Company No. **5107012**

JARVIS SECURITIES PLC

FINANCIAL STATEMENTS
For the year ended 31 December 2014

Contents

CHAIRMAN'S STATEMENT

- 4% increase in profit before tax
- 3% decrease in year on year interest income
- 14% growth in dividend per share
- 4% increase in EPS

This year is best described as a year of two halves. In the first six months we experienced favourable market conditions - high trade volumes in UK equities and consistent interest rates. In the second half the year there was a general decrease in market activity from which Jarvis was not immune. Trade volumes were lower, and there was a further episode of downward pressure on interest rates.

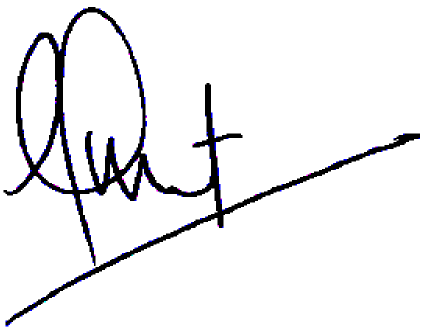
Given the slowdown in the latter half I am pleased to present a set of results that consolidates the exceptional rate of growth we have achieved over the past three years. Whilst year on year profit before tax has not increased at the same rate as in recent years, indications for continued growth remain positive. During 2014 we signed 7 new commercial clients, increasing our number of outsourcing agreements by 21%. Whilst some of these are currently low volume, some will inevitably grow and their success will contribute to our future growth. We are beginning 2015 with a healthy pipeline of enquiries, and have several agreements in the latter stages of negotiation. Another area where we have seen significant growth during the period is in the balance of our cash under administration. The average balance held during 2014 is 31% higher than in 2013, driven by client acquisition towards the end of 2013 and throughout 2014. In spite of the downward pressure on interest rates during the latter half of 2014, the increased cash balance has enabled us to almost match our interest income earned in 2013.

During 2014 we have built upon our new IT infrastructure and successfully transferred our clients onto our new website, with improved functionality, appearance and security. We will continue to make improvements to both the front end and back office processes.

The company's own cash balances are also at an all time high and the majority of the 1/3rd of profit after tax that is retained for reinvestment is held on deposit. The company has authority to purchase its own shares and these funds may be used to purchase shares for treasury or cancellation should it be considered an appropriate means to improve shareholder returns.

The IPO market has also picked up during early 2015 and we have been able to participate as an appointed retail intermediary in several issues. The function enables us to earn additional commission, generate trading activity in the resultant share allocation and satisfy client demand for such issues.

The continuing success of the business reflects successful investment in infrastructure, a focus on what the business is good at and managing the risks that any business such as ours faces. To do this requires an excellent group of people and as always I would like to thank all members of the Jarvis team for their continuing hard work.



Andrew Grant
Chairman

Strategic Report

Key developments and outlook

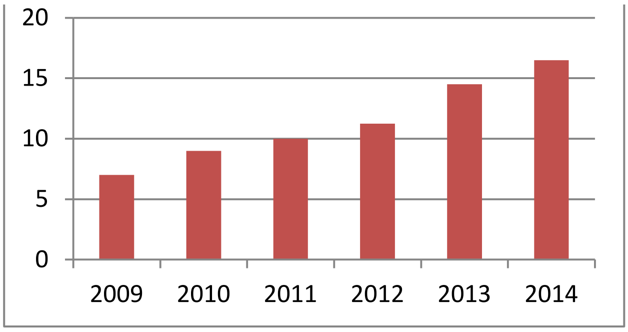
Jarvis continues to steadily increase retail and commercial clients attracted by our effective low cost offering. Aside from updates to the website to improve functionality and the aesthetic impact our offering remains the same. We have no plans to amend the strategy of providing a high quality low cost service.

The stock market has been less volatile than in recent years, which translates into steady daily trading volumes. Maintaining our average interest rate income on deposits has been challenging, with the market showing further deterioration this year. The downward trend has continued and despite cash balances increasing significantly we have earned marginally less interest income this year.

In 2015 we will continue with the current successful strategy.

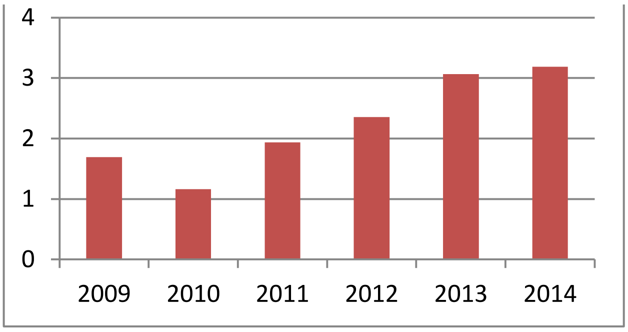
Performance

Results and dividends (pence per share)
The consolidated profit for the year after income tax amounted to £2,514,210 (2013 £2,349,605). The company paid dividends per share of 16.5p during the year (2013: 14.5p). In line with dividend policy, the company has paid quarterly interim dividends throughout the year, and will continue to do so through 2015. Therefore no final dividend is proposed by the Board.



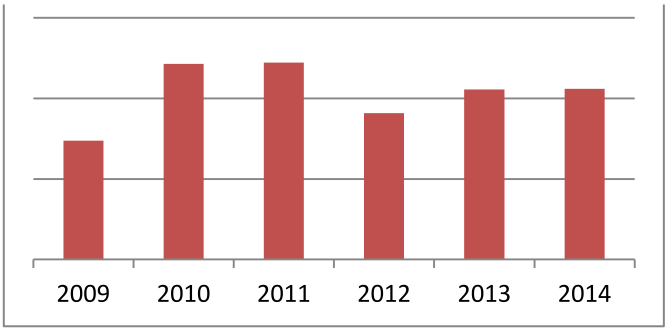
Dividend growth reflects growth of profit after tax. The group aims to return 2/3rds of post tax profit to shareholders. Management feel that 1/3rd of post tax profit is sufficient reinvestment in the infrastructure of the firm to keep our client offering updated.

Profit before tax - £m



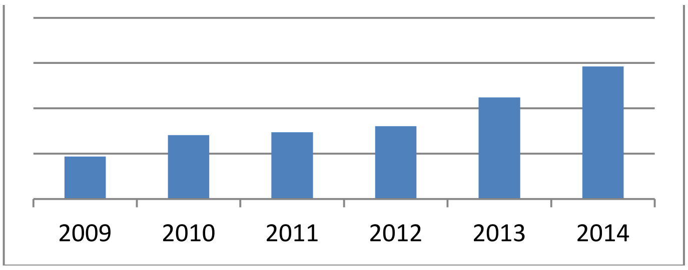
Growth in profitability has been driven through consistently increasing retail and institutional clients. This in turn improves trade volumes and cash under administration. Management have been able to do this without a like for like increase in the cost base, and the Jarvis business model contains further scalability.

Trade Volumes - average daily volume



Trade volumes must be considered in the context of market conditions. During 2010 and 2011 market volumes were higher, driven largely by considerable market volatility. Management focus on gaining and retaining clients to ensure that regardless of conditions Jarvis should increase market share relative to its peers.

Cash under administration - annual average balance



Cash under administration is a function of client numbers and trade volume. Jarvis profitability is linked to cash under administration and management attempts to improve the balance by increasing client numbers.

Group structure

The principal trading subsidiary of the Group is Jarvis Investment Management Ltd. For regulatory reasons relating to administration and cost, Jarvis Securities plc is the AIM traded parent, holds the assets of the Group and is responsible for activities that fall outside the scope of regulated investment business. Jarvis Investment Management Ltd is a Member of The London Stock Exchange (LSE) and ISDX markets and is authorised and regulated by the Financial Conduct Authority (FCA). This status is essential for the trading activities of the Group and therefore compliance with the Rules of both the LSE and FCA is of paramount importance. The Group provides retail execution-only stockbroking, ISA and SIPP investment wrappers, savings schemes, and financial administration, settlement and custody services in all these areas to other stockbrokers and investment firms as well as individuals.

Capitalisation and financing

Jarvis Securities plc had 11,120,000 Ordinary 1p shares in issue at the end of the year. These shares are admitted to trading on AIM. The business is highly cash generative and requires no debt or external financing. The Board balance the use of cash between maintaining sufficient reserves for regulatory requirements, the stated dividend policy, and investment in the infrastructure and future wellbeing of the business.

EPS and P/E ratio

The principal measures used by investors to compare and rate publicly traded companies are the earnings per share (EPS) and the relative multiple to these earnings of the current share price (the price earnings or P/E ratio). Therefore the Board must have regard to these measures in order to maximise returns to investors. EPS is a result of dividing profit after tax by the average number of shares in issue throughout the period. The P/E ratio is the average share price during the year divided by EPS. The average share price during the year was 480p. The P/E ratio is largely a product of the market price of the shares in the Company and hence is largely beyond the control of the Board. Certain actions can be taken where this is perceived by the Board to be out of synchronisation with comparable firms, such as the purchase of shares for cancellation as undertaken in previous years.

These measures are important to investors and hence need to be given high regard. The Board will continue its efforts to maintain the increased P/E ratio to reflect its belief that Jarvis should have a premium rating to its competitors because of its yield and differentiated business model.

2014 EPS:	**22.79p**
2013 EPS:	21.92p
Rate of change:	+3.97%
2014 P/E ratio:	**21.05**
2013 P/E ratio:	14.3

Principal risks and uncertainties

The following are the main risks to the Jarvis Securities plc group that are considered and monitored by the Board. An explanation as to how they are mitigated is also provided.

Regulatory risk

Changes in the regulatory environment resulting in additional costs or significant system or product amendments.

The firm operates in the “execution only” area of the financial services environment in which regulation is less onerous than the “advisory” area. The firm avoids entering into areas that are complex from a regulatory perspective.

Competitor risk

The firm operates in a competitive industry and has many larger competitors in the execution only retail and institutional market. Management monitor other firms’ prices and product offerings to ensure that Jarvis remains competitively priced. Management also strives to provide high service levels to our clients in order to retain and encourage new clients to join us.

Interest rate risk

The interest rate environment has a significant effect on the earnings of the company. An increase in interest rates would improve profitability as it would improve income earned on cash under administration. Conversely, further reductions in interest rates will reduce profitability.

The Jarvis business model has several income streams. These are primarily commission income, interest income and account fee income. As such the business is not overly reliant on any one particular revenue stream. The Board are also committed to increasing the diversity of revenue streams as opportunities arise and without compromising the focus of the business through undue complexity.

Economic risk

Market sentiment directly impacts on bargain numbers transacted and hence commission income for the company. Volumes are currently volatile month on month and are driven largely by investors risk appetite.

As stated above the firm has several income streams. The firm also has a low fixed cost base and most of the costs associated with trade volumes are marginal. Therefore in months where commission income is lower variable costs are also lower.

Reputational risk

As the custodian of the wealth of our clients, any damage to the firm's reputation could result in the loss of clients and withdrawal of assets administered by Jarvis.

The firm adopts procedures that minimise the risk of fraudulent activity occurring either within the firm or by a third party.

Operational risk

The main risk Jarvis is exposed to in its day to day activities is settlement risk, and all procedures within the firm are designed to mitigate this risk where possible. There may be instances where errors occur which leave the firm unintentionally exposed to market risk as a result of an error in its operating processes. Given the volume of transactions being processed these errors are extremely infrequent. When they do occur they are reviewed to see if further process enhancements can be made to minimise future errors. The Board recognise that new clients increase the scope for operational risk as new processes are sometimes required to match client requirements. A key element of the take on of any client is ensuring that such processes are operationally robust and do not exceed the Group's appetite for risk.

Key personnel risk

Loss of key personnel is a threat to any skills-based business.

The firm attempts to set remuneration at competitive market levels and empower key employees so that they enjoy working at Jarvis. All employment contracts for key staff members include sufficient notice periods for replacements to be recruited and trained.

Third party reliance risk

Any take over at the London Stock Exchange could result in major unanticipated changes for Jarvis and its commercial clients.

The Board monitor any proposed changes to the pricing structure of The London Stock Exchange and calculate the impact on our profitability in advance. In the event that there was an anticipated adverse impact we would have sufficient time to renegotiate contracts with commercial clients.

………………………………

Jolyon Head – Finance Director
18th February 2015

DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 December 2014.

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs') as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Jarvis Securities plc web site is the responsibility of the directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Provision of information to auditors
So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Principal activities
The principal activities of the group members consolidated within these accounts are:

Jarvis Securities plc	Group holding company
Jarvis Investment Management Ltd	Member of The London Stock Exchange and ISDX markets
	Outsourced investment administration and Model B settlement services provider
Dudley Road Nominees Limited	Dormant nominee company
JIM Nominees Limited	Dormant nominee company
Galleon Nominees Limited	Dormant nominee company

Auditor Independence
The directors have appointed an audit committee, one of whose roles is to ensure the independence of the group's auditors. The auditors are considered to be independent in accordance with the profession's ethical standards.

Audit Committee
The Audit Committee of the Company comprises the Non-Executive Director and the Chairman of the Company and meets as required. Graeme McAusland is chairman of the Audit Committee. The Audit Committee is responsible for ensuring that the Group's financial performance is properly monitored, controlled and reported. It also meets the auditors and reviews reports from the auditors relating to the Financial Statements and internal control systems. The Audit Committee meets once a year with the auditors, without the general executive board members present.

Remuneration Committee
The Remuneration Committee comprises the Non-Executive Director and the Chairman of the Company. The committee is responsible for reviewing and recommending the remuneration of directors and executives and remuneration policy as a whole within the Group.

Going concern basis
The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 4. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described within these financial statements. In addition, note 28 of the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group has considerable financial resources together with long term contracts with all its customers and significant suppliers as well as a diversified income stream. The Group does not have any current borrowing or any anticipated borrowing requirements. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors review the liquidity of the Group in accordance with the FCA's prescribed liquidity framework prior to the approval of any dividends.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial Instruments
Details of our financial risk mitigation policy are included in note 28.

Registered number
The registered number of the Company is 5107012.

Directors
The directors who served during the year were as follows:-

Andrew J Grant	Chairman and Chief Executive Officer
Nick J Crabb	Business Development and Client Services Director
Jolyon C Head	Finance Director
Graeme McAusland	Non-Executive Director

Auditor
A resolution to re-appoint Crowe Clark Whitehill LLP as auditor to the Company will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

……………………………….
Andrew J Grant – Chief Executive Officer
18th February 2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JARVIS SECURITIES PLC

We have audited the financial statements of Jarvis Securities plc for the year ended 31 December 2014 which comprise the Group and Parent Company Statements of Financial Position, the Group consolidated income statement, the Group and Parent Company Statements of Comprehensive Income, the Group and Company Cash Flow Statements, the Group and Parent Company Statement of Changes in Equity and the related notes numbered 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report, the Directors' Report and the Chairman's statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on or materially inconsistent with the knowledge acquired by us during the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Chairman's Statement, Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Keith Newman
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Maidstone
18th February 2015

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	**Year to 31/12/14**	Year to 31/12/13
		£	£
Continuing operations:			
Revenue	*3*	**7,314,384**	7,157,555
Administrative expenses		**(4,122,256)**	(4,079,547)
Finance costs	*5*	**(5,851)**	(10,103)
Profit before income tax	*6*	**3,186,277**	3,067,905
Income tax charge	*8*	**(672,067)**	(718,300)
Profit for the period		**2,514,210**	2,349,605
Attributable to equity holders of the parent		**2,514,210**	2,349,605
Earnings per share	*9*	**P**	P
Basic		**22.79**	21.92
Diluted		**22.68**	21.41

The notes on pages 14 to 29 form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

	Notes	**Year to 31/12/14**	Year to 31/12/13
		£	£
Profit for the period		**2,514,210**	2,349,605
Total comprehensive income for the period		**2,514,210**	2,349,605
Attributable to equity holders of the parent		**2,514,210**	2,349,605

COMPANY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

	Notes	**Year to 31/12/14**	Year to 31/12/13
		£	£
Profit for the period		**2,100,841**	2,443,854
Total comprehensive income for the period		**2,100,841**	2,443,854
Attributable to equity holders of the company		**2,100,841**	2,443,854

The notes on pages 14 to 29 form part of these financial statements

Company No.: 5107012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2014

	Notes	31/12/14	31/12/13
		£	£
Assets			
Non-current assets			
Property, plant and equipment	10	**243,348**	250,067
Intangible assets	11	**230,722**	285,310
Goodwill	11	**342,872**	342,872
Investments held to maturity	12	**-**	262,948
		816,942	1,141,197
Current assets			
Investments held to maturity	12	**246,979**	-
Trade and other receivables	15	**2,674,034**	2,719,922
Investments held for trading	16	**13,626**	5,757
Cash and cash equivalents	17	**8,296,385**	10,345,718
		11,231,024	13,071,397
Total assets		**12,047,966**	14,212,594
Equity and liabilities			
Capital and reserves			
Share capital	18	**111,200**	107,825
Share premium		**1,467,485**	1,061,972
Merger reserve		**9,900**	9,900
Capital redemption reserve		**9,845**	9,845
Share option reserve		**136,556**	129,162
Retained earnings		**2,955,642**	2,263,396
Total equity attributable to the equity holders of the parent		**4,690,628**	3,582,100
Current liabilities	19		
Trade and other payables	19	**7,055,111**	10,095,865
Deferred tax	19	**23,919**	410
Income tax	19	**278,308**	534,219
Total current liabilities	19	**7,357,338**	10,630,494
Total equity and liabilities		**12,047,966**	14,212,594

Approved and authorised for issue by the Board on 18th February 2015 and signed on its behalf by:

………………………A J Grant – Director

………………………J C Head – Director

The notes on pages 14 to 29 form part of these financial statements

Company No.: 5107012

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2014

	Notes	31/12/14	31/12/13
		£	£
Assets			
Non-current assets			
Property, plant and equipment	10	**243,348**	250,067
Intangible assets	11	**230,722**	285,310
Goodwill	11	**342,872**	342,872
Investment in subsidiaries	14	**284,239**	283,038
		1,101,181	1,161,287
Current assets			
Trade and other receivables	15	**1,173,874**	545,932
Cash and cash equivalents	17	**1,162,770**	1,350,516
		2,336,644	1,896,448
Total assets		**3,437,825**	3,057,735
Equity and liabilities			
Capital and reserves			
Share capital	18	**111,200**	107,825
Share premium		**1,467,485**	1,061,972
Capital redemption reserve		**9,845**	9,845
Share option reserves		**136,556**	129,162
Retained earnings		**1,412,307**	1,133,430
Total equity attributable to the equity holders		**3,137,393**	2,442,234
Current liabilities	19		
Trade and other payables	19	**31,700**	175,486
Deferred tax	19	**23,919**	410
Income tax	19	**244,813**	439,605
Total current liabilities	19	**300,432**	615,501
Total equity and liabilities		**3,437,825**	3,057,735

Approved and authorised for issue by the Board on 18th February 2015 and signed on its behalf by:

………………………A J Grant – Director

………………………J C Head – Director

The notes on pages 14 to 29 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Merger reserve	Capital redemption reserve	Share option reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£
At 1 January 2013	106,015	862,657	9,900	9,845	114,481	1,469,605	2,572,503
Share options exercised during the year	1,810	199,315	-	-	-	-	201,125
Share based payment expense	-	-	-	-	14,681	-	14,681
Profit for the financial year	-	-	-	-	-	2,349,605	2,349,605
Dividends	-	-	-	-	-	(1,555,814)	(1,555,814)
At 31 December 2013	107,825	1,061,972	9,900	9,845	129,162	2,263,396	3,582,100
Share options exercised during the year	3,375	405,513	-	-	-	-	408,888
Share based payment expense	-	-	-	-	7,394	-	7,394
Profit for the financial year	-	-	-	-	-	2,514,210	2,514,210
Dividends	-	-	-	-	-	(1,821,964)	(1,821,964)
At 31 December 2014	111,200	1,467,485	9,900	9,845	136,556	2,955,642	4,690,628

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital redemption reserve	Share option reserve	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 January 2013	106,015	862,657	9,845	114,481	245,390	1,338,388
Share options exercised during the year	1,810	199,315	-	-	-	201,125
Share based payment expense	-	-	-	14,681	-	14,681
Profit for the financial year	-	-	-	-	2,443,854	2,443,854
Dividends	-	-	-	-	(1,555,814)	(1,555,814)
At 31 December 2013	107,825	1,061,972	9,845	129,162	1,133,430	2,442,234
Share options exercised during the year	3,375	405,513	-	-	-	408,888
Share based payment expense	-	-	-	7,394	-	7,394
Profit for the financial year	-	-	-	-	2,100,841	2,100,841
Dividends	-	-	-	-	(1,821,964)	(1,821,964)
At 31 December 2014	111,200	1,467,485	9,845	136,556	1,412,307	3,137,393

The notes on pages 14 to 29 form part of these financial statements

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	CONSOLIDATED Year to 31/12/14	CONSOLIDATED Year to 31/12/13	COMPANY Year to 31/12/14	COMPANY Year to 31/12/13
		£	£	**£**	£
Cash flow from operating activities					
Profit before income tax		**3,186,277**	3,067,905	**2,659,026**	3,069,173
Depreciation and amortisation	*6*	**87,634**	62,204	**71,663**	46,235
Share based payment expense	*6*	**7,394**	14,679	**7,394**	14,679
Finance costs	*5*	**5,851**	10,103	**-**	34
Impairment charge	*13*	**-**	44,450	**-**	44,450
Loss on disposal of investments	*13*	**-**	(1,066)	**-**	(1,066)
		3,287,156	3,198,275	**2,738,083**	3,173,505
Decrease/(Increase) in trade and other receivables		**45,887**	1,539,247	**(627,943)**	155,481
(Decrease) /Increase in trade payables		**(3,040,756)**	4,040,520	**(143,785)**	(1,384,162)
Increase in investments in subsidiaries		**-**	-	**(1,201)**	(2,039)
(Increase)/Decrease in investments held for trading		**(7,869)**	(4,996)	**-**	-
Cash generated from operations		**284,418**	8,773,046	**1,965,154**	1,942,785
Interest paid		**(5,851)**	(10,103)	**-**	(34)
Income tax (paid)/received		**(904,469)**	(489,496)	**(729,469)**	(332,043)
Net cash from operating activities		**(625,902)**	8,273,447	**1,235,685**	1,610,708
Cash flows from investing activities					
Purchase of property, plant and equipment		**(9,078)**	(2,419)	**(9,078)**	(2,419)
Receipt from sale of investment		**-**	2,671	**-**	2,671
Purchase of intangible assets		**(1,277)**	(179,870)	**(1,277)**	(179,870)
		(10,355)	(179,618)	**(10,355)**	(179,618)
Cash flows from financing activities					
Issue of share capital		**408,888**	201,126	**408,888**	201,126
Dividends paid		**(1,821,964)**	(1,555,814)	**(1,821,964)**	(1,555,814)
Net cash used in financing activities		**(1,413,076)**	(1,354,688)	**(1,413,076)**	(1,354,688)
Net increase/(decrease) in cash & cash equivalents		**(2,049,333)**	6,739,141	**(187,746)**	76,402
Cash and cash equivalents at the start of the year		**10,345,718**	3,606,577	**1,350,516**	1,274,114
Cash and cash equivalents at the end of the year		**8,296,385**	10,345,718	**1,162,770**	1,350,516
Cash and cash equivalents:					
Cash at bank and in hand		**8,296,385**	10,345,718	**1,162,770**	1,350,516

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The company has adopted the requirements of International Financial Reporting Standards (IFRS) and IFRIC interpretations endorsed by the European Union (EU) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, and financial assets and liabilities at fair value through profit or loss.

These financial statements have been prepared in accordance with the accounting policies set out below, which have been consistently applied to all the years presented. These accounting policies comply with applicable IFRS standards and IFRIC interpretations issued and effective at the time of preparing these statements.

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

IFRS 19 - Amendments: Defined Benefit Plans: Employee Contributions
IFRS 10 and IAS 28 - Amendments: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IAS 27 - Amendment: Equity Method in Separate Financial Statements
IAS 16 and IAS 41 - Amendments: Agriculture: Bearer Plants
IFRS 14 - Regulatory Deferral Accounts
IAS 16 and IAS 38 - Amendments: Clarification of Acceptable Methods of Depreciation and Amortisation
IFRS 11 - Amendments: Accounting for Acquisitions of Interests in Joint Operations
IFRS 15 - Revenue from Contracts with Customers
IFRS 9 - Financial Instruments

Adoption of these Standards and Interpretations is not expected to have a material impact on the results of the Company or Group.

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 23.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 4. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described within these financial statements. In addition, note 28 of the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group has considerable financial resources together with long term contracts with all its customers and significant suppliers as well as a diversified income stream. The Group does not have any current borrowing or any anticipated borrowing requirements. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Summary of significant accounting policies

(a) Revenue
Income is recognised as earned in the following way:

Commission – we charge commission on a transaction basis. Commission rates are fixed according to account type. When a client instructs us to act as an agent on their behalf (for the purchase or sale of securities) our commission is recognised as income. Our commission is deducted from the cash given to us by the client in order to settle the transaction on the client's behalf or from the proceeds of the sale in instance where a client sells securities.

Management fees – these are charged quarterly or bi-annually depending on account type. Fees are either fixed or are a percentage of the assets under administration. Fees are accrued up to the time they are charged using a day count and most recent asset level basis as appropriate.

Interest income - this is accrued on a day count basis up until deposits mature and the interest income is received. The deposits pay a fixed rate of interest. In accordance with FCA requirements, deposits are only placed with banks that have been approved by our compliance department.

(b) Basis of consolidation
Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases. The group financial statements consolidate the financial statements of Jarvis Securities plc, Jarvis Investment Management Limited, JIM Nominees Limited, Galleon Nominees Limited and Dudley Road Nominees Limited made up to 31 December 2014.

The Group uses the purchase method of accounting for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

Intra-group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only. No income statement is presented for Jarvis Securities plc as provided by S408 of the Companies Act 2006. The profit for the year of Jarvis Securities plc, as approved by the board, was £2,100,841 (2013: £2,443,854).

(c) Property, plant and equipment
All property, plant and equipment is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on cost in equal annual instalments over the lives of the assets at the following rates:

Leasehold improvements	-	33% on cost, or over the lease period if less than three years.
Motor vehicles	-	15% on cost
Office equipment	-	20% on cost
Land & Buildings	-	Buildings are depreciated at 2% on cost. Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. Impairment reviews of property, plant and equipment are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

(d) Intangible assets
Intangible assets are carried at cost less accumulated amortisation. If acquired as part of a business combination the initial cost of the intangible asset is the fair value at the acquisition date. Amortisation is charged to administrative expenses within the income statement and provided on cost in equal annual instalments over the lives of the assets at the following rates:

Databases	-	4% on cost
Customer relationships	-	7% on cost
Software developments	-	20% on cost
Website	-	33% on cost

Impairment reviews of intangible assets are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

(e) Goodwill
Goodwill represents the excess of the fair value of the consideration given over the aggregate fair values of the net identifiable assets of the acquired trade and assets at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Any negative goodwill arising is credited to the income statement in full immediately.

(f) Deferred income tax
Deferred income tax is provided in full, using the liability method, on differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting or taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the timing difference is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

(g) Segmental reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The directors regard the operations of the Group as a single segment.

(h) Pensions
The group operates a defined contribution pension scheme. Contributions payable for the year are charged to the income statement.

(i) Trade receivables and payables
Trading balances incurred in the course of executing client transactions are measured at initial recognition at fair value. In accordance with market practice, certain balances with clients, Stock Exchange member firms and other counterparties are included as trade debtors and creditors. The net balance is disclosed where there is a legal right of set off.

(j) Operating leases and finance leases
Costs in respect of operating leases are charged on a straight line basis over the lease term in arriving at the profit before income tax. Where the company has entered into finance leases, the obligations to the lessor are shown as part of borrowings and the rights in the corresponding assets are treated in the same way as owned fixed assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than right to legal title.

(k) Investments

The Group classifies its investments in the following categories: investments held to maturity, investments held for trading and available-for-sale investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Investments held to maturity

Investments held to maturity are stated at amortised cost. Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Assets in this category are classified as non-current, unless they are due to mature in the 12 months following the balance sheet date.

Investment held for trading

Investments held for trading are stated at fair value. An investment is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current and are considered to be level one assets in accordance with IFRS 13.

Purchases and sales of investments are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or been transferred and the Group has transferred substantially all the risks and rewards of ownership. Realised and unrealised gains and losses arising from changes in fair value of investments held for trading are included in the income statement in the period in which they arise. Unrealised gains and losses arising in changes in the fair value of available-for-sale investments are recognised in equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair value of quoted investments is based on current bid prices. If the market for an investment is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, or discounted cash flow analysis refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that an investment is impaired. In the case of investments classified as available-for-sale, a decline in the fair value below its carrying value is considered in determining whether the security is impaired.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less provision for any impairment in value.

(l) Foreign Exchange

The company offers settlement of trades in Sterling, US dollars, Euros, Canadian dollars, Australian dollars, South African rand, Norwegian kroner, Swiss francs, Polish zloty, Swedish kroner, Hong Kong dollars, New Zealand dollars, Japanese yen and Singapore dollars. The company does not hold any assets or liabilities other than in sterling and converts client currency on matching terms to settlement of trades realising any currency gain or loss immediately in the income statement. Consequently the company has no foreign exchange risk.

(m) Share Capital

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from proceeds, net of income tax. Where the company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income tax), is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Current income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year.

(p) Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which interim dividends are paid to shareholders and final dividends are approved by the company's shareholders.

(q) Share based payments

The Group applies the requirements of IFRS 2 Share-based Payment and IFRIC 11.

The Group issues equity-settled share-based payments to certain employees and other personnel. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effects of non market-based vesting conditions.

Fair value is measured by use of a Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

3. Group revenue

The revenue of the group during the year was made in the United Kingdom and the revenue of the group for the year derives from the same class of business as noted in the Strategic Report.

	2014	2013
	£	£
Gross interest earned from treasury deposits, cash at bank and overdrawn client accounts	3,053,533	3,132,575
Fees, commissions, foreign exchange gains and other revenue	4,260,851	4,024,980
	7,314,384	7,157,555

4. Segmental information

All of the reported revenue and operational results for the period derive from the group's external customers and continuing financial services operations. All non-current assets are held within the United Kingdom.

The group is not reliant on any one customer and no customer accounts for more than 10% of the group's external revenues.

As the Group's sole business activity is the provision of stock broking services and all revenue is derived in the UK, management have not had occasion to define any factors to identify reportable segments.

5. Finance costs	2014	2013
	£	£
Interest on bank loans, overdrafts and tax	5,851	10,103
	5,851	10,103

6. Profit before income tax	2014	2013
Profit before income tax is stated after charging/(crediting):	£	£
Directors' emoluments	562,102	558,515
Depreciation – owned assets	15,797	20,620
Amortisation (included within administrative expenses in the consolidated income statement)	55,865	25,615
Operating lease rentals – hire of machinery	9,052	9,185
Operating lease rentals – land and buildings	63,500	63,500
Impairment of receivable charge	84,555	302,609
Finance costs including bank transaction fees	47,086	71,778

Details of Directors' annual remuneration as at 31 December 2014 are set out below:

	2014	2013
	£	£
Short-term employee benefits	491,500	497,600
Post-employment benefits	56,666	40,299
Share based payment expense	6,193	12,640
Benefits in kind	7,743	7,976
	562,102	558,515
Details of the highest paid director are as follows:		
Aggregate emoluments	264,894	285,997
Company contributions to personal pension scheme	37,966	23,099
Benefits in kind	6,703	7,395
	309,563	316,491

	Emoluments & Benefits in kind	Pension	Total
Directors	£	£	£
Andrew J Grant	271,596	37,966	309,562
Nick J Crabb	120,840	10,000	130,840
Jolyon C Head	99,000	8,700	107,700
Graeme McAusland	14,000	-	14,000
TOTAL	505,436	56,666	562,102

During the year benefits accrued for three directors (2013: three directors) under a money purchase pension scheme. In addition, Andrew Grant made a gain of £780,690 (2013: £136,837) and Nick Crabb made a gain of £257,517 (2013: nil) from exercising options.

Staff Costs

The average number of persons employed by the group, including directors, during the year was as follows:

	2014	2013
Management and administration	42	41
The aggregate payroll costs of these persons were as follows:	£	£
Wages, salaries & social security	1,546,545	1,393,425
Pension contributions including salary sacrifice	41,700	38,518
Share based payment expense	7,394	14,679
	1,595,639	1,446,622

Key personnel

The directors disclosed above are considered to be the key management personnel of the group.

7. Auditors' remuneration

During the year the company obtained the following services from the company's auditors as detailed below:

	2014	2013
	£	£
Fees payable to the company's auditors for the audit of the company's annual financial statements	20,000	19,375
Fees payable to the company's auditors and its associates for other services:		
The audit of the company's subsidiaries, pursuant to legislation	11,950	11,625
Total audit fees	31,950	31,000
Taxation Compliance	4,050	4,050
Other taxation advisory services not relating to compliance	5,000	5,200
	41,000	40,250

The audit costs of the subsidiaries were invoiced to and met by Jarvis Securities plc.

8. Income and deferred tax charges - group	2014	2013
	£	£
Based on the adjusted results for the year:		
UK corporation tax	683,182	714,093
Adjustments in respect of prior years	(34,624)	(3,035)
Total current income tax	648,557	711,058
Deferred income tax:		
Origination and reversal of timing differences	3,026	3,193
Adjustment in respect of change in deferred tax rate	(1,045)	(39)
Adjustment in respect of prior years	21,528	4,088
Total deferred tax charge	23,509	7,242
Income tax on profit	672,067	718,300

The income tax assessed for the year is greater than the standard rate of corporation tax in the UK (21.5%). The differences are explained below:

Profit before income tax	3,186,277	3,067,905
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%)	685,049	713,288
Effects of:		
Expenses not deductible for tax purposes	-	33
Adjustments to tax charge in respect of previous years	(13,096)	1,052
IFRS 2 (share option) expense	1,590	3,413
Ineligible depreciation	419	453
Adjustment in respect of change in deferred tax rate	(1,045)	(39)
Other	(850)	100
Current income tax charge for the year	672,067	718,300

Movement in (assets) / provision – group and company:		
Provision at start of year	410	(6,832)
Deferred income tax charged in the income statement for the year	1,981	3,154
Adjustment in respect of prior periods	21,528	4,088
(Asset) / Provision at end of year	23,919	410
(Asset) / Provision for deferred income tax:		
Accelerated capital allowances	23,919	410
	23,919	410

8. Income and deferred tax charges - group (continued)

The gross movements in the deferred tax account for the company and group are as follows:

	Tangible Assets
Provision at start of year	410
Income statement charge	23,509
(Asset) / Provision at end of year	23,919

9. Earnings per share

	2014	2013
	£	£
Earnings:		
Earnings for the purposes of basic and diluted earnings per share *(profit for the period attributable to the equity holders of the parent)*	2,514,210	2,349,605
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	11,031,288	10,718,466
Effect of dilutive potential ordinary shares:		
Share option scheme	55,474	255,299
	11,086,762	10,973,765

No treasury shares were held during the period. Options exercised or those lapsed as relating to former employees have been deducted for the purpose of calculating the diluted weighted average number of shares in issue for the period.

10. Property, plant & equipment - group & company

	Freehold Land & Property	Leasehold Improvements	Office Equipment	Total
Cost:	£	£	£	£
At 1 January 2013	222,450	288,342	242,351	753,143
Additions	-	1,191	1,228	2,419
Disposals	-	(288,342)	-	(288,342)
At 31 December 2013	222,450	1,191	243,579	467,220
Additions	-	2,823	6,255	9,078
Disposals	-	-	-	-
At 31 December 2014	222,450	4,014	249,834	476,298
Depreciation:				
At 1 January 2013	1,462	288,342	195,071	484,875
Charge for the year	1,949	397	18,274	20,620
On Disposal	-	(288,342)	-	(288,342)
At 31 December 2013	3,411	397	213,345	217,153
Charge for the year	1,949	556	13,292	15,797
On Disposal	-	-	-	-
At 31 December 2014	5,360	953	226,637	232,950
Net Book Value:				
At 31 December 2014	217,090	3,061	23,197	243,348
At 31 December 2013	219,039	794	30,234	250,067

11. Intangible assets & goodwill - group & company	Goodwill	Intangible assets				
		Customer Relationships	Databases	Software Development	Website	Total
	£	£	£	£	£	£
Cost:						
At 1 January 2013	342,872	177,981	25,000	36,815	103,519	343,315
Additions	-	-	-	179,870	-	179,870
At 31 December 2013	342,872	177,981	25,000	216,685	103,519	523,185
Additions	-	-	-	1,276	-	1,276
At 31 December 2014	342,872	177,981	25,000	217,961	103,519	524,461
Amortisation:						
At 1 January 2013	-	65,436	9,719	33,815	103,290	212,260
Charge for the year	-	18,290	1,000	6,096	229	25,615
At 31 December 2013	-	83,726	10,719	39,911	103,519	237,875
Charge for the year	-	18,290	1,000	36,574		55,864
At 31 December 2014	-	102,016	11,719	76,485	103,519	293,739
Net Book Value:						
At 31 December 2014	342,872	75,965	13,281	141,476	-	230,722
At 31 December 2013	342,872	94,255	14,281	176,774	-	285,310

The addition to software development is capital expenditure on switching and upgrading our core IT system.

In reviewing the value of goodwill for impairment, the directors have assumed an attrition rate of 7.0% based upon the actual rate for the previous period and a discount rate of 4.0%. The discounted cashflow is calculated over a period of 5 years. For impairment to the goodwill value to occur, the attrition rate would need to exceed 14.0% or the discount rate would need to exceed 8.4%.

12. Investments held to maturity	Group		Company	
	2014	2013	2014	2013
Unlisted Investments:	£	£	£	£
Cost:				
At 1 January	300,067	300,067	-	-
As at 31 December	300,067	300,067	-	-
Amortisation:				
At 1 January	37,119	21,151	-	-
Charge for the year	15,969	15,968	-	-
As at 31 December	53,088	37,119	-	-
Net Book Value:				
At 1 January	262,948	278,916	-	-
At 31 December	246,979	262,948	-	-

The investment held to maturity is an 8% coupon UK Government Gilt maturing in 2015.

13. Available-for-sale investments

	Group 2014	Group 2013	Company 2014	Company 2013
Listed Investments:	£	£	£	£
Cost:				
At 1 January	-	1,605	-	1,605
Disposals	-	(1,605)	-	(1,605)
As at 31 December	-	-	-	-

No listed investments were held as available for sale at 31 December 2014.

	Group 2014	Group 2013	Company 2014	Company 2013
Unlisted Investments:	£	£	£	£
Cost:				
At 1 January	-	44,450	-	44,450
Disposals	-	(44,450)	-	(44,450)
As at 31 December	-	-	-	-

No unlisted investments were held as available for sale at 31 December 2014.

14. Investments in subsidiaries

	Company 2014	Company 2013
Unlisted Investments:	£	£
Cost:		
At 1 January	283,038	280,999
Capital contributions re share option costs	1,201	2,039
As at 31 December	284,239	283,038

	Shareholding		*Holding*	*Business*
Jarvis Investment Management Limited	100%	25,000,000	1p Ordinary shares	Financial administration
Dudley Road Nominees Limited*	100%	2	£1 Ordinary shares	Dormant nominee company
JIM Nominees Limited*	100%	1	£1 Ordinary shares	Dormant nominee company
Galleon Nominees Limited*	100%	2	£1 Ordinary shares	Dormant nominee company

All subsidiaries are located in the United Kingdom.
** indirectly held*

15. Trade and other receivables

Amounts falling due within one year:	Group 2014	Group 2013	Company 2014	Company 2013
	£	£	£	£
Trade receivables	335,898	187,998	7,026	12,480
Settlement receivables	1,414,929	1,716,487	-	-
Amounts owed by group undertakings	-	-	518,918	-
Other receivables	219,001	50,276	215,875	15,875
Other taxes and social security	-	-	-	5,147
Prepayments and accrued income	704,206	765,161	432,055	512,430
	2,674,034	2,719,922	1,173,874	545,932

An analysis of trade and settlement receivables past due is given in note 23. There are no amounts past due included within other receivables or prepayments and accrued income.

16. Investments held for trading

	Group 2014	Group 2013	Company 2014	Company 2013
Listed Investments:	£	£	£	£
Valuation:				
At 1 January	5,757	761	-	-
Additions	2,650,116	961,334	-	-
Disposals	(2,642,247)	(956,338)	-	-
As at 31 December	13,626	5,757	-	-

Listed investments held for trading are stated at their market value at 31 December 2014 and are considered to be level one assets In accordance with IFRS 13.

17. Cash and cash equivalents

	Group 2014	Group 2013	Company 2014	Company 2013
	£	£	£	£
Balance at bank and in hand – group/company	3,255,338	2,645,023	1,162,770	1,350,516
Cash held for settlement of market transactions	5,041,047	7,700,695	-	-
	8,296,385	10,345,718	1,162,770	1,350,516

18. Share capital	2014	2013
Authorised:	160,000	160,000
16,000,000 Ordinary shares of 1p each	160,000	160,000

	2014	2013
	£	£
At 1 January 2014	107,825	106,015
Allotted, issued and fully paid during the year	3,375	1,810
Allotted, issued and fully paid:		
11,120,000 (2013: 10,782,500) Ordinary shares of 1p each	111,200	107,825

The company has one class of ordinary shares which carry no right to fixed income.

The Company has a share option scheme for certain employees of the Group. The vesting period is five years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the option holder leaves the Group before the options are vested and exercised.

Details of the share options outstanding during the year are as follows:

	2014		2013	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		Pence		*Pence*
Outstanding at the beginning of the year	447,500	134.39	628,500	125.46
Exercised during the year	(337,500)	121.15	(181,000)	111.12
Outstanding at year end	110,000	175.00	447,500	134.39
Exercisable at year end	110,000	175.00	447,500	134.39

A detailed breakdown of the exercise prices for options outstanding as at 31 December 2014 is shown in the table below:

	2014		2013	
Exercise Price *(pence)*	Number outstanding at year end	Exercise dates	Number outstanding at year end	Exercise dates
82.50 *(granted 23 Dec 2004)*	-	23 Dec 2009 to 23rd Dec 2014	223,500	23 Dec 2009 to 23rd Dec 2014
175.00 *(granted 18 May 2007)*	110,000	17 May 2013 to 17 May 2017	124,000	17 May 2013 to 17 May 2017
200.00 *(granted 12 May 2009)*	-	12 May 2014 to 12 May 2019	100,000	12 May 2014 to 12 May 2019

The total number of options unexercised and in issue at the year end is 110,000. Options were exercised throughout the year and the weighted average share price for the year was 480p (2013: 313p).

The following options are held by a director:

	at 175p
A J Grant	76,500

19. Trade and other payables

Amounts falling due within one year:	Group 2014	Group 2013	Company 2014	Company 2013
	£	£	£	£
Trade payables	63,135	112,988	-	4,539
Settlement payables	6,557,470	9,467,755	-	-
Amount owed to group undertaking	-	-	-	140,173
Other taxes and social security	100,428	63,944	1,801	-
Other payables	182,579	215,850	1,750	3,474
Accruals	151,499	235,328	28,149	27,300
Trade and other payables	7,055,111	10,095,865	31,700	175,486
Income tax	278,308	534,219	244,813	439,605
Deferred tax	23,919	410	23,919	410
Total liabilities	7,357,338	10,630,494	300,432	615,501

Settlement payables will be settled on their contracted date, which has a maximum allowed time of 20 days from when the trade date. Trade payables and other taxes and social security are all paid at the beginning of the month after the invoice was received or the liability created.

20. Dividends

	2014	2013
	£	£
Interim dividends paid on Ordinary 1p shares	1,821,964	1,555,814
Dividend per Ordinary 1p share	16.5p	14.5p

21. Operating lease commitments - group

At 31 December 2014 the group was committed to making the following payments in respect of operating leases which expire:

	Equipment 2014	Equipment 2013	Land & buildings 2014	Land & buildings 2013
	£	£	£	£
Not later than one year:	9,052	9,052	63,500	63,500
Later than one year and not later than five years:	31,683	36,209	111,125	174,625
Later than five years:	-	4,526	-	-

Equipment leases relate to the use of postage processing and franking machines.

Operating lease commitments - company

At 31 December 2014 the company was committed to making the following payments in respect of operating leases which expire:

	Land & buildings 2014	Land & buildings 2013
	£	£
Not later than one year:	63,500	63,500
Later than one year and not later than five years:	111,125	174,625

The company has a lease with Sion Holdings Limited, a company controlled by A J Grant, for the rental of 78 Mount Ephraim, a self-contained office building. The lease has an annual rental of £63,500, being the market rate on an arm's length basis, and expires on 26 September 2017.

22. Financial Instruments

The Group's principal financial instruments comprise cash, short terms borrowings and various items such as trade receivables, trade payables etc. that arise directly from operations. The main purpose of these financial instruments is the funding of the group's trading activities. Cash and cash equivalents and trade and other receivables are categorised as loans and receivables, Investments held for trading are categorised as available-for-sale financial assets and trade and other payables are classified as financial liabilities. Other than investments held for trading all financial assets and liabilities are held at amortised cost and their carrying value approximates to their fair value.

The main financial asset of the Group is cash and cash equivalents which is denominated in sterling and which is detailed in note 17. The group operates a low risk investment policy and surplus funds are placed on deposit with at least A rated banks or equivalent at floating interest rates.

The group also holds investments in equities and gilts.

23. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year relate to goodwill, intangible assets, bad debts and the expense of employee options.

As of 31 December 2014, trade receivables of £251,113 (2013: £269,587) were past due and were impaired and partially provided for. The amount of the provision was £145,483 as at 31 December 2014 (2013: £212,376). The individually impaired receivables relate to clients who are in a loan position and who do not have adequate stock to cover these positions. The amount of the impairment is determined by clients' perceived willingness and ability to pay the debt, legal judgements obtained in respect of, charges secured on properties and payment plans in place and being adhered to. Where debts are determined to be irrecoverable they are written off through the income and expenditure account.

	Group		Company	
Provision of impairment of receivables:	2014	2013	2014	2013
	£	£	£	£
At 1 January	212,376	86,352	-	-
Charge / (credit) for the year	84,555	302,609	-	-
Uncollectable amounts written off	(151,448)	(176,585)	-	-
At 31 December	145,483	212,376	-	-

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2 (e). These calculations require the use of estimates. The assumptions and sensitivity relating to the impairment tests are detailed in note 11.

The Group considers at least annually whether there are indications that the carrying values of intangible assets may not be recoverable, or that the recoverable amounts may be less than the asset's carrying value, in which case an impairment review is performed. These calculations require the use of estimates. The Group also calculates the implied levels of variables used in the calculations at which impairment would occur.

Employee options are expensed equally in each year from issue to the date of first exercise. The total cost is calculated on issue based on the Black Scholes method with a volatility rate of 30% and a risk free interest rate of 3.75%. It is assumed that all current employees with options will still qualify for the options at the exercise date. If this did not occur profitability would be increased. Applying the Black Scholes method, the effect of a 1% reduction in the assumed risk free rate is a reduction of £4,169 (2013: £15,721) in the value of the options outstanding at 31 December 2014.

24. Immediate and ultimate parent undertaking

The company's immediate parent undertaking is Sion Securities Limited, a company registered in England and Wales. The company's ultimate parent company is Tudor House Securities LLP, a limited liability partnership registered in England and Wales. The largest set of accounts that Jarvis Securities plc is consolidated into is that of Tudor House Securities LLP. Tudor House Securities LLP is controlled by Mr A J Grant by virtue of his controlling interest. Consolidated financial statements will be available from Tudor House Securities LLP at its registered office address of 78 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS.

25. Related party transactions

The company has a lease with Sion Properties Limited, a company controlled by A J Grant by virtue of his majority shareholding, for the rental of 78 Mount Ephraim, a self-contained office building. The lease has an annual rental of £63,500, being the market rate on an arm's length basis, and expires on 26 September 2017.

Jarvis Securities plc paid no performance related management charge to Jarvis Investment Management Limited during the year (2013: £100,000). Jarvis Investment Management Limited owed Jarvis Securities plc £518,918 (2013: Jarvis Securities plc owed Jarvis Investment Management Limited £140,173) at year end.

As at 31 December 2014 there were no intercompany balances between Sion Securities, the company's immediate and ultimate parent undertaking (2013: £3,285,014 deposited with Jarvis Investment Management Limited). Sion Holdings Limited, a company controlled by A J Grant by virtue of his majority shareholding, had no (2013: £189,334) cash deposited with Jarvis Investment Management Limited at 31 December 2014.

26. Capital commitments

As of 31 December 2014 the company had no capital commitments (2013: nil).

27. Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available for sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the company is the current bid price. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

28. Financial risk management objectives and policies

The directors consider that their main risk management objective is to monitor and mitigate the key risks to the Group, which are considered to be principally credit risk, compliance risk, liquidity risk and operational risk. Several high-level procedures are in place to enable all risks to be better controlled. These include detailed profit forecasts, cash flow forecasts, monthly management accounts and comparisons against forecast, regular meetings of the full Board of Directors, and more regular senior management meetings.

The group's main credit risk is exposure to the trading accounts of clients. This credit risk is controlled via the use of credit algorithms within the computer systems of the subsidiary. These credit limits prevent the processing of trades in excess of the available maximum permitted margin at 100% of the current portfolio value of a client.

A further credit risk exists in respect of trade receivables. The group's policy is to monitor trade and other receivables and avoid significant concentrations of credit risk. Aged receivables reports are reviewed regularly and significant items brought to the attention of senior management.

The compliance risk of the group is controlled through the use of robust policies, procedures, the segregation of tasks, internal reviews and systems controls. These processes are based upon the Rules and guidance notes of the Financial Conduct Authority and the London Stock Exchange and are overseen by the compliance officer together with the management team. In addition, regular compliance performance information is prepared, reviewed and distributed to management.

The group aims to fund its expansion plans mainly from existing cash balances without making use of bank loans or overdraft facilities. Financial risk is therefore mitigated by the maintenance of positive cash balances and by the regular review of the banks used by the Group. Other risks, including operational, reputational and legal risks are under constant review at senior management level by the executive directors and senior managers at their regular meetings, and by the full board at their regular meetings.

The Group derives a significant proportion of its revenue from interest earned on client cash deposits and does not have any borrowings. Hence, the directors do not consider the Group to be materially exposed to interest rate risk in terms of the usual consideration of financing costs, but do note that there is a risk to earnings. Given the current Bank of England base rate is at its lowest level since its foundation in 1694, and the business has remained profitable, this risk is not considered material in terms of a threat to the long term prospects of the Group.

The capital structure of the Group consists of issued share capital, reserves and retained earnings. Jarvis Investment Management Limited has an Internal Capital Adequacy Assessment Process ("ICAAP"), as required by the Financial Conduct Authority ("FCA") for establishing the amount of regulatory capital to be held by that company. The ICAAP gives consideration to both current and projected financial and capital positions. The ICAAP is updated throughout the year to take account of any significant changes to business plans and any unexpected issues that may occur. The ICAAP is discussed and approved at a board meeting of the subsidiary at least annually. Capital adequacy is monitored daily by management. Jarvis Investment Management Limited uses the simplified approach to Credit Risk and the standardised approach for Operational Risk to calculate Pillar 1 requirements. Jarvis Investment Management Limited observed the FCA's regulatory requirements throughout the period. Information disclosure under Pillar 3 of the Capital Requirements Directive is available from the Group's websites.

The directors do not consider that the Group is materially exposed to foreign exchange risk as the Group does not run open currency positions beyond the end of each working day.

Jarvis Securities plc
78 Mount Ephraim
Royal Tunbridge Wells
Kent
TN4 8BS

Tel: 01892 510515
Fax: 01892 518977

Email: invest@jarvisim.co.uk

COMPANY INFORMATION

DIRECTORS:	Andrew J Grant - Chairman and Chief Executive Officer Nick J Crabb - Business Development and Client Services Director Jolyon C Head – Finance Director Graeme McAusland - Non Executive Director	
SECRETARY:	Jolyon C Head	
REGISTERED OFFICE:	78 Mount Ephraim Royal Tunbridge Wells TN4 8BS	
REGISTERED NUMBER:	5107012	
AUDITOR:	Crowe Clark Whitehill LLP 10 Palace Avenue Maidstone ME15 6NF	
REGISTRAR:	Share Registrars Ltd Suite E First Floor 9 Lion & Lamb Yard Farnham Surrey GU9 7LL	
PRINCIPAL BANKERS:	NatWest 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ	
SOLICITORS:	Thomson Snell & Passmore 3 Lonsdale Gardens Royal Tunbridge Wells TN1 1NX	K&L Gates 110 Cannon Street London EC4N 6AR
NOMINATED ADVISER:	WH Ireland Limited 24 Martin Lane London EC4R 0DR	
WEBSITE:	www.jarvisinvest.co.uk	
TRADING ADDRESS:	78 Mount Ephraim Royal Tunbridge Wells TN4 8BS	

NOTICE AND ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING OF JARVIS SECURITIES PLC

Notice is hereby given for the above meeting of the Company.

The meeting is to be held on **Thursday 26th March 2015.** The Annual General Meeting will commence at **9:00 am.**

The Ordinary Resolutions to be considered are:

1. To approve the Directors' Report and Accounts for the year ended 31 December 2014.
2. To re-appoint Crowe Clark Whitehill LLP as auditors.

The Special Resolution to be considered is:

3. To renew the authority previously granted on 28 September 2005 allowing the Company to repurchase its own shares for Treasury or cancellation up to a maximum level of 10% of the Ordinary shares in issue at that date (being 11,120,000 Ordinary 1p shares).

The meeting is scheduled to be held at the Company's offices at:

78 Mount Ephraim
Royal Tunbridge Wells
Kent
TN4 8BS

If you have any special requirements for access or facilities then please let us know in advance so that appropriate arrangements can be made. A location map and directions can be supplied upon request.

Jarvis Securities plc

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING

I/We (*block capitals, please*)..

....

a member*(s)* of the above named Company hereby appoint the **chairman of the meeting**

....

as *my/our* proxy to vote for *me/us* on *my/our* behalf at the Annual General Meeting of the Company to be held on **Thursday 26th March 2015 at 9.00 am** and at any adjournment thereof.

Signature: ....

Dated: ....

Please indicate with an 'X' in the spaces below how you wish your vote to be cast

		For	**Against**
Ordinary Resolution	To approve the Directors' Report and Accounts for the year ended 31 December 2014		
Ordinary Resolution	To re-appoint Crowe Clark Whitehill LLP as auditor		
Special Resolution	To renew the authority for the Company to repurchase its own shares for Treasury or cancellation in accordance with the terms of the Authority previously granted		

NOTES

1. A Member may appoint a proxy of his/her own choice. If such an appointment is made, delete the words 'the Chairman of the meeting' and insert the name of the person appointed proxy in the space provided.
2. If this form is returned without any indication as to how the person appointed proxy shall vote, he/she will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.
3. To be valid, this form must be completed and deposited at the offices of the Company not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.