receivables		–	22,552	22,552
Market and client debtors		22,123	(22,123)	–
Other debtors		434	(434)	–
Current asset investments		213	(213)	–
Investments held for trading		–	213	213
Cash and cash equivalents		4,411	–	4,411
<b>TOTAL CURRENT ASSETS</b>		<b>27,181</b>	<b>(5)</b>	<b>27,176</b>
<b>TOTAL ASSETS</b>		<b>28,414</b>	<b>409</b>	<b>28,818</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables		–	23,646	23,646
Creditors: amounts falling due within one year		23,934	(23,934)	–
Current tax liabilities	f	–	288	288
<b>TOTAL CURRENT LIABILITIES</b>		<b>23,934</b>	<b>–</b>	<b>23,934</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	g	–	123	118
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>–</b>	<b>123</b>	<b>118</b>
<b>TOTAL LIABILITIES</b>		<b>23,934</b>	<b>123</b>	<b>24,052</b>
<b>EQUITY</b>				
Share capital		2,078	–	2,078
Share premium		1,185	–	1,185
Revaluation reserve		–	286	286
Retained earnings		1,217	–	1,217
Shareholders' equity		4,480	286	4,766
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,414</b>	<b>409</b>	<b>28,818</b>

# Notes to the Accounts

For the year ended 31 May 2008

## **30. Reconciliation of equity, net assets and profit under UK GAAP to IFRS (continued)**

### **Notes to reconciliations of equity and profit**

#### *a) Goodwill*

As a result of the adoption of IAS 38, 'Intangible Assets', goodwill previously recognised within other intangible assets has been re-classified to goodwill on the face of the balance sheet.

#### *b) Amortisation*

As a result of the adoption of IFRS 3, 'Business Combinations', goodwill is no longer subject to amortisation. Rather its value is appraised annually for any further impairment.

#### *c) Other intangible assets*

'Other intangible assets' consist of investment in rights to certain software used in the Company's back office systems, less amortisation expensed since acquisition.

#### *d) Property, plant and equipment*

As a result of the adoption of IAS 16, 'Property, Plant and Equipment', items previously classified as tangible fixed assets have been re-classified as property, plant and equipment.

#### *e) Available-for-sale investments*

Assets previously classified as fixed asset investments have been re-classified as available-for-sale investments, and recognised at fair value as detailed in the accounting policies. Fair value adjustments to available-for-sale investments are taken directly to the revaluation reserve.

#### *f) Current tax liabilities*

As a result of the adoption of IAS 12, 'Income Taxes', current tax liabilities are shown as a separate line item on the face of the balance sheet.

#### *g) Deferred tax assets and liabilities*

The revaluation of available-for-sale investments has given rise to a deferred tax liability. The deferred tax asset arising from UK GAAP accounting has been netted against this liability in arriving at a net deferred tax liability.

# Notice of Meeting

Notice is hereby given that an Annual General Meeting of Fiske plc will be held at Salisbury House, London Wall, London EC2M 5QS (entrance via Circus Place) on Wednesday 1 October 2008 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 2008.
2. To re-elect Stephen John Cockburn as a director of the company.
3. To reappoint the Deloitte & Touche LLP as auditors 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 4 as an Ordinary Resolution and as to Resolutions 5, 6 and 7 as special resolutions:

### 4. 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 £626,100 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.

### 5. THAT:

- (a) 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 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 834,973;
- (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.

6. 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:
- (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); and
- (c) the allotment of equity securities up to an aggregate nominal value of £104,350; 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.

7. THAT:

- (a) pursuant to Section 9 of the Companies Act 1985, the existing Articles of Association of the Company be deleted in their entirety and the new Articles contained in the document submitted to the Meeting and for the purposes of identification signed by the Chairman, be approved and adopted as the Articles of Association of the Company.

By order of the Board

**F G Luchini**  
Secretary

29 August 2008

Registered office:  
Salisbury House  
London Wall  
London EC2M 5QS

## Notes to Notice of Meeting

1. A member entitled to attend and vote at the Meeting convened by the above notice may appoint a proxy to exercise all or any of his rights to attend, speak and vote at a meeting of the Company. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A form of proxy is enclosed. To be valid the enclosed form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notorially certified or office copy thereof, must be delivered to the Company's registrars, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham BR3 4ZB, 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 non-executive directors and the Company will be available at the registered office of the Company on any weekday prior to the Meeting (weekends and public holidays excepted) during normal business hours. Copies of the above mentioned documents will also be available on the date of the Meeting at the place of the Meeting for 15 minutes prior to the meeting until its conclusion.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company as at 10a.m. on 29 September 2008 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 10a.m. on the day preceding the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
4. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
5. By attending the Meeting members agree to receive any communication made at the Meeting.
6. In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that (i) if a corporate shareholder has appointed the Chairman of the Meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the Meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of the procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.
7. A copy of the proposed new Articles of Association of the Company and a copy of the existing Articles of Association marked to show the changes being proposed in resolution 7 will be available on the date of the meeting at the place of the meeting for 15 minutes prior to the meeting until its conclusion.