Company No. **5107012**

JARVIS SECURITIES PLC

FINANCIAL STATEMENTS
For the year ended 31 December 2018

CONTENTS

CHAIRMAN'S STATEMENT

- 2% decrease in profit before tax
- 7% increase in year on year interest income
- 4% growth in dividend per share
- 2% decrease in EPS

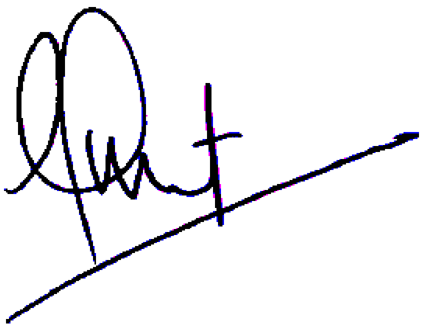
I am delighted with these results despite the small drop in the profit before tax. Revenues have increased through restructuring our commercial fee tariffs and providing additional revenue generating services to our commercial clients. The anticipated cost increases brought about by MIFID II have been offset by the higher revenue and last year's record profitability has been almost equalled in a market that over the course of the year was comparatively more difficult.

The tougher conditions experienced in the final quarter of the year remain at the time of writing, fuelled by economic uncertainty and low investor confidence. I do not anticipate this continuing in the longer term as clarity over Brexit arrangements will soon be forthcoming, at which point I expect client trading volumes to return to previous higher levels. As a UK centric business, we remain largely unaffected by the other ramifications of Brexit.

I am optimistic about the coming year. 2019 will benefit from a full year of the additional services and fee tariffs that were introduced in June 2018. The second half of 2018 substantially outperformed the first six months and we would have had another record year had these been in place for the full 12 months. There are no significant cost increases anticipated, but most importantly there are no further major pieces of regulation to adopt. This will leave management and staff to focus on developing and growing the business.

We continue to receive enquiries from potential commercial clients attracted by our competitively priced service. Our retail client numbers are also increasing, which in turn improve both the balance of cash under administration and interest income earned.

As always I would like to thank Jarvis staff for their continued hard work.



Andrew Grant
Chairman

STRATEGIC REPORT

Key developments and outlook

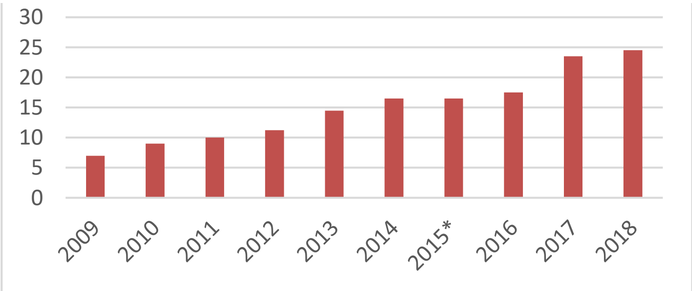
During the latter half of 2018 and through 2019 the cost base of the business increased as a result of the increased regulatory requirements of MIFID II and GDPR. A review of the pricing of the Group's model B offering was undertaken which included all the additional services now being provided. The new pricing structure was successfully implemented in June 2018. This has increased the fixed income of the group, which offsets the increases in fixed costs. Aside from this amendment, the existing business model continues to be successful and there are no plans for any radical changes.

Market volumes in 2018 were lower than in 2017 which is reflected in commission earned during the period. The daily trade volume is expected to fluctuate considerably during the year ahead as a result of the current political uncertainty around Brexit.

Performance

Results and quarterly dividends (pence per share)
The consolidated profit for the year after income tax amounted to £3,481,959 (2017: £3,553,330). The company paid quarterly dividends per share of 24.5p during the year (2017: 23.5p). In line with dividend policy, the company has paid quarterly interim dividends throughout the year, and will continue to do so through 2019. No final dividend is proposed by the board.

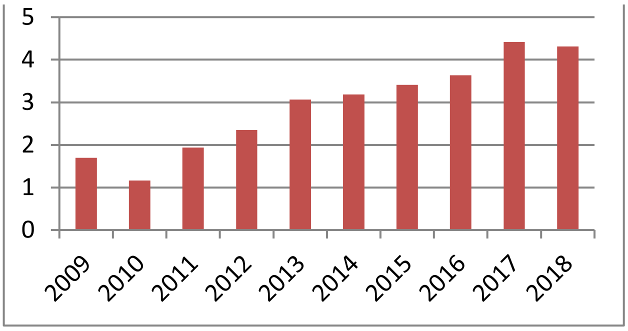
Annual Dividend (pence per share)



* In 2015 in addition to total quarterly dividends of 16.5p per share and 10p special dividend was also paid.

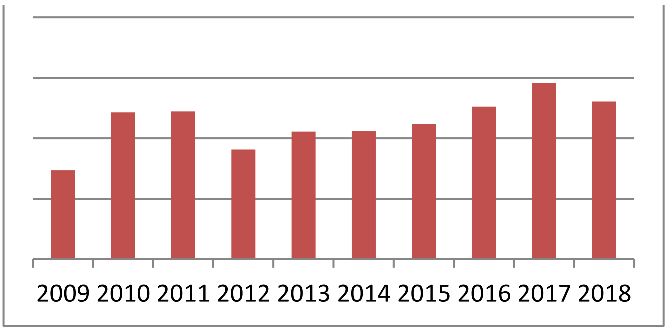
Dividend growth reflects the trend of the growth of profit after tax. Management will retain sufficient profit to meet regulatory capital requirements and for reinvestment in the infrastructure of the firm to keep our client offering up to date.

Profit before tax - £m



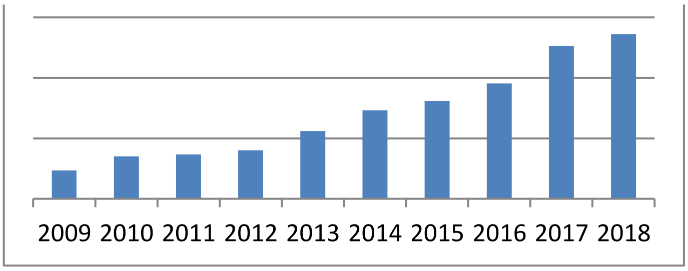
The small reduction in profit before tax this year has been caused by increases in costs due to MIFID II. The drivers of profitability remain the same – increasing retail and institutional clients which in turn increase trade volumes and cash under administration. The business model contains scalability and further increases in client numbers can be accommodated without like for like increases in the cost base.

Trade Volumes - average daily volume



2018 was a year of significant political uncertainty from which the stock market was far from immune. During the year trading volumes varied significantly, often driven by daily events in Westminster and Brussels. The volume of trades executed given this environment is considered by management to be excellent and reflects the continued underlying growth of the business.

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. Despite the prevailing conditions of 2018 cash under administration has increased year on year.

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 11,182,750 Ordinary 1p shares in issue at the end of the year. 231,300 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 478p (2017: 452p). 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.

These measures are important to investors and hence need to be given high regard. The board will continue its efforts to maintain the 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.

2018 EPS:	**31.79p**
2017 EPS:	32.40p
Rate of change:	-1.9%
2018 P/E ratio:	**15.04**
2017 P/E ratio:	13.96

Principal risks and uncertainties

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

Revenue risk

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, the firm's risk appetite results in the avoidance of entry 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.

Cybercrime

Loss of data, client assets or corporate assets through breaches of our IT infrastructure would result in financial loss to the firm and reputational damage.

The board acknowledge the growing threat of cybercrime and maintain up to date industry standards in IT security. The firm's IT infrastructure is externally audited to the Payment Card Industry Data Security Standard, policies and procedures are in place to minimise the risk of critical data loss, employees must complete ongoing training in money laundering and fraud prevention and all computers are installed with malware protection.

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.

The firm is UK centric and will remain largely unaffected by the practical ramifications of Brexit.

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
13th March 2019

DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 December 2018.

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 judgements 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.

The Board
The board of Jarvis comprises three executive directors and one non-executive director, who is considered to be independent. The board meets quarterly and all current board members attend all board meetings. The board considers its composition appropriate for the size of the company. The executive directors are full time and the non-executive director is part time. The non-executive director is expected to commit up to one day a month and any additional days as is necessary to fulfil his responsibilities to the company. The number of board meetings held in the year is four and there has been 100% attendance by all the directors.

The board comprises individuals who have differing backgrounds within the financial services industry. The board considers that the mix of skills is appropriate to deliver the strategy of the company. Board members have various resources at their disposal such as auditors, consultants and memberships of professional bodies to ensure they remain abreast of developments within the industry. Directors keep their skills up to date by attending appropriate conferences and, training seminars and the use of online training tools. The board has had no specific external advisers other than its Nomad, auditors and lawyers during the year. Biographical details of each Director can be found on the group's investor website.

The objectives of the board are aligned with the strategy and business model designed to promote long term shareholder value stated in the first principal of the code. These objectives are measured through the financial performance of Jarvis. Of specific concern when evaluating the board's performance are earnings per share, dividend per share, and profit before tax. Board evaluation takes place annually at the end of the financial year. Should a board member resign, they are contractually required to serve a notice period deemed to be adequate to ensure succession planning can occur.

The board are aware that in order to maximise shareholder value, it is essential that the company maintain a reputation as a market leading service provider as well as exercising their tasks with a high degree of skill and diligence. The culture is focussed around carrying out our role for customers in an efficient manner at an acceptable price. Credit is given for identifying and resolving errors and there is an on-going focus on improving processes. The board implements these principles through the appraisal process and recruitment and reward is partially linked to compliance.

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 has considerable financial resources together with long term contracts with all its 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.

Future developments
Future developments are discussed in the Chairman's statement.

Research and Developments
During the year the group incurred software and website development costs of £46,253 (2017: 67,598), these amounts have been capitalised within the website class of intangible assets.

Purchase of own shares
During the period no Ordinary Shares (2017: 61,000) were purchased by the company and held in treasury.

Financial Instruments
Details of our financial risk mitigation policy are included in note 25.

Dividends
Dividends are discussed in the Strategic Report.

Subsequent Events
On 30th January 2019, a first quarterly dividend of 6 pence per share was declared, to be paid on 7th March 2019. The directors consider there are no other subsequent events.

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 S McAusland	Non-Executive Director

Auditor
A resolution to re-appoint Crowe U.K 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
13th March 2019

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

Opinion

We have audited the financial statements of Jarvis Securities plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2018, which comprise:

- the group income statement for the year ended 31 December 2018;
- the group statement of comprehensive income for the year ended 31 December 2018;
- the group and parent company statements of financial position as at 31 December 2018;
- the group and parent company statements of cash flows for the year then ended;
- the group and parent company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 2018 and of the group's profit for the period 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the group financial statements as a whole to be £310,000 (FY17 £310,000), based on 8% of Group profit before tax.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £10,800 (2017: £10,800). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made employed significant judgements and estimates. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key Audit Matters

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

This is not a complete list of all risks identified by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Income recognition Income recognition is a key audit matter as income is significantly material to the group and is an important determinant of the group's profitability. As part of our assessment of the group's income streams we evaluated that there is a significant risk for a material misstated to occur in the commission and fee income resulting from error or fraud.	*Retail commission* To address the significant risk identified we have independently recalculated retail commission income based on data extracted from the front office system and commission rates for the period. The integrity of the data extracted was verified by testing a sample of commission income back to client instructions. *Other income* We tested the remaining commission and fee income by agreeing a sample back to supporting documentation. No significant exceptions were noted.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 5 to 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Ian Weekes (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH
13th MARCH 2019

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	**Year to 31/12/18**	Year to 31/12/17
		£	£
Continuing operations:			
Revenue	*3*	**10,050,567**	9,423,436
Administrative expenses		**(5,736,062)**	(5,002,938)
Profit before income tax	*5*	**4,314,505**	4,420,498
Income tax charge	*7*	**(832,546)**	(867,168)
Profit for the period		**3,481,959**	3,553,330
Attributable to equity holders of the parent		**3,481,959**	3,553,330
Earnings per share	*8*	**P**	P
Basic and diluted		**31.79**	32.40

The notes on pages 17 to 30 form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

	Notes	**Year to 31/12/18**	Year to 31/12/17
		£	£
Profit for the period		**3,481,959**	3,553,330
Total comprehensive income for the period		**3,481,959**	3,553,330
Attributable to equity holders of the parent		**3,481,959**	3,553,330

The notes on pages 17 to 30 form part of these financial statements

Company No.: 5107012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018

	Notes	31/12/18	31/12/17
		£	£
Assets			
Non-current assets			
Property, plant and equipment	9	**218,457**	219,940
Intangible assets	10	**93,463**	149,662
Goodwill	10	**342,872**	342,872
		654,792	712,474
Current assets			
Trade and other receivables	12	**5,285,001**	2,947,626
Investments held for trading	13	**1,956**	13,546
Cash and cash equivalents	14	**4,655,473**	13,175,503
		9,942,430	16,136,675
Total assets		**10,597,222**	16,849,149
Equity and liabilities			
Capital and reserves			
Share capital	15	**111,828**	111,828
Share premium		**1,576,669**	1,576,669
Merger reserve		**9,900**	9,900
Capital redemption reserve		**9,845**	9,845
Retained earnings		**5,523,363**	4,723,986
Own shares held in treasury	15	**(859,587)**	(859,587)
Total equity attributable to the equity holders of the parent		**6,372,018**	5,572,641
Current liabilities			
Trade and other payables	16	**3,739,910**	10,658,206
Deferred tax	16	**37,451**	32,929
Income tax	16	**447,843**	585,373
Total current liabilities	16	**4,225,204**	11,276,508
Total equity and liabilities		**10,597,222**	16,849,149

Approved and authorised for issue by the board on 13th March 2019 and signed on its behalf by:

………………………Andrew J Grant – Director

………………………Jolyon C Head – Director

The notes on pages 17 to 30 form part of these financial statements

Company No.: 5107012

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018

	Notes	31/12/18	31/12/17
		£	£
Assets			
Non-current assets			
Property, plant and equipment	*9*	**218,457**	219,940
Intangible assets	*10*	**93,463**	149,662
Goodwill	*10*	**342,872**	342,872
Investment in subsidiaries	*11*	**284,239**	284,239
		939,031	996,713
Current assets			
Trade and other receivables	*12*	**721,480**	70,481
Cash and cash equivalents	*14*	**2,588,487**	3,503,452
		3,309,967	3,573,933
Total assets		**4,248,998**	4,570,646
Equity and liabilities			
Capital and reserves			
Share capital	*15*	**111,828**	111,828
Share premium		**1,576,669**	1,576,669
Capital redemption reserve		**9,845**	9,845
Retained earnings		**2,314,978**	2,116,007
Own shares held in treasury	*15*	**(859,587)**	(859,587)
Total equity attributable to the equity holders		**3,153,733**	2,954,762
Current liabilities			
Trade and other payables	*16*	**700,086**	1,139,278
Deferred tax	*16*	**37,451**	32,929
Income tax	*16*	**357,728**	443,677
Total current liabilities	*16*	**1,095,265**	1,615,884
Total equity and liabilities		**4,248,998**	4,570,646

The parent company's profit for the financial year was £3,583,323 (2017: £3,438,880).

Approved and authorised for issue by the board on 13th March 2019 and signed on its behalf by:

………………………Andrew J Grant – Director

………………………Jolyon C Head – Director

The notes on pages 17 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 2017	111,518	1,522,729	9,900	9,845	136,556	3,610,339	(616,943)	4,783,944
Share options exercised during the year	310	53,940	-	-	-	-	-	54,250
Profit for the financial year	-	-	-	-	-	3,553,330	-	3,553,330
Dividends	-	-	-	-	-	(2,576,239)	-	(2,576,239)
Purchase of own shares held in treasury	-	-	-	-	-	-	(242,644)	(242,644)
Transfer to retained earnings	-	-	-	-	(136,556)	136,556	-	-
At 31 December 2017	111,828	1,576,669	9,900	9,845	-	4,723,986	(859,587)	5,572,641
Profit for the financial year	-	-	-	-	-	3,481,959	-	3,481,959
Dividends	-	-	-	-	-	(2,682,582)	-	(2,682,582)
At 31 December 2018	111,828	1,576,669	9,900	9,845	-	5,523,363	(859,587)	6,372,018

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 2017	111,518	1,522,729	9,845	136,556	1,795,050	(616,943)	2,958,755
Share options exercised during the year	310	53,940	-	-	-	-	54,250
Profit for the financial year	-	-	-	-	2,760,640	-	2,760,640
Dividends	-	-	-	-	(2,576,239)	-	(2,576,239)
Purchase of own shares held in treasury	-	-	-	-	-	(242,644)	(242,644)
Transfer to retained earnings	-	-	-	(136,556)	136,556	-	-
At 31 December 2017	111,828	1,576,669	9,845	-	2,116,007	(859,587)	2,954,762
Profit for the financial year	-	-	-	-	2,881,553	-	2,881,553
Dividends	-	-	-	-	(2,682,582)		(2,682,582)
At 31 December 2018	111,828	1,576,669	9,845	-	2,314,978	(859,587)	3,153,733

The notes on pages 17 to 30 form part of these financial statements

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	CONSOLIDATED Year to 31/12/18	Year to 31/12/17	COMPANY Year to 31/12/18	Year to 31/12/17
		£	£	**£**	£
Cash flow from operating activities					
Profit before income tax		**4,314,505**	4,420,498	**3,583,323**	3,438,880
Depreciation and amortisation	5	**110,035**	90,714	**110,035**	90,714
		4,424,540	4,511,212	**3,693,358**	3,529,594
(Increase) /Decrease in trade and other receivables		**(1,482,190)**	3,390,264	**(650,999)**	729,036
(Decrease) /Increase in trade payables		**(7,773,484)**	3,676,029	**(439,192)**	955,402
Cash generated from operations		**(4,831,134)**	11,577,505	**2,603,167**	5,214,032
Income tax (paid)/received		**(965,552)**	(660,510)	**(783,198)**	(583,786)
Net cash from operating activities		**(5,796,686)**	10,916,995	**1,819,969**	4,630,246
Cash flows from investing activities					
Purchase of property, plant and equipment		**(6,099)**	(549)	**(6,099)**	(549)
Purchase of investments held for trading		**(661,352)**	(1,644,356)	**-**	-
Proceeds from sale of investments held for trading		**672,942**	1,632,522	**-**	-
Purchase of intangible assets		**(46,253)**	(67,598)	**(46,253)**	(67,598)
		(40,762)	(79,981)	**(52,352)**	(68,147)
Cash flows from financing activities					
Issue of share capital		**-**	54,250	**-**	24,250
Repurchase of ordinary share capital		**-**	(242,644)	**-**	(242,644)
Sale of treasury shares		**-**	-	**-**	-
Dividends paid		**(2,682,582)**	(2,576,239)	**(2,682,582)**	(2,576,239)
Net cash used in financing activities		**(2,682,582)**	(2,764,633)	**(2,682,582)**	(2,794,633)
Net (decrease)/ increase in cash & cash equivalents		**(8,520,030)**	8,072,381	**(914,965)**	1,797,466
Cash and cash equivalents at the start of the year		**13,175,503**	5,103,122	**3,503,452**	1,705,986
Cash and cash equivalents at the end of the year		**4,655,473**	13,175,503	**2,588,487**	3,503,452
Cash and cash equivalents:					
Balance at bank and in hand		**5,866,848**	5,218,686	**2,588,487**	3,503,452
Cash held for settlement of market transactions		**(1,211,375)**	7,956,817	**-**	-
		4,655,473	13,175,503	**2,588,487**	3,503,452

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 financial assets 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.

New standards, not yet effective
A number of new standards and amendments to standards and interpretations have been issued but are no yet effective and in some cases have not yet been adopted by the EU.

IFRS 16 is effective for periods commencing on or after 1 January 2019. The standard was endorsed by the European Union during 2017 and is available for early adoption. The directors have decided not to adopt this standard early.

The directors assessed the most likely transitional approach the group will apply is the modified retrospective approach.

The directors have assessed the application of IFRS 16, and note that once effective it will have a material impact on the results of the group. Application of this standard will result in changes in presentation of information within the group's financial statements due to the capitalisation of the group's operating leases noted in note 18.

In addition to the above impacts, recognition of lease assets will increase the group's regulatory capital requirement.

Significant judgements and estimates
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 20.

Going concern
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 3. The financial position of the group, its cash flows, liquidity position and borrowing facilities are described within these financial statements. In addition, note 25 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, long term contracts with all its significant suppliers and 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) IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 requires that the recognition of revenue is linked to the fulfilment of identified performance obligations that are enshrined in the customer contract. The standard replaces existing revenue recognition guidance, in particular under IAS 18.

The directors have assessed the group will apply the cumulative effect method upon transition to IFRS 15, with the effect of applying the standard recognised at the date of adoption, with no restatement of the comparative period.

The directors have assessed the impact of IFRS 15 on the financial statements and they consider there to be no material impact.

Commission – the group charges 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 on a point in time basis when the instruction is executed in the market. 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. Management fees income is recognised over time as 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. Interest income is recognised over time as the deposits accrue interest on a daily basis.

(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 2018.

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.

(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.
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 reporting segment is an organisational unit for which information is reported to key management personnel for the purpose of performance assessment and future resource allocation. The directors regard the operations of the group as a single reporting segment on the basis there is only a single organisational unit that is reported to key management personnel for the purpose of performance assessment and future resource allocation.

(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

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.

(k) Investments

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.

The fair value of quoted investments is based on current bid prices. The group assesses at each balance sheet date whether there is objective evidence that an investment 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.

(q) Share based payments
The group applies the requirements of IFRS 2 Share-based Payment.

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.

The share option reserve represents the accumulated share option charge. The balance in the reserve has been transferred to retained earnings as all remaining options have been exercised during the prior year.

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.

(r) FRS 9 'Financial Instruments'

The group currently calculates a "bad debt" provision on customer balances based on 25% of overdrawn client accounts which are one month past due date and are not specifically provided for. Under IFRS 9 this assessment is required to be calculated based on a forward - looking expected credit loss ('ECL') model, for which a simplified approach will be applied. The new method will use historic customer data, alongside future economic conditions to calculate expected loss on receivables

The group has taken advantage of the exemption from restating comparative information for prior periods with respect to classification and measurement (including impairment) requirements.

The directors have assessed the impact of IFRS 9 on the financial statements and they consider there to be no material impact.

Financial Assets	Original classification under IAS 39	Original carrying amount under IAS 39 £'000	New classification under IFRS 9	New carrying amount under IFRS 9 £'000
Investments held for trading	Available for sale	1,956	Fair value through profit or loss	1,956
Cash and cash equivalents	Loans and receivables	4,655,473	Amortised cost	4,655,473
Other financial assets	Loans and receivables	5,010,417	Amortised cost	5,010,417
Total financial assets		9,667,846		9,667,846

The basis of classification for financial liabilities under IFRS 9 remains unchanged from under IAS 39. The two categories are amortised cost or fair value through profit or loss (either designated as such or held for trading).

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.

	2018	2017
	£	£
Gross interest earned from treasury deposits, cash at bank and overdrawn client accounts	4,081,633	3,808,064
Commissions	3,754,725	4,141,315
Fees	2,214,209	1,474,057
	10,050,567	9,423,436

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 noted in 2 (g) the directors regard the operations of the group as a single reporting segment on the basis there is only a single organisational unit that is reported to key management personnel for the purpose of performance assessment and future resource allocation.

5. Profit before income tax

	2018	2017
Profit before income tax is stated after charging/(crediting):	£	£
Directors' emoluments	675,453	621,648
Depreciation – owned assets	7,581	10,229
Amortisation (included within administrative expenses in the consolidated income statement)	102,452	80,485
Operating lease rentals – hire of machinery	8,842	8,842
Operating lease rentals – land and buildings	87,500	70,850
Impairment of receivable charge	36,452	72,604
Bank transaction fees	58,798	70,071

Details of directors' annual remuneration as at 31 December 2018 are set out below:

	2018	2017
	£	£
Short-term employee benefits	554,896	544,853
Post-employment benefits	110,502	67,463
Benefits in kind	10,055	9,332
	675,453	621,648
Details of the highest paid director are as follows:		
Aggregate emoluments	346,027	330,943
Company contributions to personal pension scheme	-	2,167
Benefits in kind	9,123	8,396
	355,150	341,506

	Emoluments & Benefits in kind	Pension	Total
Directors	£	£	£
Andrew J Grant	355,150	-	355,150
Nick J Crabb	100,001	51,995	151,996
Jolyon C Head	84,800	58,507	143,307
Graeme McAusland	25,000	-	25,000
TOTAL	564,951	110,502	675,453

During the year benefits accrued for two directors (2017: three directors) under a money purchase pension scheme.

Staff Costs

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

	2018	2017
Management and administration	57	50
The aggregate payroll costs of these persons were as follows:	£	£
Wages, salaries & social security	2,250,433	1,983,639
Pension contributions including salary sacrifice	129,217	82,818
	2,379,650	2,066,457

Key personnel

The directors disclosed above are considered to be the key management personnel of the group. The total amount of employers NIC paid on behalf of key personal was £71,942 (2017: 70,541).

6. Auditors' remuneration

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

	2018	2017
	£	£
Fees payable to the company's auditors for the audit of the company's annual financial statements	23,700	23,000
Fees payable to the company's auditors and its associates for other services:		
The audit of the company's subsidiaries, pursuant to legislation	8,500	8,500
Total audit fees	32,200	31,500
Taxation Compliance	4,650	4,500
Other taxation advisory services not relating to compliance	-	5,220
	36,850	41,220

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

7. Income and deferred tax charges - group	2018	2017
	£	£
Based on the adjusted results for the year:		
UK corporation tax	834,781	845,095
Adjustments in respect of prior years	(6,758)	(4,544)
Total current income tax	828,023	840,551
Deferred income tax:		
Origination and reversal of timing differences	7,213	6,561
Adjustment in respect of prior years	(2,690)	20,056
Total deferred tax charge	4,523	26,617
	832,546	867,168

The income tax assessed for the year is more than the standard rate of corporation tax in the UK (19%). The differences are explained below:

Profit before income tax	4,314,505	4,420,498
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	819,756	850,794
Effects of:		
Expenses not deductible for tax purposes	-	572
Redress Income not taxable	(1,186)	-
Adjustments to tax charge in respect of previous years	(9,449)	15,512
Ineligible depreciation	370	375
Adjust deferred tax rate to average rate of 19%	-	(85)
Deferred tax timing differences	23,446	-
Marginal relief	(392)	-
Current income tax charge for the years	832,545	867,168
Movement in (assets) / provision – group and company:		
Provision at start of year	32,929	6,312
Deferred income tax charged in the year	4,522	26,617
Provision at end of year	37,451	32,929

	Tangible Assets
Deferred tax liability brought forward	32,929
Current year	7,213
Prior year	(2,691)
Liability at end of year	37,451

8. Earnings per share

	2018	2017
	£	£
Earnings:		
Earnings for the purposes of basic and diluted earnings per share *(profit for the period attributable to the equity holders of the parent)*	3,481,959	3,553,330
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	10,951,450	10,966,610
	10,951,450	10,966,610

Shares held in treasury are deducted for the purpose of calculating earnings per share.

9. Property, plant & equipment - group & company

	Leasehold & Property	Leasehold Improvements	Office Equipment	Total
Cost:	£	£	£	£
At 1 January 2017	222,450	4,014	258,068	484,532
Additions	-	-	549	549
Disposals	-	-	-	-
At 31 December 2017	222,450	4,014	258,617	485,081
Additions	-	-	6,099	6,099
Disposals	-	-	-	-
At 31 December 2018	222,450	4,014	264,716	491,180
Depreciation:				
At 1 January 2017	9,258	2,304	243,350	254,912
Charge for the year	1,949	357	7,923	10,229
On Disposal	-	-	-	-
At 31 December 2017	11,207	2,661	251,273	265,141
Charge for the year	1,949	1,353	4,280	7,582
On Disposal	-	-	-	-
At 31 December 2018	13,156	4,014	255,553	272,723
Net Book Value:				
At 31 December 2018	209,294	-	9,163	218,457
At 31 December 2017	211,243	1,353	7,344	219,940

The net book value of non-depreciable land is £125,000 (2017: £125,000).

10. Intangible assets & goodwill - group & company

	Goodwill	Intangible assets: Customer Relationships	Databases	Software Development	Website	Total
	£	£	£	£	£	£
Cost:						
At 1 January 2017	342,872	177,981	25,000	217,961	156,262	577,204
Additions	-	-	-	-	67,598	67,598
At 31 December 2017	342,872	177,981	25,000	217,961	223,860	644,802
Additions	-	-	-	8,400	37,853	46,253
At 31 December 2018	342,872	177,981	25,000	226,361	261,713	691,055
Amortisation:						
At 1 January 2017	-	138,598	13,719	149,634	112,704	414,655
Charge for the year	-	18,292	1,000	36,574	24,619	80,485
At 31 December 2017	-	156,890	14,719	186,208	137,323	495,140
Charge for the year	-	18,291	1,000	32,921	50,240	102,452
At 31 December 2018	-	175,181	15,719	219,129	187,563	597,592
Net Book Value:						
At 31 December 2018	342,872	2,800	9,281	7,232	74,150	93,463
At 31 December 2017	342,872	21,091	10,281	31,753	86,537	149,662

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 the 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 effective provider of execution only stockbroking solutions that it is today. The key assumptions used by the directors in their annual impairment review are that the company can benefit indefinitely from the reduced dealing costs and the company's current operational capacity remains unchanged. The recoverable amount of the goodwill has been assessed using the value in use method and there is significant headroom based on this calculation. There are no reasonable changes in assumptions that would cause the cash generating unit value to fall below its carrying amount.

11. Investments in subsidiaries

	Company 2018	2017
Unlisted Investments:	£	£
Cost:		
At 1 January	284,239	284,239
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 and their registered office is 78 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS.

** indirectly held*

12. Trade and other receivables

Amounts falling due within one year:	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Trade receivables	597,528	521,794	44,673	5,559
Settlement receivables	3,743,719	2,083,049	-	-
Other receivables	669,170	61,035	669,170	61,035
Prepayments and accrued income	274,584	281,748	879	3,372
Other taxes and social security	-	-	6,758	515
	5,285,001	2,947,626	721,480	70,481

An analysis of trade and settlement receivables past due is given in note 25. There are no amounts past due included within other receivables or prepayments and accrued income.

13. Investments held for trading

	Group 2018	Group 2017	Company 2018	Company 2017
Listed Investments:	£	£	£	£
Valuation:				
At 1 January	13,546	1,712	-	-
Additions	661,352	1,644,356	-	-
Disposals	(672,942)	(1,632,522)	-	-
As at 31 December	1,956	13,546	-	-

Listed investments held for trading are stated at their market value at 31 December 2018 and are considered to be level one assets in accordance with IFRS 13.

The directors consider the fair value movement on the investments held for trading are immaterial and as such have not been presented separately in the above movement analysis and the statement of cash flows.

14. Cash and cash equivalents

	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Balance at bank and in hand – group/company	5,866,848	5,218,686	2,588,487	3,503,452
Cash held for settlement of market transactions	(1,211,375)	7,956,817	-	-
	4,655,473	13,175,503	2,588,487	3,503,452

In addition to the balances shown above the group has segregated deposit and current accounts held in accordance with the client money rules of the Financial Conduct Authority. The group also has segregated deposits and current accounts on behalf of Counterparties and elected Professional clients of £915,921 not governed by client money rules therefore they are also not included in the statement of financial position of the group. This treatment is appropriate as the business is a going concern however, were an administrator appointed, these balances would be considered assets of the business.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Share capital

	2018	2017
Authorised:	160,000	160,000
16,000,000 Ordinary shares of 1p each	160,000	160,000

	2018	2017
	£	£
At 1 January 2018	111,828	111,518
Allotted, issued and fully paid during the year	-	310
Allotted, issued and fully paid:		
11,182,750 (2017: 11,182,750) Ordinary shares of 1p each	111,828	111,828

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

The company had a share option scheme for certain employees of the group. All options were exercised on 2017.

There were no shares purchased to be held in treasury during the period. As at the period end 231,300 shares are held in treasury.

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

	2017	
	Number of share options	Weighted average exercise price
		Pence
Outstanding at the beginning of the prior year	31,000	175.00
Exercised during the prior year	(31,000)	175.00
Outstanding at prior year end	-	175.00
Exercisable at prior year end	-	175.00

16. Trade and other payables

	Group		Company	
Amounts falling due within one year:	2018	2017	2018	2017
	£	£	£	£
Trade payables	184,155	198,049	1,264	11,368
Settlement payables	2,426,874	9,954,871	-	-
Amount owed to group undertaking	-	-	668,822	1,100,410
Other taxes and social security	155,004	52,117	-	-
Other payables	615,668	85,193	-	-
Accruals	358,209	367,976	30,000	27,500
Trade and other payables	3,739,910	10,658,206	700,086	1,139,278
Income tax	447,843	585,373	357,728	443,677
Deferred tax	37,451	32,929	37,451	32,929
Total liabilities	4,225,204	11,276,508	1,095,265	1,615,884

Settlement payables will be settled on their contracted date, which has a maximum allowed time of 20 days from 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.

17. Dividends

	2018	2017
	£	£
Interim dividends paid on Ordinary 1p shares	2,682,582	2,576,239
Dividend per Ordinary 1p share	24.5p	23.5p

Please refer to the directors' report for dividends declared post year end.

18. Operating lease commitments - group

At 31 December 2018 the group was committed to making the following payments in respect of operating leases which expire:

	Equipment		Land & buildings	
	2018	2017	2018	2017
	£	£	£	£
Not later than one year:	8,641	8,641	87,500	87,500
Later than one year and not later than five years:	33,844	34,564	350,000	350,000
After more than five years:	-	7,921	328,125	415,625

The equipment lease is for the use of postage processing and franking machines.

Operating lease commitments - company

At 31 December 2018 the company was committed to making the following payments in respect of operating leases which expire:

	Land & buildings	
	2018	2017
	£	£
Not later than one year:	87,500	87,500
Later than one year and not later than five years:	350,000	350,000
After more than five years:	328,125	415,625

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 £87,500, being the market rate on an arm's length basis, and expires on 26 September 2027.

19. 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 held at amortised cost, and trade and other payables are classified as held at amortised cost. 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 14. 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.

20. 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 and bad debts.

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 10.

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.

21. 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.

22. Related party transactions

The company has a lease with Sion Properties Limited, a company controlled by a director of the company, for the rental of 78 Mount Ephraim, a self-contained office building. The lease has an annual rental of £87,500, being the market rate on an arm's length basis, and expires on 26 September 2027.

During the year Jarvis Investment Management Limited paid Jarvis Securities Plc £7,000 (2017: £7,000) for rental of a disaster recovery site.

Jarvis Securities plc owed Jarvis Investment Management Limited £668,822 (2017: £1,098,660) at year end.

During the year, directors, key staff and other related parties by virtue of control carried out share dealing transactions in the normal course of business. Commissions for such transactions are charged at various discounted rates. The impact of these transactions does not materially or significantly affect the financial position or performance of the company. At 31 December 2018, these same related parties had cash balances of £288,458 (2017: £1,332,833) and interest was earned during the year amounting to £2,063 (2017: £8,395). In addition to cash balances other equity assets of £36,381,672 (2017: £40,589,819) were held by JIM Nominees Ltd as custodian.

During the year Jarvis Securities Plc charged £3,671,242 (2017: £3,564,550) to Jarvis Investment Management Limited for use of intellectual properties.

23. Capital commitments

As of 31 December 2018, the company had no capital commitments (2017: nil).

24. Fair value estimation

The fair value of financial instruments traded in active markets 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.

25. 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 near 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.

As of 31 December 2018, trade receivables of £131,923 (2017: £115,184) were past due and were impaired and partially provided for. The amount of the provision was £105,470 as at 31 December 2018 (2017: £84,995). 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. The group does not anticipate future write offs of uncollectable amounts will be significant as the group now imposes much more restrictive rules on clients who utilise extended settlement facilities.

	Group		Company	
Provision of impairment of receivables:	2018	2017	2018	2017
	£	£	£	£
At 1 January	84,995	299,711	-	-
Charge / (credit) for the year	36,452	72,604	-	-
Uncollectable amounts written off	(15,977)	(287,320)	-	-
At 31 December	105,470	84,995	-	-

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 S McAusland - Non Executive Director
SECRETARY:	Jolyon C Head
REGISTERED OFFICE:	78 Mount Ephraim Royal Tunbridge Wells TN4 8BS
REGISTERED NUMBER:	5107012
AUDITOR:	Crowe U.K. LLP Riverside House 40-46 High Street Maidstone ME14 1JH
CASS AUDITOR:	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
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
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

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

The meeting is to be held on **Thursday 25th April 2019.** 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 2018.
2. To re-appoint Crowe U.K. 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.

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 25th April 2019 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 2018		
Ordinary Resolution	To re-appoint Crowe U.K. 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.