Company No. **5107012**

JARVIS SECURITIES PLC

FINANCIAL STATEMENTS
For the year ended 31 December 2013

Contents

CHAIRMAN'S STATEMENT

- 30% increase in profit before tax
- 12% increase in year on year interest income
- 29% growth in dividend per share
- 32% increase in EPS

Shareholders in Jarvis Securities who have held shares for the longer term will acknowledge that 2013 was the year that the investor market finally began to appreciate the value of our Company. I am also pleased to be able to further justify this valuation with an excellent set of financial results. It has been the Board's belief that Jarvis has been undervalued for some time and it is encouraging the Market has now begun to acknowledge the attractive characteristics – high cash generation, debt free, loyal non concentrated client base, relatively small market share allowing for continued organic growth, proven financial performance during the recent economic downturn, and a transparent dividend policy. In addition, due to ISA rule changes during the year, our stock is now eligible and can be held inside an ISA wrapper. An attractive proposition given the consistent payment of good rising quarterly dividends.

There is no secret to our success. We focus on the core business and do not venture into unknown territory. We strive to provide a good level of service at a lower cost than our competitors. We embrace technology to bring efficiencies to our processes and growth in volume while revenue is not accompanied by a growth in costs.

As well as being a successful year financially, we also undertook the switchover of our core IT system and data centre providers. This project concluded during the latter part of 2013, a project that began back in 2012. Whilst there has deliberately been no change to our current offering, we have plans during 2014 to improve the aesthetics and functionality of our retail websites. We envisage this will lead to further processing efficiencies within our organisation and allow clients to undertake more functions and account maintenance online. New commercial contracts which we have entered into have reduced our marginal cost per trade which will further enhance our profitability as we seek further market share and volume.

The end of 2013 also saw a heightened interest in IPO's after several lean years with strong interest from retail investors. The most high profile was Royal Mail, in which Jarvis gained some positive press exposure for its low cost execution only share dealing services and attracted unprecedented demand for new accounts. These high profile offerings generate a lift in transaction volumes across the market, but they also present an opportunity to gain clients and entice new active traders into the stock market.

In last year's statement I expressed confidence that Jarvis would continue to deliver similar growth rates in 2013 as we had in 2012. We have achieved this and more. We are seeing a strong start to the current year so I see no reason to change this view for 2014. We have several significant new commercial relationships in place which went live in the last quarter of 2013, and our pipeline for further new business continues to look strong.

As always I would like to thank all members of the Jarvis team for their continuing hard work.

Andrew Grant
Chairman

Strategic Report

Key developments and outlook

Jarvis is currently experiencing a period of growth in both retail and institutional clients. Several significant institutional contracts have been signed during 2013 and we continue to steadily increase retail clients attracted by our low cost offering.

Market conditions remain challenging. The market has not experienced the trade volumes of 2010 and 2011 which were caused by several periods of extreme volatility during those years. In addition, we have seen a return to the downward trend in interest rates available on treasury deposits.

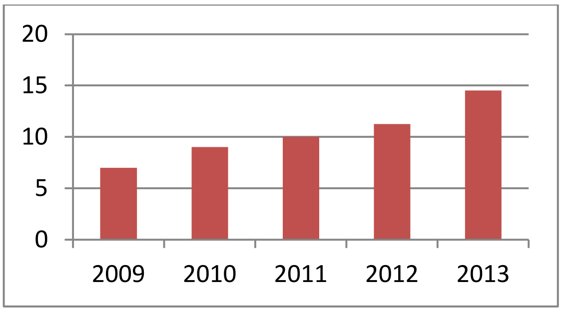
Our growth has enabled us to perform in spite of the prevailing market conditions. Increasing our client base ensures that our trade volumes remain robust. It also increases the amount of cash under administration and available to be placed on treasury deposit.

In 2013 we completed a major IT overhaul behind the scenes. The project was successful and will now enable us to develop our client offering independently of third parties we previously relied upon. Although there is currently no visible change to our offering, the infrastructure our platform sits on is now more reliable and accessible to us. One of our main goals for 2014 is to improve the web experience currently offered to clients, which in turn will lead to further processing efficiencies.

2014 promises to be an exciting year for Jarvis. We will continue to improve our service and operational efficiencies, a formula which has proven successful thus far. We anticipate that the upturn in IPO activity seen at the end of 2013 will continue into 2014, improving market volumes on which we are dependent for one of our revenue streams. We are well placed for the much anticipated rise in interest rates, also intrinsically linked to our profitability, and we look to build on the momentum from 2013 as we continue to grow profitably and increase dividends.

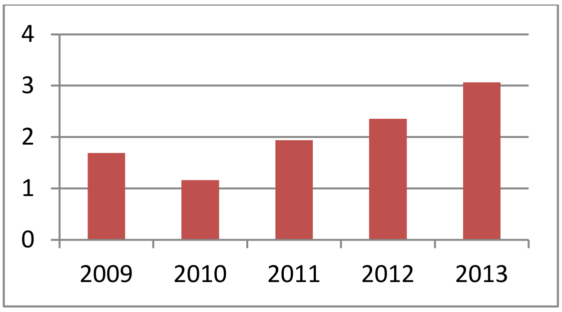
Performance

Results and dividends (pence per share)
The consolidated profit for the year after income tax amounted to £2,349,605 (2012 £1,762,051). The company paid dividends totalling 14.5p during the year (2012: 11.25p). In line with dividend policy, the company has paid quarterly interim dividends throughout the year, therefore no final dividend is proposed by the Board.



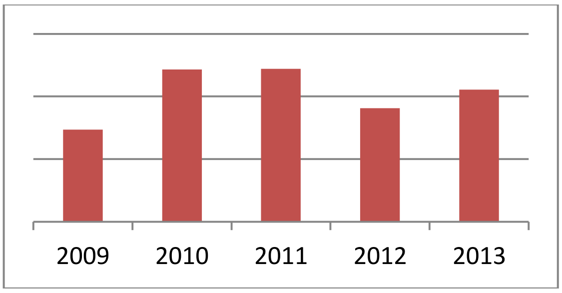
Dividend growth reflects profit growth. The group aims to return 2/3rds of post tax profit to shareholders. Management feel that 1/3rd of post tax profit is sufficient reinvestment in the infrastructure of the firm to keep our client offering updated.

Profit before tax - £m



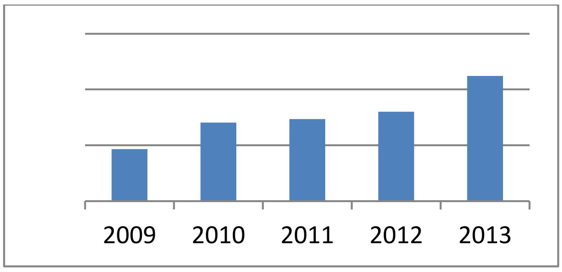
In spite of variable market conditions since 2009 growth in profitability has been driven through consistently increasing retail and institutional clients. This in turn improves trade volumes and cash under administration. Management have been able to do this without a like for like increase in the cost base, and the Jarvis business model contains further scalability.

Trade Volumes – average daily volume



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

Cash under administration – annual average balance



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

Group structure

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

Capitalisation and financing

Jarvis Securities plc had 10,782,500 Ordinary 1p shares in issue at the end of the year. These shares are admitted to trading on AIM. The business is highly cash generative and requires no debt or external financing. The Board balance the use of cash between the stated dividend policy, maintaining sufficient liquid reserves for regulatory requirements 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 313p.

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 sync with comparable firms, such as the purchase of shares for cancellation as undertaken in previous years.

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

2013 EPS:	**21.92p**
2012 EPS:	16.64p
Rate of change:	+31.74%
2013 P/E ratio:	**14.3**
2012 P/E ratio:	10.2

Principal risks and uncertainties

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

Regulatory risk

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

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

Competitor risk

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

Interest rate risk

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

The business model executed by the board 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.

Economic risk

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

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

Reputational risk

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

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

Operational risk

The main risk Jarvis is exposed to in its day to days 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.

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

London Stock Exchange could result in major unanticipated changes for Jarvis and its commercial clients.

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

………………………………

Jolyon Head – Finance Director
18th February 2014

DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 December 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Registered number
The registered number of the Company is 5107012.

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

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

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

BY ORDER OF THE BOARD

……………………………….
Andrew J Grant – Chief Executive Officer
18th February 2014

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

We have audited the financial statements of Jarvis Securities plc for the year ended 31 December 2013 which comprise the Group and Parent Company Statements of Financial Position, the Group consolidated income statement, the Group and Parent Company Statements of Comprehensive Income, the Group and Company Cash Flow Statements, the Group and Parent Company Statement of Changes in Equity and the related notes numbered 1 to 28.

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

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

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

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

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

Keith Newman
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Maidstone
18th February 2014

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	**Year to 31/12/13**	Year to 31/12/12
		£	£
Continuing operations:			
Revenue	*3*	**7,157,555**	6,116,018
Administrative expenses		**(4,079,547)**	(3,747,263)
Finance costs	*5*	**(10,103)**	(15,091)
Profit before income tax	*6*	**3,067,905**	2,353,664
Income tax charge	*8*	**(718,300)**	(591,613)
Profit for the period		**2,349,605**	1,762,051
Attributable to equity holders of the parent		**2,349,605**	1,762,051
Earnings per share	*9*	**P**	P
Basic		**21.92**	16.64
Diluted		**21.41**	16.37

The notes on pages 14 to 30 form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

	Notes	**Year to 31/12/13**	Year to 31/12/12
		£	£
Profit for the period		**2,349,605**	1,762,051
Total comprehensive income for the period		**2,349,605**	1,762,051
Attributable to equity holders of the parent		**2,349,605**	1,762,051

COMPANY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

	Notes	**Year to 31/12/13**	Year to 31/12/12
		£	£
Profit for the period		**2,443,854**	1,264,054
Total comprehensive income for the period		**2,443,854**	1,264,054
Attributable to equity holders of the company		**2,443,854**	1,264,054

The notes on pages 14 to 30 form part of these financial statements

Company No.: 5107012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2013

	Notes	**31/12/13**	31/12/12
		£	£
Assets			
Non-current assets			
Property, plant and equipment	*10*	**250,067**	268,268
Intangible assets	*11*	**285,310**	131,055
Goodwill	*11*	**342,872**	342,872
Investments held to maturity	*12*	**262,948**	278,916
Deferred income tax	*8*	**-**	6,832
Available-for-sale investments	*13*	**-**	46,055
		1,141,197	1,073,998
Current assets			
Trade and other receivables	*15*	**2,719,922**	4,252,336
Investments held for trading	*16*	**5,757**	761
Cash and cash equivalents	*17*	**10,345,718**	3,606,577
		13,071,397	7,859,674
Total assets		**14,212,594**	8,933,672
Equity and liabilities			
Capital and reserves			
Share capital	*18*	**107,825**	106,015
Share premium		**1,061,972**	862,657
Merger reserve		**9,900**	9,900
Capital redemption reserve		**9,845**	9,845
Share option reserve		**129,162**	114,481
Retained earnings		**2,263,396**	1,469,605
Total equity attributable to the equity holders of the parent		**3,582,100**	2,572,503
Current liabilities	*19*		
Trade and other payables	*19*	**10,095,865**	6,048,103
Deferred tax	*19*	**410**	-
Income tax	*19*	**534,219**	313,066
Total current liabilities	*19*	**10,630,494**	6,361,169
Total equity and liabilities		**14,212,594**	8,933,672

Approved and authorised for issue by the Board on 18th February 2014 and signed on its behalf by:

………………………A J Grant – Director

………………………J C Head – Director

The notes on pages 14 to 30 form part of these financial statements

Company No.: 5107012

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2013

	Notes	**31/12/13**	31/12/12
		£	£
Assets			
Non-current assets			
Property, plant and equipment	*10*	**250,067**	268,268
Intangible assets	*11*	**285,310**	131,055
Goodwill	*11*	**342,872**	342,872
Deferred income tax	*8*	**-**	6,832
Available-for-sale investments	*13*	**-**	46,055
Investment in subsidiaries	*14*	**283,038**	280,999
		1,161,287	1,076,081
Current assets			
Trade and other receivables	*15*	**545,932**	701,410
Cash and cash equivalents	*17*	**1,350,516**	1,274,114
		1,896,448	1,975,524
Total assets		**3,057,735**	3,051,605
Equity and liabilities			
Capital and reserves			
Share capital	*18*	**107,825**	106,015
Share premium		**1,061,972**	862,657
Capital redemption reserve		**9,845**	9,845
Share option reserves		**129,162**	114,481
Retained earnings		**1,133,430**	245,390
Total equity attributable to the equity holders		**2,442,234**	1,338,388
Current liabilities	*19*		
Trade and other payables	*19*	**175,486**	1,559,235
Deferred tax	*19*	**410**	-
Income tax	*19*	**439,605**	153,982
Total current liabilities	*19*	**615,501**	1,713,217
Total equity and liabilities		**3,057,735**	3,051,605

Approved and authorised for issue by the Board on 18th February 2014 and signed on its behalf by:

………………………A J Grant – Director

………………………J C Head – Director

The notes on pages 14 to 30 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Merger reserve	Capital redemption reserve	Share option reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£
At 1 January 2012	105,720	838,614	9,900	9,845	97,034	899,394	1,960,507
Share options exercised during the year	295	24,043	-	-	-	-	24,338
Expense of employee options	-	-	-	-	17,447	-	17,447
Profit for the financial year	-	-	-	-	-	1,762,051	1,762,051
Dividends	-	-	-	-	-	(1,191,840)	(1,191,840)
At 31 December 2012	106,015	862,657	9,900	9,845	114,481	1,469,605	2,572,503
Share options exercised during the year	1,810	199,315	-	-	-	-	201,125
Expense of employee options	-	-	-	-	14,681	-	14,681
Profit for the financial year	-	-	-	-	-	2,349,605	2,349,605
Dividends	-	-	-	-	-	(1,555,814)	(1,555,814)
At 31 December 2013	107,825	1,061,972	9,900	9,845	129,162	2,263,396	3,582,100

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital redemption reserve	Share option reserve	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 January 2012	105,720	838,614	9,845	97,034	173,176	1,224,389
Share options exercised during the year	295	24,043	-	-	-	24,338
Expense of employee options	-	-	-	17,447	-	17,447
Profit for the financial year	-	-	-	-	1,264,054	1,264,054
Dividends	-	-	-	-	(1,191,840)	(1,191,840)
At 31 December 2012	106,015	862,657	9,845	114,481	245,390	1,338,388
Share options exercised during the year	1,810	199,315	-	-	-	201,125
Expense of employee options	-	-	-	14,681	-	14,681
Profit for the financial year	-	-	-	-	2,443,854	2,443,854
Dividends	-	-	-	-	(1,555,814)	(1,555,814)
At 31 December 2013	107,825	1,061,972	9,845	129,162	1,133,430	2,442,234

The notes on pages 14 to 30 form part of these financial statements

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	CONSOLIDATED		COMPANY	
	Year to 31/12/13	Year to 31/12/12	**Year to 31/12/13**	Year to 31/12/12
	£	£	**£**	£
Cash flow from operating activities				
Profit before income tax	**3,067,905**	2,353,664	**3,069,173**	1,423,345
Depreciation and amortisation	**62,204**	68,228	**46,235**	52,259
Cost of share options	**14,679**	17,449	**14,679**	17,449
Finance costs	**10,103**	15,091	**34**	-
Impairment charge	**44,450**	24,914	**44,450**	24,914
Loss on disposal of investments	**(1,066)**	45,779	**(1,066)**	45,779
	3,198,275	2,525,125	**3,173,505**	1,563,746
Decrease/(Increase) in trade and other receivables	**1,539,247**	(833,469)	**155,481**	(356,273)
Increase/(Decrease) in trade payables	**4,040,520**	1,718,608	**(1,384,162)**	1,332,950
Increase in investments in subsidiaries	**-**	-	**(2,039)**	(4,620)
(Increase)/Decrease in investments held for trading	**(4,996)**	19,214	**-**	-
Cash generated from operations	**8,773,046**	3,429,478	**1,942,785**	2,535,803
Interest paid	**(10,103)**	(15,091)	**(34)**	-
Income tax (paid)/received	**(489,496)**	(570,775)	**(332,043)**	(15,547)
Net cash from operating activities	**8,273,447**	2,843,612	**1,610,708**	2,520,256
Cash flows from investing activities				
Purchase of property, plant and equipment	**(2,419)**	(80,294)	**(2,419)**	(80,294)
Disposal of property, plant and equipment	**-**	-	**-**	-
Receipt from sale of investment	**2,671**	3,800	**2,671**	3,800
Purchase of intangible assets	**(179,870)**	(3,000)	**(179,870)**	(3,000)
Purchase of investments and long term assets	**-**	(100,000)	**-**	-
	(179,618)	(179,494)	**(179,618)**	(79,494)
Cash flows from financing activities				
Issue of share capital	**201,126**	24,338	**201,126**	24,338
Dividends paid	**(1,555,814)**	(1,191,840)	**(1,555,814)**	(1,191,840)
Net cash used in financing activities	**(1,354,688)**	(1,167,502)	**(1,354,688)**	(1,167,502)
Net increase/(decrease) in cash & cash equivalents	**6,739,141**	1,496,616	**76,402**	1,273,260
Cash and cash equivalents at the start of the year	**3,606,577**	2,109,961	**1,274,114**	854
Cash and cash equivalents at the end of the year	**10,345,718**	3,606,577	**1,350,516**	1,274,114
Cash and cash equivalents:				
Cash at bank and in hand	**10,345,718**	3,606,577	**1,350,516**	1,274,114

1. Basis of preparation

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

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

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

IAS 36 - Amendments Recoverable Amount Disclosures for non-Financial Assets
IFRS 9 - Financial Instruments
IFRIC 21 - Levies
Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities
Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting

In addition the following standards are available for adoption but do not have to be adopted until the year starting on or after 1 January 2014. The company and group have not yet adopted these standards:

IAS 27 Separate Financial Statements
IAS 28 Investments in Associates and Joint Ventures
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities

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

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

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

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

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

2. Summary of significant accounting policies

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

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

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

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

(b) Basis of consolidation
Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases. The group financial statements consolidate the financial statements of Jarvis Securities plc, Jarvis Investment Management Limited, JIM Nominees Limited, Galleon Nominees Limited and Dudley Road Nominees Limited made up to 31 December 2013.

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

Intra-group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only. No income statement is presented for Jarvis Securities plc as provided by S408 of the Companies Act 2006. The profit for the year of Jarvis Securities plc, as approved by the board, was £2,443,854 (2012: £1,264,054).

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

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

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

(d) Intangible assets

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

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

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

(e) Goodwill

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

(f) Deferred income tax

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

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

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

(g) Segmental reporting

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

(h) Pensions

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

(i) Trade receivables and payables

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

(j) Operating leases and finance leases

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

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

Investments held to maturity
Investments held to maturity are stated at cost. Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Assets in this category are classified as non-current.

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.

Available-for-sale investments
Available-for-sale investments are stated at fair value. They are included in non-current assets unless management intends to dispose of them within 12 months of the balance sheet date.

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

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

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

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

(l) Foreign Exchange
The group offers settlement of trades in sterling, US dollars, euros, Canadian dollars, Australian dollars, South African rand and Swiss francs. 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 no foreign exchange risk.

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

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

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

(p) Dividend distribution

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

(q) Share based payments

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

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

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

3. Group revenue

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

	2013	2012
	£	£
Gross interest earned from treasury deposits, cash at bank and overdrawn client accounts	3,132,575	2,792,240
Fees, commissions, foreign exchange gains and other revenue	4,024,980	3,323,778
	7,157,555	6,116,018

4. Segmental information

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

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

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

5. Finance costs	2013	2012
	£	£
Interest on bank loans, overdrafts and tax	10,103	15,091
	10,103	15,091

6. Profit before income tax

	2013	2012
Profit before income tax is stated after charging/(crediting):	£	£
Directors' emoluments	558,515	470,486
Depreciation – owned assets	20,620	24,893
Amortisation	25,615	27,366
Operating lease rentals – hire of machinery	9,185	10,566
Operating lease rentals – land and buildings	63,500	63,500
Finance costs including bank transaction fees	71,778	60,827

Details of Directors' annual remuneration as at 31 December 2013 are set out below:

	2013	2012
	£	£
Fees	497,600	415,340
Pension contributions	40,299	33,430
Cost of share options	12,640	12,828
Benefits in kind	7,976	8,888
	558,515	470,486
Details of the highest paid director are as follows:		
Aggregate emoluments	285,997	261,205
Company contributions to personal pension scheme	23,099	20,720
Benefits in kind	7,395	8,402
	316,491	290,327

	Emoluments & Benefits in kind	Pension	Total
Directors	£	£	£
Andrew J Grant	293,392	23,099	316,491
Nick J Crabb	121,824	9,500	131,324
Jolyon C Head	89,000	7,700	96,700
Graeme McAusland	14,000	-	14,000
TOTAL	518,216	40,299	558,515

During the year benefits accrued for three directors (2012 three directors) under a money purchase pension scheme. In addition, Andrew Grant made a gain of £136,837 from exercising options.

Staff Costs

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

	2013	2012
Management and administration	41	37
The aggregate payroll costs of these persons were as follows:	£	£
Wages, salaries & social security	1,393,425	1,344,541
Pension contributions including salary sacrifice	38,518	36,780
Cost of share options	14,679	17,449
	1,446,622	1,398,770

Key personnel

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

7. Auditors' remuneration

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

	2013	2012
	£	£
Fees payable to the company's auditors for the audit of the company's annual financial statements	19,375	21,320
Fees payable to the company's auditors and its associates for other services:		
The audit of the company's subsidiaries, pursuant to legislation	11,625	14,000
Total audit fees	31,000	35,320
Taxation Compliance	4,050	5,937
Other taxation advisory services not relating to compliance	5,200	1,500
	40,250	42,757

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

8. Income and deferred tax charges – group	2013	2012
	£	£
Based on the adjusted results for the year:		
UK corporation tax	714,093	586,438
Adjustments in respect of prior years	(3,035)	(751)
Total current income tax	711,058	585,687
Deferred income tax:		
Origination and reversal of timing differences	3,193	4,783
Adjustment in respect of change in deferred tax rate	4,088	549
Adjustment in respect of prior years	(39)	594
Total deferred tax charge	7,242	5,926
Income tax on profit	718,300	591,613

The income tax assessed for the year is greater than the standard rate of corporation tax in the UK (23.25%). The differences are explained below:

	2013	2012
Profit before income tax	3,067,905	2,353,664
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%)	713,288	576,648
Effects of:		
Expenses not deductible for tax purposes	33	14,119
Adjustments to tax charge in respect of previous years	1,052	(202)
IFRS 2 (share option) expense	3,413	-
Ineligible depreciation	453	358
Adjustment in respect of change in deferred tax rate	(39)	690
Other	100	-
Current income tax charge for the year	718,300	591,613

	2013	2012
Movement in (assets) / provision – group:		
Provision at start of year	(6,832)	(12,758)
Deferred income tax charged in the income statement for the year	3,154	5,377
Adjustment in respect of prior periods	4,088	549
(Asset) / Provision at end of year	410	(6,832)
(Asset) / Provision for deferred income tax:		
Accelerated capital allowances	410	(6,832)
	410	(6,832)

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

Movement in (asset) / provision – company:		
Provision at start of year	(6,832)	(12,758)
Deferred income tax charged in the income statement for the year	3,154	5,377
Adjustment in respect of prior periods	4,088	549
(Asset) / Provision at end of year	410	(6,832)
(Asset) / Provision for deferred income tax:		
Accelerated capital allowances	410	(6,832)
	410	(6,832)

The gross movements in the deferred tax account for the company and group are as follows:	Tangible Assets
Provision at start of year	(6,832)
Income statement charge	7,242
(Asset) / Provision at end of year	410

9. Earnings per share	2013	2012
	£	£
Earnings:		
Earnings for the purposes of basic and diluted earnings per share *(profit for the period attributable to the equity holders of the parent)*	2,349,605	1,762,051
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	10,718,466	10,586,750
Effect of dilutive potential ordinary shares:		
Share option scheme	255,299	179,807
	10,973,765	10,766,557

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

10 Property, plant & equipment – group & company

	Freehold Land & Property	Leasehold Improvements	Office Equipment	Total
Cost:	£	£	£	£
At 1 January 2012	165,967	288,342	218,540	672,849
Additions	56,483	-	23,811	80,294
Disposals	-	-	-	-
At 31 December 2012	222,450	288,342	242,351	753,143
Additions	-	1,191	1,228	2,419
Disposals	-	(288,342)	-	(288,342)
At 31 December 2013	222,450	1,191	243,579	467,220
Depreciation:				
At 1 January 2012	-	288,342	171,640	459,982
Charge for the year	1,462	-	23,431	24,893
On Disposal	-	-	-	-
At 31 December 2012	1,462	288,342	195,071	484,875
Charge for the year	1,949	397	18,274	20,620
On Disposal	-	(288,342)	-	(288,342)
At 31 December 2013	3,411	397	213,345	217,153
Net Book Value:				
At 31 December 2013	219,039	794	30,234	250,067
At 31 December 2012	220,988	-	47,280	268,268

11. Intangible assets & goodwill – group & company	Goodwill	Intangible assets				
		Customer Relationships	Databases	Software Development	Website	Total
	£	£	£	£	£	£
Cost:						
At 1 January 2012	342,872	177,981	25,000	33,815	103,519	340,315
Additions	-	-	-	3,000	-	3,000
Impairment	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2012	342,872	177,981	25,000	36,815	103,519	343,315
Additions	-	-	-	179,870	-	179,870
Impairment	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2013	342,872	177,981	25,000	216,685	103,519	523,185
Amortisation:						
At 1 January 2012	-	47,146	8,719	27,390	101,638	184,893
Charge for the year	-	18,290	1,000	6,425	1,652	27,367
On Disposal	-	-	-	-	-	-
At 31 December 2012	-	65,436	9,719	33,815	103,290	212,260
Charge for the year	-	18,290	1,000	6,096	229	25,615
On Disposal	-	-	-	-	-	-
At 31 December 2013	-	83,726	10,719	39,911	103,519	237,875
Net Book Value:						
At 31 December 2013	342,872	94,254	14,281	176,775	0	285,310
At 31 December 2012	342,872	112,545	15,281	3,000	229	131,055

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

In reviewing the value of goodwill for impairment, the directors have assumed an attrition rate of 7.0% based upon the actual rate for the previous period and a discount rate of 2.0%. The discounted cashflow is calculated over a period of 5 years. For impairment to the goodwill value to occur, the attrition rate would need to exceed 18.3% or the discount rate would need to exceed 12.6%.

During a prior period the businesses of seven commercial clients were acquired following the failure of those businesses under the terms of the contractual agreements in place. The fair value of the customer contractual and non-contractual relationships was £386,143. The current value of these relationships in the accounts is £94,254. To estimate their fair value, a discounted cashflow method, specifically the income approach, was used with reference to the contractual terms and management estimates of the level of revenue which will be generated from the customer relationships. An attrition rate of 7% and weighted average cost of capital of 2% was used for the valuation. During the current period an impairment review of the customer relationships recognised in the prior period was conducted in accordance with IAS 36. This resulted in no impairment charge to the customer contractual and non-contractual relationships. The impairment review applied the actual attrition rate seen over the prior year and to each relationship and used a weighted average cost of capital of 2%. If the weighted average cost of capital were increased to 3% the additional impairment would be £5,790.

12. Investments held to maturity

	Group 2013	Group 2012	Company 2013	Company 2012
Unlisted Investments:	£	£	£	£
Cost:				
At 1 January	300,067	200,067	-	-
Additions	-	100,000	-	-
Disposals on maturity	-	-	-	-
As at 31 December	300,067	300,067	-	-
Amortisation:				
At 1 January	21,151	5,182	-	-
Charge for the year	15,968	15,969	-	-
As at 31 December	37,119	21,151	-	-
Net Book Value:				
At 1 January	278,916	194,885	-	-
At 31 December	262,948	278,916	-	-

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

13. Available-for-sale investments

	Group 2013	Group 2012	Company 2013	Company 2012
Listed Investments:	£	£	£	£
Cost:				
At 1 January	1,605	36,099	1,605	36,099
Disposals	(1,605)	(5,780)	(1,605)	(5,780)
On revaluation	-	(28,714)	-	(28,714)
As at 31 December	-	1,605	-	1,605

No listed investments were held at 31 December 2013.

	Group 2013	Group 2012	Company 2013	Company 2012
Unlisted Investments:	£	£	£	£
Cost:				
At 1 January	44,450	244,450	44,450	244,450
Additions	-	-	-	-
Disposals	(44,450)	(200,000)	(44,450)	(200,000)
As at 31 December	-	44,450	-	44,450

No unlisted investments were held at 31 December.

14. Investments in subsidiaries

	Company 2013	Company 2012
Unlisted Investments:	£	£
Cost:		
At 1 January	280,999	276,379
Additions	-	-
Capital contributions re share option costs	2,039	4,620
As at 31 December	283,038	280,999

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

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

15. Trade and other receivables

Amounts falling due within one year:	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Trade receivables	187,998	474,109	12,480	168,123
Settlement receivables	1,716,487	3,111,558	-	-
Amounts owed by group undertakings	-	-	-	-
Other receivables	50,276	47,216	15,875	15,875
Other taxes and social security	-	-	5,147	-
Prepayments and accrued income	765,161	619,453	512,430	517,412
	2,719,922	4,252,336	545,932	701,410

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

16. Investments held for trading

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Listed Investments:				
Valuation:				
At 1 January	761	19,975	-	-
Additions	961,334	770,375	-	-
Disposals	(956,338)	(789,589)	-	-
As at 31 December	5,757	761	-	-

Listed investments are stated at their market value at 31 December 2013.

17. Cash and cash equivalents

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Balance at bank and in hand – group/company	2,645,023	1,494,643	1,350,516	1,274,114
Cash held for settlement of market transactions	7,700,695	2,111,934	-	-
	10,345,718	3,606,577	1,350,516	1,274,114

18. Share capital	2013	2012
	£	£
At 1 January 2013	106,015	105,720
Allotted, issued and fully paid during the year	1,810	295
Allotted, issued and fully paid:		
10,782,500 (2012: 10,601,500) Ordinary shares of 1p each	107,825	106,015

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

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

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

	2013		2012	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		Pence		*Pence*
Outstanding at the beginning of the year	628,500	125.46	658,000	125.46
Exercised during the year	(181,000)	111.12	(29,500)	82.50
Outstanding at year end	447,500	136.89	628,500	127.49
Exercisable at year end	347,500	118.72	528,500	114.00

A detailed breakdown of the exercise prices for options outstanding as at 31 December 2013 is shown in the table below:

	2013		2012	
Exercise Price *(pence)*	Number outstanding at year end	Exercise dates	Number outstanding at year end	Exercise dates
82.50 *(granted 23 Dec 2004)*	223,500	23 Dec 2009 to 23rd Dec 2014	348,500	23 Dec 2009 to 23rd Dec 2014
175.00 *(granted 18 May 2007)*	124,000	17 May 2012 to 17 May 2017	180,000	17 May 2012 to 17 May 2017
200.00 *(granted 12 May 2009)*	100,000	12 May 2014 to 12 May 2019	100,000	12 May 2014 to 12 May 2019

The total number of options unexercised and in issue at the year end is 447,500. The weighted average share price for the year was 313p (2012: 170p).

The following options are held by directors:

	at 82.5p	*at 175p*	*at 200p*
A J Grant	223,500	76,500	-
N J Crabb	-	-	100,000

19. Trade and other payables

Amounts falling due within one year:	Group 2013	Group 2012	Company 2013	Company 2012
	£	£	£	£
Trade payables	112,988	255,446	4,539	698
Settlement payables	9,467,755	5,502,408	-	-
Amount owed to group undertaking	-	-	140,173	1,525,921
Other taxes and social security	63,944	34,992	-	1,100
Other payables & provisions	215,850	92,368	3,474	6,015
Accruals	235,328	162,889	27,300	25,501
Trade and other payables	10,095,865	6,048,103	175,486	1,559,235
Income tax	534,219	313,066	439,605	153,982
Deferred tax	410	-	410	-
Total liabilities	10,630,494	6,361,169	615,501	1,713,217

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

20. Dividends

	2013	2012
	£	£
Interim dividends paid on Ordinary 1p shares	1,555,814	1,191,840
Dividend per Ordinary 1p share	14.5p	11.25p

21. Operating lease commitments – group

At 31 December 2013 the group was committed to making the following payments in respect of operating leases which expire:

	Equipment 2013	Equipment 2012	Land & buildings 2013	Land & buildings 2012
	£	£	£	£
Not later than one year:	9,052	8,736	63,500	63,500
Later than one year and not later than five years:	36,209	-	174,625	238,125
Later than five years:	4,526	-	-	-

During the year the group renewed its lease with its supplier of postage processing and franking machines.

Operating lease commitments – company

At 31 December 2013 the company was committed to making the following payments in respect of operating leases which expire:

	Land & buildings 2013	Land & buildings 2012
	£	£
Not later than one year:	63,500	63,500
Later than one year and not later than five years:	174,625	238,125
Later than five years:	-	-

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

22. Financial Instruments

The group's principal financial instruments comprise cash, short terms borrowings and various items such as trade receivables, trade payables etc. that arise directly from operations. The main purpose of these financial instruments is the funding of the group's trading activities.

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

The group also holds investments in equities and gilts.

23. Critical accounting estimates and judgements

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

As of 31 December 2013, trade receivables of £269,587 (2012: £172,705) were past due and were impaired and partially provided for. The amount of the provision was £212,376 as at 31 December 2013 (2012: £86,352). The individually impaired receivables relate to clients who are in a loan position and who do not have adequate stock to cover these positions. The amount of the impairment is determined by clients' perceived willingness and ability to pay the debt, legal judgements obtained in respect of, charges secured on properties and payment plans in place and being adhered to. Where debts are determined to be irrecoverable they are written off through the income and expenditure account.

	Group		Company	
Provision of impairment of receivables:	2013	2012	2013	2012
	£	£	£	£
At 1 January	86,352	36,528	-	-
Charge / (credit) for the year	302,609	125,139	-	-
Uncollectable amounts written off	(176,585)	(75,315)	-	-
At 31 December	212,376	86,352		-

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

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

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

24. Immediate and ultimate parent undertaking

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

25. Related party transactions

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

Jarvis Securities plc paid a performance related management charge to Jarvis Investment Management Limited of £100,000 (2012: £490,000) during the year. Jarvis Securities plc owed Jarvis Investment Management Limited £140,173 (2012: £1,521,796) at year end.

As at 31 December 2013 Sion Securities, the company's immediate and ultimate parent undertaking, had £3,285,014 (2012 £307,260) of cash deposited with Jarvis Investment Management Limited. Jarvis Investment Management Limited paid Sion Securities £11,100 of interest during the year in respect of the cash balance held, on which Jarvis Investment Management Limited was itself earning interest. Sion Holdings Limited, a company controlled by A J Grant by virtue of his majority shareholding, had £189,334 (2012: £193,923) of cash deposited with Jarvis Investment Management Limited at 31 December 2013. Sion Properties Limited, a company controlled by A J Grant by virtue of his majority shareholding, had no cash (2012: £5,742) deposited with Jarvis Investment Management Limited.

26. Capital commitments

As of 31 December 2013 the company had no capital commitments (2012: nil).

27. Fair value estimation

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

28. Financial risk management objectives and policies

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

The group's main credit risk is exposure to the trading accounts of clients. This credit risk is controlled via the use of credit algorithms within the computer systems of the subsidiary. These credit limits prevent the processing of trades in excess of the available maximum permitted margin at 50% of the current portfolio value of a client.

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

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

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

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

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

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

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

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COMPANY INFORMATION

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

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

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

The meeting is to be held on **Thursday 27th March 2014.** 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 2013.
2. To re-appoint Crowe Clark Whitehill LLP as auditors.

The Special Resolution to be considered is:

3. To renew the authority previously granted on 28 September 2005 allowing the Company to repurchase its own shares for Treasury or cancellation up to a maximum level of 10% of the Ordinary shares in issue at that date (being 10,800,000 Ordinary 1p shares).

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

78 Mount Ephraim
Royal Tunbridge Wells
Kent
TN4 8BS

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

Jarvis Securities plc

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING

I/We (*block capitals, please*)…..

…...………

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

…...………

as *my/our* proxy to vote for *me/us* on *my/our* behalf at the Annual General Meeting of the Company to be held on **Thursday 27th March 2014 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 2013		
Ordinary Resolution	To re-appoint Crowe Clark Whitehill LLP as auditor		
Special Resolution	To renew the authority for the Company to repurchase its own shares for Treasury or cancellation in accordance with the terms of the Authority previously granted		

NOTES

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