Company No. **5107012**

JARVIS SECURITIES PLC

FINANCIAL STATEMENTS
For the year ended 31 December 2015

CONTENTS

CHAIRMAN'S STATEMENT

- 7% increase in profit before tax
- 11% increase in year on year interest income
- 61% growth in dividend per share
- 7% increase in EPS

I cannot help but feel a sense of déjà vu as I write this as market conditions in 2015 have followed almost exactly the same pattern as 2014. In the first half of the year market sentiment was positive with the FTSE 100 share index briefly breaking through the 7,000 point barrier in April and May. This in turn led to healthy trade volumes across the market. During the second half of the year concerns about the Chinese economy and the impact of the fall in oil prices have dominated investors' thoughts. Prices have fallen across all market sectors and trade volumes declined.

In spite of a difficult second half in 2015 I am pleased to report another record year of profits. I remain cautious about our short term performance given continuing market uncertainty and the low interest rate environment. Over the medium to long term the business is well positioned to continue to grow and further improve our financial results. At the time of writing we have several enquiries in the pipeline for our out sourcing service, some of whom would immediately add significantly to our trade volumes and cash balance under administration. The interest in this service reflects a market reputation of being able to deliver in a consistent and cost effective manner for market participants. This fits with the overall Jarvis model of ensuring that we do what we say we will do and doing it at a competitive price. The investment we have made in the business in recent years play a key part in supporting that delivery and future growth.

We have this year paid out a special dividend of 10p as cash reserves in the business were continuing to build up. In addition we have purchased and will continue to purchase shares to hold in treasury where we feel the purchase price will increase returns to remaining shareholders. The decision to pay the special dividend was made after considering other investment options for the business and reflects a business model that continues to be highly cash generative.

As I have stated before 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 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

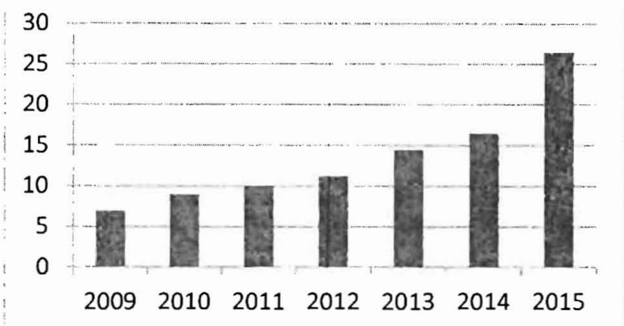
The Jarvis business model continues to be successful. The Board do not have any plans to amend the model or the strategic direction it in the foreseeable future but will continue to seek to optimise the implementation of the model. Jarvis continues to steadily increase retail and commercial clients attracted by our effective low cost offering.

Current forecasts for overall stock market performance in 2016 are pessimistic, with a lot of uncertainty around the impact on the global economy of low oil prices. Whilst a depressed market tends to reduce trade volumes in the short term, lower prices also offer opportunities for investors and we do not anticipate that overall volumes in 2016 should be any lower than in 2015.

Performance

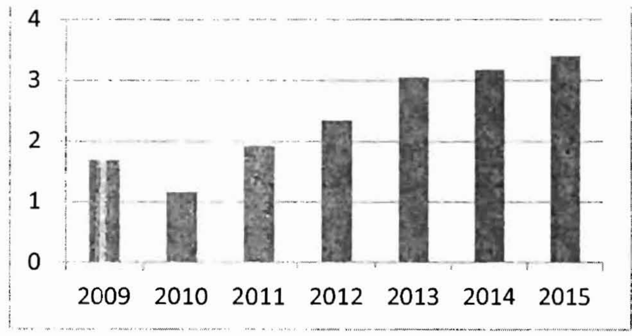
Results and dividends (pence per share)

The consolidated profit for the year after income tax amounted to £2,716,103 (2014 £2,514,210). The company paid dividends per share of 26.5p during the year (2015: 16.5p). In line with dividend policy, the company has paid quarterly interim dividends throughout the year, and will continue to do so through 2016. The company also paid a special interim dividend of 10p per share in July 2015. No final dividend is proposed by the Board.



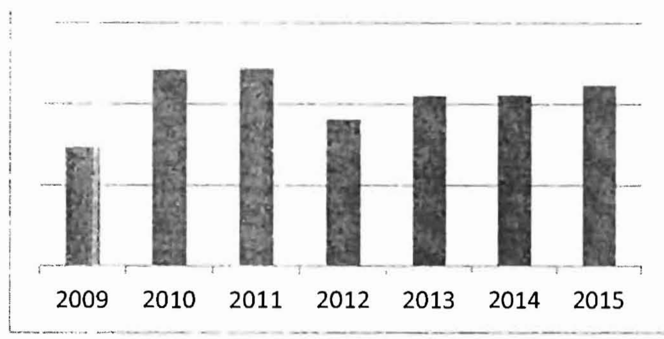
Dividend growth reflects growth of profit after tax. The group aims to return 2/3rds of post tax profit to shareholders. Management feel that 1/3rd of post tax profit is sufficient reinvestment in the infrastructure of the firm to keep our client offering updated.

Profit before tax - £m



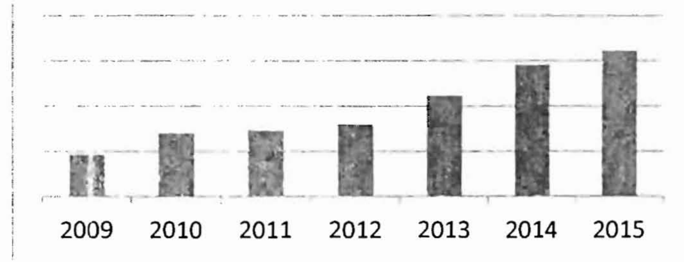
Growth in profitability has been driven through consistently increasing retail and institutional clients. This in turn improves trade volumes and cash under administration. Management have been able to do this without a like for like increase in the cost base. This has been partly achieved through investment in the operating platform 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 11,150,250 Ordinary 1p shares in issue at the end of the year. 76,000 of these shares are held in treasury. 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 398p (2014: 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 to hold in treasury or for cancellation as undertaken during the year.

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.

2015 EPS:	**24.46p**
2014 EPS:	22.79p
Rate of change:	+7.31%
2015 P/E ratio:	**16.26**
2014 P/E ratio:	21.05

Principal risks and uncertainties

The following are the main risks to the Jarvis Securities plc group that are considered and monitored by the Board.

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.

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 and as such is less exposed to some of the more complex and onerous areas of the regulatory environment. As part of ongoing risk management such 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.

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 2016

DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 December 2015.

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 27 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 27.

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 2016

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 2015 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 27.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as 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 2015 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 2016

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	**Year to 31/12/15**	Year to 31/12/14
		£	£
Continuing operations:			
Revenue	3	**7,614,664**	7,314,384
Administrative expenses		**(4,220,406)**	(4,122,256)
Finance costs	5	**-**	(5,851)
Profit before income tax	6	**3,394,258**	3,186,277
Income tax charge	8	**(678,155)**	(672,067)
Profit for the period		**2,716,103**	2,514,210
Attributable to equity holders of the parent		**2,716,103**	2,514,210
Earnings per share	9	**P**	P
Basic		**24.46**	22.79
Diluted		**24.39**	22.68

The notes on pages 14 to 28 form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

	Notes	**Year to 31/12/15**	Year to 31/12/14
		£	£
Profit for the period		**2,716,103**	2,514,210
Total comprehensive income for the period		**2,716,103**	2,514,210
Attributable to equity holders of the parent		**2,716,103**	2,514,210

COMPANY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

	Notes	**Year to 31/12/15**	Year to 31/12/14
		£	£
Profit for the period		**2,231,593**	2,100,841
Total comprehensive income for the period		**2,231,593**	2,100,841
Attributable to equity holders of the company		**2,231,593**	2,100,841

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

Company No.: 5107012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	Notes	31/12/15	31/12/14
		£	£
Assets			
Non-current assets			
Property, plant and equipment	10	**235,536**	243,348
Intangible assets	11	**174,857**	230,722
Goodwill	11	**342,872**	342,872
		753,265	816,942
Current assets			
Investments held to maturity	12	**-**	246,979
Trade and other receivables	14	**3,233,971**	2,674,034
Investments held for trading	15	**77,057**	13,626
Cash and cash equivalents	16	**9,777,936**	8,296,385
		13,088,964	11,231,024
Total assets		**13,842,229**	12,047,966
Equity and liabilities			
Capital and reserves			
Share capital	17	**111,503**	111,200
Share premium		**1,520,119**	1,467,485
Merger reserve		**9,900**	9,900
Capital redemption reserve		**9,845**	9,845
Share option reserve		**136,556**	136,556
Retained earnings		**2,626,295**	2,955,642
Own shares held in treasury	17	**(301,514)**	-
Total equity attributable to the equity holders of the parent		**4,112,704**	4,690,628
Current liabilities	18		
Trade and other payables	18	**9,389,215**	7,055,111
Deferred tax	18	**9,238**	23,919
Income tax	18	**331,072**	278,308
Total current liabilities	18	**9,729,525**	7,357,338
Total equity and liabilities		**13,842,229**	12,047,966

Approved and authorised for issue by the Board on 18th February 2016 and signed on its behalf by:

..........................Andrew J Grant – Director

..........................Jolyon 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 2015

	Notes	31/12/15	31/12/14
		£	£
Assets			
Non-current assets			
Property, plant and equipment	*10*	**235,536**	243,348
Intangible assets	*11*	**174,857**	230,722
Goodwill	*11*	**342,872**	342,872
Investment in subsidiaries	*13*	**284,239**	284,239
		1,037,504	1,101,181
Current assets			
Trade and other receivables	*14*	**796,631**	1,173,874
Cash and cash equivalents	*16*	**1,089,101**	1,162,770
		1,885,732	2,336,644
Total assets		**2,923,236**	3,437,825
Equity and liabilities			
Capital and reserves			
Share capital	*17*	**111,503**	111,200
Share premium		**1,520,119**	1,467,485
Capital redemption reserve		**9,845**	9,845
Share option reserves		**136,556**	136,556
Retained earnings		**598,450**	1,412,307
Own shares held in treasury	*17*	**(301,514)**	-
Total equity attributable to the equity holders		**2,074,959**	3,137,393
Current liabilities	*18*		
Trade and other payables	*18*	**525,540**	31,700
Deferred tax	*18*	**9,238**	23,919
Income tax	*18*	**313,499**	244,813
Total current liabilities	*18*	**848,277**	300,432
Total equity and liabilities		**2,923,236**	3,437,825

Approved and authorised for issue by the Board on 18th February 2016 and signed on its behalf by:

........................Andrew J Grant – Director

........................Jolyon C Head – Director

The notes on pages 14 to 30 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	Own shares held in Treasury	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2014	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
Share options exercised during the year	303	52,634	-	-	-	-	-	52,937
Profit for the financial year	-	-	-	-	-	2,716,103	-	2,716,103
Dividends	-	-	-	-	-	(2,947,571)	-	(2,947,571)
Purchase of own shares held in treasury	-	-	-	-	-	-	(482,072)	(482,072)
Sale of own shares held in treasury	-	-	-	-	-	(97,879)	180,558	82,679
At 31 December 2015	111,503	1,520,119	9,900	9,845	136,556	2,626,295	(301,514)	4,112,704

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital redemption reserve	Share option reserve	Retained earnings	Own shares held in treasury	Total equity
	£	£	£	£	£	£	£
At 1 January 2014	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
Share options exercised during the year	303	52,634	-	-	-	-	52,937
Profit for the financial year	-	-	-	-	2,231,593	-	2,231,593
Dividends	-	-	-	-	(2,947,571)	-	(2,947,571)
Purchase of own shares held in treasury	-	-	-	-	-	(482,072)	(482,072)
Sale of own shares held in treasury	-	-	-	-	(97,879)	180,558	82,679
At 31 December 2015	111,503	1,520,119	9,845	136,556	598,450	(301,514)	2,074,959

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

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

		CONSOLIDATED		COMPANY	
		Year to 31/12/15	Year to 31/12/14	**Year to 31/12/15**	Year to 31/12/14
	Notes				
		£	£	**£**	£
Cash flow from operating activities					
Profit before income tax		**3,394,258**	3,186,277	**2,786,670**	2,659,026
Depreciation and amortisation	*6*	**67,457**	87,634	**67,457**	71,663
Share based payment expense	*6*	**-**	7,394	**-**	7,394
Profit on disposal of investments held to maturity		**(1,875)**	-	**-**	-
Finance costs	*5*	**-**	5,851	**-**	-
		3,459,840	3,287,156	**2,854,127**	2,738,083
Decrease/(Increase) in trade and other receivables		**(559,937)**	45,887	**377,243**	(627,943)
(Decrease) /Increase in trade payables		**2,334,103**	(3,040,756)	**493,839**	(143,785)
Increase in investments in subsidiaries		**-**	-	**-**	(1,201)
(Increase)/Decrease in investments held for trading		**(63,431)**	(7,869)	**-**	-
Cash generated from operations		**5,170,575**	284,418	**3,725,209**	1,965,154
Interest paid		**-**	(5,851)	**-**	-
Income tax (paid)/received		**(640,072)**	(904,469)	**(501,072)**	(729,469)
Net cash from operating activities		**4,530,503**	(625,902)	**3,224,137**	1,235,685
Cash flows from investing activities					
Purchase of property, plant and equipment		**(3,780)**	(9,078)	**(3,780)**	(9,078)
Receipt from sale of investment		**248,855**	-	**-**	-
Purchase of intangible assets		**-**	(1,277)	**-**	(1,277)
		245,075	(10,355)	**(3,780)**	(10,355)
Cash flows from financing activities					
Issue of share capital		**52,937**	408,888	**52,937**	408,888
Repurchase of ordinary share capital		**(482,072)**	-	**(482,072)**	-
Sale of treasury shares		**82,679**	-	**82,679**	-
Dividends paid		**(2,947,571)**	(1,821,964)	**(2,947,571)**	(1,821,964)
Net cash used in financing activities		**(3,294,027)**	(1,413,076)	**(3,294,027)**	(1,413,076)
Net increase/(decrease) in cash & cash equivalents		**1,481,551**	(2,049,333)	**(73,670)**	(187,746)
Cash and cash equivalents at the start of the year		**8,296,385**	10,345,718	**1,162,770**	1,350,516
Cash and cash equivalents at the end of the year		**9,777,936**	8,296,385	**1,089,101**	1,162,770
Cash and cash equivalents:					
Cash at bank and in hand		**9,777,936**	8,296,385	**1,089,101**	1,162,770

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 14 Regulatory Deferral Accounts
IFRS 9 Financial Instruments
IFRS 15 Revenue from Contracts with Customers and amendments to IFRS 15: Effective date of IFRS 15
IFRS 16 Leases
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities – Applying the Consolidation Exception
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1: Disclosure Initiative
Amendment to IAS 27: Equity Method in Separate Financial Statements
Amendments to IAS16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations
Amendments to IAS 16 and IAS 41: Bearer Plants

Other than the possible exception of IFRS 16 which is currently under review, the 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 22.

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 27 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 2015.

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 £2,231,593 (2014: £2,100,841).

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(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 receivables and payables. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(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 group offers settlement of trades in various currencies, predominately Sterling, US dollars and Euros. The group 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 group has minimal 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(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.

	2015	2014
	£	£
Gross interest earned from treasury deposits, cash at bank and overdrawn client accounts	3,391,977	3,053,533
Fees, commissions, foreign exchange gains and other revenue	4,222,687	4,260,851
	7,614,664	7,314,384

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

	2015	2014
	£	£
Interest on bank loans, overdrafts and tax	-	5,851
	-	5,851

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Profit before income tax	2015	2014
Profit before income tax is stated after charging/(crediting):	£	£
Directors' emoluments	526,329	562,102
Depreciation – owned assets	11,592	15,797
Amortisation (included within administrative expenses in the consolidated income statement)	55,865	55,865
Operating lease rentals – hire of machinery	9,052	9,052
Operating lease rentals – land and buildings	63,500	63,500
Impairment of receivable charge	135,550	84,555
Bank transaction fees	52,199	47,086

Details of Directors' annual remuneration as at 31 December 2015 are set out below:

	2015	2014
	£	£
Short-term employee benefits	455,500	491,500
Post-employment benefits	61,239	56,666
Share based payment expense	-	6,193
Benefits in kind	9,590	7,743
	526,329	562,102
Details of the highest paid director are as follows:		
Aggregate emoluments	240,000	264,894
Company contributions to personal pension scheme	24,000	37,966
Benefits in kind	8,132	6,703
	272,132	309,563

	Emoluments & Benefits in kind	Pension	Total
Directors	£	£	£
Andrew J Grant	248,132	24,000	272,132
Nick J Crabb	101,958	28,139	130,096
Jolyon C Head	101,000	9,100	107,700
Graeme McAusland	14,000	-	14,000
TOTAL	465,090	61,239	526,329

During the year benefits accrued for three directors (2014: three directors) under a money purchase pension scheme. In addition, Andrew Grant made a gain of £141,777 (2014: £780,690) from exercising options.

Staff Costs

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

	2015	2014
Management and administration	44	42
The aggregate payroll costs of these persons were as follows:	£	£
Wages, salaries & social security	1,605,814	1,546,545
Pension contributions including salary sacrifice	63,025	41,700
Share based payment expense	-	7,394
	1,668,839	1,595,639

Key personnel

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Auditors' remuneration

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

	2015	2014
	£	£
Fees payable to the company's auditors for the audit of the company's annual financial statements	21,000	20,000
Fees payable to the company's auditors and its associates for other services:		
The audit of the company's subsidiaries, pursuant to legislation	12,000	11,950
Total audit fees	33,000	31,950
Taxation Compliance	4,250	4,050
Other taxation advisory services not relating to compliance	-	5,000
	37,250	41,000

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

8. Income and deferred tax charges - group

	2015	2014
	£	£
Based on the adjusted results for the year:		
UK corporation tax	688,498	683,182
Adjustments in respect of prior years	4,339	(34,624)
Total current income tax	692,837	648,557
Deferred income tax:		
Origination and reversal of timing differences	(11,062)	3,026
Adjustment in respect of change in deferred tax rate	-	(1,045)
Adjustment in respect of prior years	(3,619)	21,528
Total deferred tax (credit) / charge	(14,681)	23,509
Income tax on profit	678,155	672,067

The income tax assessed for the year is less than the standard rate of corporation tax in the UK (20.25%). The differences are explained below:

	2015	2014
Profit before income tax	3,394,258	3,186,277
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%)	687,337	685,049
Effects of:		
Expenses not deductible for tax purposes	61	-
Adjustments to tax charge in respect of previous years	720	(13,096)
IFRS 2 (share option) expense	(10,358)	1,590
Ineligible depreciation	395	419
Adjustment in respect of change in deferred tax rate	-	(1,045)
Other	-	(850)
Current income tax charge for the year	678,155	672,067

	2015	2014
Movement in (assets) / provision – group and company:		
Provision at start of year	23,919	410
Deferred income tax (creditor) / charged in the income statement in the year	(11,062)	1,981
Adjustment in respect of prior periods	(3,619)	21,528
(Asset) / Provision at end of year	9,238	23,919

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

	Share Based Payments
The deferred tax balances arise from taxable temporary differences in respect of the following:	
Deferred tax (asset) / liability brought forward	-
Current year	(10,335)
(Asset) at end of year	(10,335)

	Tangible Assets
Deferred tax liability brought forward	23,919
Charge / (credit) to income	
Current year	(727)
Prior year	(3,619)
Liability at end of year	19,573

9. Earnings per share

	2015	2014
	£	£
Earnings:		
Earnings for the purposes of basic and diluted earnings per share		
(profit for the period attributable to the equity holders of the parent)	2,716,103	2,514,210
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	11,105,705	11,031,288
Effect of dilutive potential ordinary shares:		
Share option scheme	32,500	55,474
	11,138,205	11,086,762

Shares held in treasury are deducted for the purpose of calculating earnings per share. 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 2014	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
Additions	-	-	3,780	3,780
Disposals	-	-	-	-
At 31 December 2015	222,450	4,014	253,614	480,078
Depreciation:				
At 1 January 2014	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
Charge for the year	1,949	873	8,770	11,592
On Disposal	-	-	-	-
At 31 December 2015	7,309	1,826	235,407	244,542
Net Book Value:				
At 31 December 2015	215,141	2,188	18,207	235,536
At 31 December 2014	217,090	3,061	23,197	243,348

11. Intangible assets & goodwill - group & company

		Intangible assets				
	Goodwill	Customer Relationships	Databases	Software Development	Website	Total
	£	£	£	£	£	£
Cost:						
At 1 January 2014	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
Additions	-	-	-	-	-	-
At 31 December 2015	342,872	177,981	25,000	217,961	103,519	524,461
Amortisation:						
At 1 January 2014	-	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
Charge for the year	-	18,291	1,000	36,574	-	55,865
At 31 December 2015	-	120,307	12,719	113,059	103,519	349,604
Net Book Value:						
At 31 December 2015	342,872	57,674	12,281	104,902	-	174,857
At 31 December 2014	342,872	75,965	13,281	141,476	-	230,722

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

Goodwill represents the difference between the consideration paid and the fair value of assets acquired on the acquisition of a business in 2003. In accordance with the transitional provisions in IFRS 1 the group elected not to apply IFRS 3 retrospectively to past business combinations. Therefore the goodwill balance represents an acquired customer base, that continues to trade with group to this day and, more fundamentally, systems, processes and a registration that dramatically reduced the group's dealing costs. These systems and the registration contributed significantly to turning the group into the low cost cost effective provider of execution only stockbroking solutions that it is today.

An impairment review is conducted annually (or more frequently if indicators of impairment are noted) by preparing a value in use calculation over a five year period. The key assumptions into the value in use calculation are the attrition rate of customers: 7% based upon the actual rate for the previous period and the discount rate: 6% based upon the company's weighted average cost of capital. The discount rate used is pre-tax. Having completed this calculation the directors conclude that there is no reasonably possible change in any of the key assumptions that will result in the carrying amount of goodwill exceeding its recoverable amount.

12. Investments held to maturity

	Group		Company	
	2015	2014	2015	2014
Unlisted Investments:	£	£	£	£
Cost:				
At 1 January	300,067	300,067	-	-
Disposals	(300,067)	-	-	-
As at 31 December	-	300,067	-	-
Amortisation:				
At 1 January	53,088	37,119	-	-
Charge for the year	15,969	15,969	-	-
Disposal	(69,057)	-		
As at 31 December	-	53,088	-	-
Net Book Value:				
At 1 January	246,979	262,948	-	-
At 31 December	-	246,979	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Investments held to maturity (continued)

The investment held to maturity was an 8% coupon UK Government Gilt. The Gilt was originally purchased to place as a bond with a 3rd party business partner. The relationship was terminated during 2015 and the Gilt returned to us. As it was no longer needed for its original purpose it was sold.

13. Investments in subsidiaries

	Company 2015	Company 2014
Unlisted Investments:	£	£
Cost:		
At 1 January	284,239	283,038
Capital contributions re share option costs	-	1,201
As at 31 December	284,239	284,239

	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*

14. Trade and other receivables

	Group		Company	
Amounts falling due within one year:	2015	2014	2015	2014
	£	£	£	£
Trade receivables	219,471	335,898	15,789	7,026
Settlement receivables	1,946,180	1,414,929	-	-
Amounts owed by group undertakings	-	-	-	518,918
Other receivables	434,225	219,001	415,875	215,875
Prepayments and accrued income	634,095	704,206	364,967	432,055
	3,233,971	2,674,034	796,631	1,173,874

An analysis of trade and settlement receivables past due is given in note 22. There are no amounts past due included within other receivables or prepayments and accrued income.

15. Investments held for trading

	Group		Company	
	2015	2014	2015	2014
Listed Investments:	£	£	£	£
Valuation:				
At 1 January	13,626	5,757	-	-
Additions	758,882	2,650,116	-	-
Disposals	(695,451)	(2,642,247)	-	-
As at 31 December	77,057	13,626	-	-

Listed investments held for trading are stated at their market value at 31 December 2015 and are considered to be level one assets in accordance with IFRS 13.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Balance at bank and in hand – group/company	2,792,353	3,255,338	1,089,101	1,162,770
Cash held for settlement of market transactions	6,985,583	5,041,047	-	-
	9,777,936	8,296,385	1,089,101	1,162,770

17. Share capital

	2015	2014
Authorised:	160,000	160,000
16,000,000 Ordinary shares of 1p each	160,000	160,000

	2015	2014
	£	£
At 1 January 2015	111,200	107,825
Allotted, issued and fully paid during the year	303	3,375
Allotted, issued and fully paid:		
11,150,250 (2014: 11,120,000) Ordinary shares of 1p each	111,503	111,200

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 and all options have now vested. 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.

During the period 123,250 shares were purchased to be held in treasury. 47,250 of these shares were used to satisfy options with an exercise price of 175p per option, exercised by Andrew Grant on 11th May 2015. As at the period end 76,000 shares are held in treasury.

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

	2015		2014	
	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	110,000	175.00	447,500	134.39
Exercised during the year	(77,500)	175.00	(337,500)	121.15
Outstanding at year end	32,500	175.00	110,000	175.00
Exercisable at year end	32,500	175.00	110,000	175.00

A detailed breakdown of the exercise prices for options outstanding as at 31 December 2015 is shown in the table below:

	2015		2014	
Exercise Price *(pence)*	Number outstanding at year end	Exercise dates	Number outstanding at year end	Exercise dates
175.00 *(granted 18 May 2007)*	32,500	17 May 2015 to 17 May 2017	110,000	17 May 2015 to 17 May 2017

The total number of options unexercised and in issue at the year end is 32,500. Options were exercised throughout the year and the weighted average share price for the year was 398p (2014: 480p).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Trade and other payables

Amounts falling due within one year:	Group 2015	Group 2014	Company 2015	Company 2014
	£	£	£	£
Trade payables	70,793	63,135	3,474	-
Settlement payables	8,724,052	6,557,470	-	-
Amount owed to group undertaking	-	-	471,697	-
Other taxes and social security	63,931	100,428	2,835	1,801
Other payables	326,449	182,579	18,483	1,750
Accruals	203,990	151,499	29,500	28,149
Trade and other payables	9,389,215	7,055,111	525,989	31,700
Income tax	331,072	278,308	313,489	244,813
Deferred tax	9,238	23,919	9,238	23,919
Total liabilities	9,729,525	7,357,338	848,716	300,432

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.

19. Dividends

	2015	2014
	£	£
Interim dividends paid on Ordinary 1p shares	2,947,571	1,821,964
Dividend per Ordinary 1p share	26.5p	16.5p

20. Operating lease commitments - group

At 31 December 2015 the group was committed to making the following payments in respect of operating leases which expire:

	Equipment 2015	Equipment 2014	Land & buildings 2015	Land & buildings 2014
	£	£	£	£
Not later than one year:	9,052	9,052	63,500	63,500
Later than one year and not later than five years:	22,631	31,683	47,625	111,125
Later than five years:	-	-	-	-

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

Operating lease commitments - company

At 31 December 2015 the company was committed to making the following payments in respect of operating leases which expire:

	Land & buildings 2015	Land & buildings 2014
	£	£
Not later than one year:	63,500	63,500
Later than one year and not later than five years:	47,625	111,125

The company has a lease with Sion Properties 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.

21. 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 16. 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.

22. 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 2015, trade receivables of £378,690 (2014: £251,113) were past due and were impaired and partially provided for. The amount of the provision was £207,711 as at 31 December 2015 (2014: £145,483). 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:	2015	2014	2015	2014
	£	£	£	£
At 1 January	145,483	212,376	-	-
Charge / (credit) for the year	135,550	84,555	-	-
Uncollectable amounts written off	(73,322)	(151,448)	-	-
At 31 December	207,711	145,483	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. Immediate and ultimate parent undertaking

The company's immediate and ultimate parent undertaking is Sion Securities Limited, a company registered in England and Wales. Sion Securities Limited is controlled by Mr A J Grant by virtue of his controlling interest.

24. 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 owed Jarvis Investment Management Limited £471,697 (2014: Jarvis Investment Management Limited owed Jarvis Securities Plc £518,918) at year end.

Sion Holdings Limited, a company controlled by A J Grant by virtue of his majority shareholding, had £490,906 (2014: nil) cash deposited with Jarvis Investment Management Limited at 31 December 2015. Sion Properties Limited, a company controlled by A J Grant by virtue of his majority shareholding, had £221,698 (2014: nil) deposited with Jarvis Investment Management Limited.

25. Capital commitments

As of 31 December 2015 the company had no capital commitments (2014: nil).

26. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. 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 24th March 2016.** 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 2015.
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 11,150,250 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 24th March 2016 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 2015		
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.