

Company No. **5107012**

Jarvis Securities plc

Interim Financial Statements
For the six months ended 30 June 2006

STATEMENT BY THE BOARD

Financial Highlights

- Turnover up 35% to £1.72 million (June 2005: £1.28 million)
- PBT up 151% to £710k (June 2005: £283k)
- EPS up 185% to 4.43p (June 2005: 1.55p)
- Launched a new contract for difference (CFD) trading service
- Confident outlook for the remainder of 2006

Chairman's Statement

When I last reported to shareholders in March 2006 with the 2005 Annual Report, I concluded the Chairman's Statement by promising that the Board would focus entirely on building shareholder value through maintaining our quality service and improving profitability. I am delighted to say that this strategy has, to date, been successful.

Our retail client business has continued to expand and we are now one of the UK's top fifteen stockbrokers by retail volume according to data published by the London Stock Exchange. This is a great achievement considering that we only began to transact our own deals just over three years ago.

We now have all our Model B settlement service clients on profitable contracts with minimum revenue requirements, even though these have not grown as fast as expected. With the costs of adapting our systems behind us, any future contracts should be profitable from the outset as with our other intermediary and institutional relationships.

The Financial Highlights section of this statement shows clearly the significant improvement in our operating performance made in the first half of 2006 compared to the same period in 2005. Our mantra has always been to provide both quality of service and efficiency, goals that we consider to be complementary. Through streamlining and improving our processes we aim to maximise client satisfaction. In our opinion, keeping our customers satisfied is the best possible advertisement, helping to generate new business through recommendation. This philosophy has enabled us to increase customer numbers and improve our operating profit margin from 22% (June 2005) to 41% (June 2006). This also helps to differentiate our business from other brokers, reflecting the skill and commitment of our employees.

We have benefited from increasing trading volumes during the period to June 2006, however commissions form only part of our revenue mix and we estimate that the improved operating conditions increased commissions by approximately an extra £100,000 compared to forecasted revenues. Improvements to our operating results were primarily due to cutting operational costs, improving business processes and growing our customer base.

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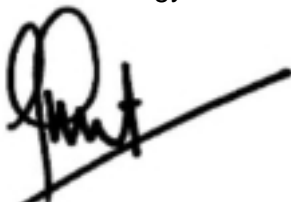
When we joined AIM in 2004 we highlighted that scalability was a strength of our business model and I believe that these results prove that to be true. The Board have always aimed to build a robust business and to keep fixed costs to a minimum, thus allowing the company to take advantage of market upturns without having to rely upon them.

We have decided to pay a full dividend in accordance with our policy for the first half of this year. The dividend paid in February 2006 was designed to bridge the old and new payment timetables and hence the Board decided it was appropriate to ignore this in calculating the dividend to be paid based upon these results. The company is cash positive and we intend to maintain a high dividend payout policy. Hence a further interim dividend of 2.5p per share is proposed with the release of these results.

Jarvis Securities plc came to AIM in December 2004 at a placing price of 82.5p per share. I am acutely aware of and disappointed by the fact that our shares have not traded above this price for some time now. The Board do believe that the price has not reflected the recent performance of the business and accordingly 180,000 Ordinary shares have been bought at an average price of 72p per share for treasury. This reflects our confidence in the future of the company. However we do not consider this to be a long-term strategy to create value for shareholders although we will consider further buy backs as appropriate. We hope that our strong trading results will renew investor interest in the business and the opportunities that it presents. Our market capitalisation on admission to AIM was £9.5m and our profit before tax for the nine months to 30 September 2004 was £460,000. Now that we have achieved a profit before tax of more than £700,000 for the six months to 30 June 2006, I hope that more investors will see the potential in our model and that our share price will increase to reflect this to the benefit of all our shareholders.

We have launched a new contract for difference (CFD) trading service this month, which we hope will add to our rate of growth. These instruments are becoming increasingly popular and growing our product range is important in maintaining momentum. We plan to improve our internet based offering shortly and launch a new web based service. Following an upturn in the interest rate environment, together with some signs of improved volumes, I look forward with confidence to the remainder of 2006.

I am delighted to present the following excellent results to shareholders and I am sure they will join me in expressing thanks to our dedicated team of employees for delivering our strategy.

A handwritten signature in black ink, appearing to read 'Andrew Grant', is written over a diagonal line that extends from the bottom left towards the right.

Andrew Grant
Chairman

CONSOLIDATED PROFIT AND LOSS ACCOUNT
(unaudited)
For the six months ended 30 June 2006

	Six months 30 June 2006	Six months 30 June 2005
	£	£
TURNOVER	1,724,835	1,275,270
Administrative expenses	1,014,454	945,337
Exceptional administrative expenses	-	46,929
	1,014,454	992,266
OPERATING PROFIT	710,381	283,004
Tax on profit on Ordinary Activities	202,065	105,233
PROFIT FOR THE FINANCIAL PERIOD	508,316	177,771
Dividends	172,268	287,114
RETAINED PROFIT/(LOSS) FOR THE PERIOD	336,048	(109,343)

GROUP BALANCE SHEET
(unaudited)
As at 30 June 2006

	30/6/2006		30/6/2005	
	£	£	£	£
FIXED ASSETS				
Intangible assets	354,377		375,012	
Tangible assets	<u>178,717</u>		<u>215,615</u>	
		533,094		590,627
CURRENT ASSETS				
Investments	23,882		57,215	
Debtors	4,736,141		2,941,268	
Cash at bank and in hand	<u>6,388,947</u>		<u>4,302,062</u>	
		11,148,970		7,300,545
CREDITORS:				
Amounts falling due within one year		<u>10,091,205</u>		<u>6,632,526</u>
NET CURRENT ASSETS		1,057,765		668,019
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,590,859</u>		<u>1,258,646</u>
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation		18,119		5,492
NET ASSETS		<u>1,572,740</u>		<u>1,253,154</u>
CAPITAL AND RESERVES				
Called up share capital		114,600		114,845
Share premium account		789,834		789,834
Capital redemption reserve		245		-
Profit and loss account		798,432		348,475
Treasury shares		(130,371)		-
SHAREHOLDERS' FUNDS		<u>1,572,740</u>		<u>1,253,154</u>
Basic earnings per share		4.43p		1.55p
Diluted earnings per share		4.19p		1.46p

GROUP CASH FLOW STATEMENT
(unaudited)
For the six months ended 30 June 2006

	30/6/2006	30/6/2005
	£	£
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	710,381	283,004
Depreciation	40,127	38,164
Amortisation	10,318	10,318
(Profit) on disposal of tangible fixed asset	(246)	-
(Increase)/decrease in current asset investments	9,295	(20,866)
(Increase)/decrease in debtors	80,852	32,976
Increase/(decrease) in creditors	(306,372)	(654,873)
Net cash (outflow)/inflow from operating activities	<u>544,355</u>	<u>(311,277)</u>

CASH FLOW STATEMENT

Cash flow from operating activities	544,355	(311,277)
Capital expenditure and financial investment	(42,001)	(126,906)
Equity dividends paid	(172,268)	(287,114)
	<u>330,086</u>	<u>(725,297)</u>
Financing	(130,371)	(10,183)
Increase in cash	<u><u>199,715</u></u>	<u><u>(735,480)</u></u>

Reconciliation of net cash flow to movement in net funds

	30/6/2006	30/6/2005
	£	£
Movement in net funds in the year	199,715	(735,480)
Net funds at 1 January 2006	634,730	1,231,041
Net funds at 30 June 2006	<u><u>834,445</u></u>	<u><u>495,561</u></u>

NOTES TO THE INTERIM ACCOUNTS

1. Basis of Accounts

These unaudited interim accounts have been prepared on the basis of accounting policies set out in the Company's 2005 Annual Report and Accounts.

2. Earnings per Share

Earnings per share is calculated as:

	Total	Per Share Six months 30 June 2006	Total	Per Share Six months 30 June 2005
	£	p	£	p
Profit for the financial period	508,316		177,771	
Earnings per share		4.43p		1.55p
Diluted earnings per share		4.19p		1.46p

The weighted average number of shares in issue during the period was calculated as follows:

Date	Event	No. of shares	Days	2006	2005
1/1/05	Opening balance	11,484,545	181	-	11,484,545
1/1/06	Opening balance	11,484,545	10	634,505	-
11/1/06	Cancellation of shares	11,480,000	21	1,331,934	-
1/2/06	Cancellation of shares	11,460,000	150	9,497,237	-
				11,463,676	11,484,545

The diluted earnings per share calculation is as follows:

Date	Event	No. of shares & options	Days	2006	2005
1/1/05	Opening balance	12,134,545	181	-	12,134,545
1/1/06	Opening balance	12,134,545	10	670,417	-
11/1/06	Cancellation of shares	12,130,000	21	1,407,348	-
1/2/06	Cancellation of shares	12,110,000	150	10,035,911	-
				12,113,676	12,134,545

3. Dividends

An interim ordinary dividend of 1.5p per ordinary share was proposed and paid during the period.



Horwath Clark Whitehill

INDEPENDENT REVIEW REPORT TO JARVIS SECURITIES PLC

Introduction

We have been instructed by the company to review the financial information set out in these interim financial statements and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' Responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The continuing obligations of the AIM listing rules require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review Work Performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2006.

Horwath Clark Whitehill LLP
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Date: 12 July 2006