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12 March 2020

Jarvis Securities plc
("Jarvis" or "the Company" or "the Group")

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

HIGHLIGHTS

- 11% increase in profit before tax
- 4% increase in year on year interest income
- 7% growth in interim dividend per share
- Additional special dividend of 15p per share paid
- 13% increase in EPS

CHAIRMAN'S STATEMENT

- 11% increase in profit before tax
- 4% increase in year on year interest income
- 7% growth in interim dividend per share
- Additional special dividend of 15p per share paid
- 13% increase in EPS

I am pleased to be able to report that we have built on excellent midyear results and had a record-breaking year in spite of the market uncertainty caused by the political environment which prevailed throughout most of 2019. Trade volumes year on year up to 31 December 2019 have fallen, but the changes we made to the business model during 2018 have led to an increase in fixed income. This action was necessary to offset increases in our fixed cost base driven by recent regulatory and legal changes throughout the industry.

The performance towards the end of 2019 and early 2020 bodes well for the future. The election result at the end of 2019 has added an element of political certainty that has been lacking since the initial vote to leave the EU, and market volumes are typically higher in times of political stability. I feel we are seeing light at the end of the tunnel.

As I have stated before we are well positioned to capture the financial gains of increased trade volumes - being predominately IT focused overheads will not increase proportionately. This will lead to increased commission and interest income as cash under administration balances are positively correlated with trading volumes. Increased volumes will also enable our commercial and Model B clients to thrive. The business remains highly cash generative which will enable us to continue returning cash to shareholders through the regular quarterly dividends and as reserves permit, special dividend payments assuming funds are not required for working capital or acquisitions.

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

The Company will today dispatch to shareholders its Annual Report and Accounts for the year ended 31 December 2019, together with a notice convening the Annual General Meeting ("AGM"), to be held at the Company's offices on Thursday 23rd April at 9am. The Annual Report and Accounts and Notice of AGM will also be available from the Company's website, www.jarvissecurities.co.uk.

Andrew Grant
Chairman

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Consolidated income statement for the year ended 31 December 2019

	Notes	**Year to 31/12/19**	Year to 31/12/18
		£	£
Continuing operations:			
Revenue	*3*	**10,521,806**	10,050,567
Administrative expenses		**(5,708,739)**	(5,736,062)
Lease finance costs		**(8,393)**	-
Profit before income tax	*5*	**4,804,674**	4,314,505
Income tax charge	*7*	**(893,944)**	(832,546)
Profit for the period		**3,910,730**	3,481,959
Attributable to equity holders of the parent		**3,910,730**	3,481,959
Earnings per share	*8*	**P**	P
Basic and diluted		**35.82**	31.79

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

	Notes	**Year to 31/12/19**	Year to 31/12/18
		£	£
Profit for the period		**3,910,730**	3,481,959
Total comprehensive income for the period		**3,910,730**	3,481,959
Attributable to equity holders of the parent		**3,910,730**	3,481,959

Company No.: 5107012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

	Notes	31/12/19	31/12/18
		£	£
Assets			
Non-current assets			
Property, plant and equipment	9	**461,471**	218,457
Intangible assets	10	**105,428**	93,463
Goodwill	10	**342,872**	342,872
		909,771	654,792
Current assets			
Trade and other receivables	12	**3,373,427**	5,285,001
Investments held for trading	14	**4,600**	1,956
Cash and cash equivalents	15	**5,290,961**	4,655,473
		8,668,988	9,942,430
Total assets		**9,578,759**	10,597,222
Equity and liabilities			
Capital and reserves			
Share capital	16	**111,828**	111,828
Share premium		**1,576,669**	1,576,669
Merger reserve		**9,900**	9,900
Capital redemption reserve		**9,845**	9,845
Retained earnings		**4,949,467**	5,523,363
Own shares held in treasury	16	**(981,136)**	(859,587)
Total equity attributable to the equity holders of the parent		**5,676,573**	6,372,018
Non-current liabilities			
Deferred tax		**38,664**	37,451
Lease liabilities	13	**148,633**	-
		187,297	37,451
Current liabilities			
Trade and other payables	17	**3,184,059**	3,739,910
Lease liabilities		**81,507**	-
Income tax	17	**449,323**	447,843
		3,714,889	4,187,753
Total liabilities		**3,902,186**	4,225,204
Total equity and liabilities		**9,578,759**	10,597,222

Company No.: 5107012

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

	Notes	31/12/19	31/12/18
		£	£
Assets			

	Note	2019	2018
Non-current assets			
Property, plant and equipment	*9*	**461,471**	218,457
Intangible assets	*10*	**105,428**	93,463
Goodwill	*10*	**342,872**	342,872
Investment in subsidiaries	*11*	**284,239**	284,239
		1,194,010	939,031
Current assets			
Trade and other receivables	*12*	**636,340**	721,480
Cash and cash equivalents	*15*	**2,181,403**	2,588,487
		2,817,743	3,309,967
Total assets		**4,011,753**	4,248,998
Equity and liabilities			
Capital and reserves			
Share capital	*16*	**111,828**	111,828
Share premium		**1,576,669**	1,576,669
Capital redemption reserve		**9,845**	9,845
Retained earnings		**1,776,865**	2,314,978
Own shares held in treasury	*16*	**(981,136)**	(859,587)
Total equity attributable to the equity holders		**2,494,071**	3,153,733
Non-current liabilities			
Deferred tax		**38,664**	37,451
Lease liabilities	*13*	**148,633**	-
		187,297	37,451
Current liabilities			
Trade and other payables	*17*	**891,435**	700,086
Lease liabilities	*17*	**81,507**	-
Income tax	*17*	**357,443**	357,728
		1,330,385	1,057,814
Total liabilities		**1,517,682**	1,095,265
Total equity and liabilities		**4,011,753**	4,248,998

The parent company's profit for the financial year was £3,946,513 (2018: £2,881,553).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Merger reserve	Capital redemption reserve	Retained earnings	Own shares held in Treasury	Total equity
	£	£	£	£	£	£	£
At 1 January 2018	111,828	1,576,669	9,900	9,845	4,723,986	(859,587)	5,572,641
Profit for the financial year	-	-	-	-	3,481,959	-	3,481,959
Dividends	-	-	-	-	(2,682,582)	-	(2,682,582)

At 31 December 2018	111,828	1,576,669	9,900	9,845	5,523,363	(859,587)	6,372,018
Adjustment from the adoption of IFRS 16	-	-	-	-	(5,600)	-	(5,600)
Profit for the financial year	-	-	-	-	3,910,730	-	3,910,730
Purchase of own shares held in treasury	-	-	-	-	-	(227,002)	(227,002)
Sale of own shares held in treasury	-	-	-	-	23,254	105,453	128,707
Dividends	-	-	-	-	(4,502,280)	-	(4,502,280)
At 31 December 2019	111,828	1,576,669	9,900	9,845	4,949,467	(981,136)	5,676,573

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Own shares held in treasury	Total equity
	£	£	£	£	£	£
At 1 January 2018	111,828	1,576,669	9,845	2,116,007	(859,587)	2,954,762
Profit for the financial year	-	-	-	2,881,553	-	2,881,553
Dividends	-	-	-	(2,682,582)	-	(2,682,582)
At 31 December 2018	111,828	1,576,669	9,845	2,314,978	(859,587)	3,153,733
Adjustment from the adoption of IFRS 16	-	-	-	(5,600)	-	(5,600)
Profit for the financial year	-	-	-	3,946,513	-	3,946,513
Purchase of own shares held in treasury	-	-	-	-	(227,002)	(227,002)
Sale of own shares held in treasury	-	-	-	23,254	105,453	128,707
Dividends	-	-	-	(4,502,280)		(4,502,280)
At 31 December 2019	111,828	1,576,669	9,845	1,776,865	(981,136)	2,494,071

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

		CONSOLIDATED		**COMPANY**	
	Notes	**Year to 31/12/19**	Year to 31/12/18	**Year to 31/12/19**	Year to 31/12/18
		£	£	**£**	£
Cash flow from operating activities					
Profit before income tax		**4,804,674**	4,314,505	**4,608,692**	3,583,323
Depreciation and amortisation	*5*	**153,161**	110,035	**153,161**	110,035
Lease finance cost		**8,393**	-	**8,393**	-
		4,966,228	4,424,540	**4,770,246**	3,693,358
(Increase) /Decrease in trade and other receivables		**1,663,939**	(1,482,190)	**85,140**	(650,999)

(Decrease) /Increase in trade payables	**(308,217)**	(7,773,484)	**191,348**	(439,192)
Cash generated from operations	**6,321,950**	(4,831,134)	**5,046,734**	2,603,167
Income tax (paid)/received	**(891,251)**	(965,552)	**(661,251)**	(783,198)
Net cash from operating activities	**5,430,699**	(5,796,686)	**4,385,483**	1,819,969
Cash flows from investing activities				
Purchase of property, plant and equipment	**(31,567)**	(6,099)	**(31,567)**	(6,099)
Purchase of investments held for trading	**(758,021)**	(661,352)	**-**	-
Proceeds from sale of investments held for trading	**755,377**	672,942	**-**	-
Purchase of intangible assets	**(72,925)**	(46,253)	**(72,925)**	(46,253)
Cash flows from financing activities	**(107,136)**	(40,762)	**(104,492)**	(52,352)
Repurchase of ordinary share capital	**(227,002)**	-	**(227,002)**	-
Sale of treasury shares	**105,453**	-	**105,453**	-
Profit on sale of treasury shares	**23,254**	-	**23,254**	-
Dividends paid	**(4,502,280)**	(2,682,582)	**(4,502,280)**	(2,682,582)
Lease finance cost	**(8,393)**	-	**(8,393)**	-
Repayment of finance leases	**(79,107)**	-	**(79,107)**	-
Net cash used in financing activities	**(4,688,075)**	(2,682,582)	**(4,688,075)**	(2,682,582)
Net (decrease)/ increase in cash & cash equivalents	**635,488**	(8,520,030)	**(407,084)**	(914,965)
Cash and cash equivalents at the start of the year	**4,655,473**	13,175,503	**2,588,487**	3,503,452
Cash and cash equivalents at the end of the year	**5,290,961**	4,655,473	**2,181,403**	2,588,487
Cash and cash equivalents:				
Balance at bank and in hand	**5,374,229**	5,866,848	**2,181,403**	2,588,487
Cash held for settlement of market transactions	**(83,268)**	(1,211,375)	**-**	-
	5,290,961	4,655,473	**2,181,403**	2,588,487

1. Basis of preparation

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

These financial statements have been prepared in accordance with the accounting policies set out below, which have been consistently applied to all the years presented.

New standards, not yet effective
There are no standards that are issued but not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Significant judgements and estimates

The areas involving a high degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 21.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 4. The financial position of the group, its cash flows, liquidity position and borrowing facilities are described within these financial statements. In addition, note 26 of the financial statements includes the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

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

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

2. Accounting policies

(a) IFRS 15 'Revenue from Contracts with Customers'

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

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

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

(b) Basis of consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases. The group financial statements consolidate the financial statements of Jarvis Securities plc, Jarvis Investment Management Limited, JIM Nominees Limited, Galleon Nominees Limited and Dudley Road Nominees Limited made up to 31 December 2019.

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 profit and loss account is presented for Jarvis Securities plc as provided by S408 of the Companies Act 2006.

(c) Property, plant and equipment

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

Leasehold improvements	-	33% on cost, or over the lease period if less than 3 years
Motor vehicles	-	15% on cost
Office equipment	-	20% on cost
Land & Buildings	-	Buildings are depreciated at 2% on cost. Land is not depreciated.
Right of use asset	-	Straight line basis over the lease period

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

(d) Intangible assets

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

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

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

(e) Goodwill

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

(f) Deferred income tax

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

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

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

(g) Segmental reporting

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

(h) Pensions

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

(i) Trading balances

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

(j) Leases

The following was applicable in 2018. 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
Investments held for trading
Under IFRS investments held for trading are recognised as financial assets measured at fair value through profit and loss.

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 as well as various foreign currencies. 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) IFRS 9 'Financial Instruments'

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

(r) IFRS 16 'Leases'
The Group has applied the modified retrospective approach in respect of IFRS 16 which came into effect on 1 January 2019. The result of this is the cumulative effect of the application is recognised in retained earnings at 1 January 2019 and no restatement of the 2018 comparatives has been made i.e. the previous reported results are under IAS 17.
The impact of transition to IFRS 16 is the Group recognised a right-of-use asset and lease liability on the significant operating leases.
The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain premeasurements of the lease liability.
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implied in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.
The Group has applied judgement to determine the lease term for contracts with options to renew or exit early.

The carrying amount of right-of-use assets recognised was £404,863 at the lease start date of 27 September 2017. The carrying amount of right of use assets was £303,647 at 1 January 2019 and £222,675 at 31 December 2019 with depreciation of £80,973 recognised in administrative expenses.
The present value of the lease payments was £309,247 at 1 January 2019 with a finance charge of £8,393 being recognised in finance costs.
The retained earnings include a £5,600 transitional adjustment in respect of the modified retrospective approach.
A finance charge of 3% APR is used to calculate the finance cost of the lease.

3. Group revenue

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

	2019	2018
	£	£
Gross interest earned from treasury deposits, cash at bank and overdrawn client accounts	4,232,976	4,081,633
Commissions	3,320,160	3,754,725
Fees	2,968,670	2,214,209
	10,521,806	10,050,567

4. Segmental information

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

The group is not reliant on any one customer and no customer accounts for more than 10% of the group's external revenues. As noted in 2 (g) the directors regard the operations of the group as a single reporting segment on the basis there is only a single organisational unit that is reported to key management personnel for the purpose of performance assessment and future resource allocation.

5. Profit before income tax	2019	2018
Profit before income tax is stated after charging/(crediting):	£	£
Directors' emoluments	671,690	675,453
Depreciation – right of use asset	80,973	-
Depreciation – owned assets	11,228	7,581
Amortisation (included within administrative expenses in the consolidated income statement)	60,960	102,452
Operating lease rentals – hire of machinery	8,842	8,842
Impairment of receivable charge	23,398	36,452
Bank transaction fees	68,734	58,798

Details of directors' annual remuneration as at 31 December 2019 are set out below:

	2019	2018
	£	£
Short-term employee benefits	589,642	554,896
Post-employment benefits	73,740	110,502
Benefits in kind	8,307	10,055
	671,690	675,453
Details of the highest paid director are as follows:		
Aggregate emoluments	347,110	346,027
Company contributions to personal pension scheme	-	-
Benefits in kind	7,375	9,123
	354,485	355,150

	Emoluments & Benefits in kind	Pension	Total
Directors	£	£	£
Andrew J Grant	354,485	-	354,485

Nick J Crabb	110,000	38,917	148,917
Jolyon C Head	107,465	34,823	142,288
Graeme McAusland	26,000	-	26,000
TOTAL	597,950	73,740	671,690

During the year benefits accrued for two directors (2018: two directors) under a money purchase pension scheme.

Staff Costs

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

	2019	2018
Management and administration	57	57
The aggregate payroll costs of these persons were as follows:	£	£
Wages, salaries & social security	2,393,437	2,250,433
Pension contributions including salary sacrifice	102,923	129,217
	2,496,360	2,379,650

Key personnel

The directors disclosed above are considered to be the key management personnel of the group. The total amount of employers NIC paid on behalf of key personal was £76,621 (2018: 71,942).

6. Auditors' remuneration

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

	2019	2018
	£	£
Fees payable to the company's auditors for the audit of the company's annual financial statements	24,150	23,700
Fees payable to the company's auditors and its associates for other services:		
The audit of the company's subsidiaries, pursuant to legislation	9,000	8,500
Total audit fees	33,150	32,200
Taxation Compliance	4,800	4,650
	37,950	36,850

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

7. Income and deferred tax charges – group	2019	2018
	£	£
Based on the adjusted results for the year:		
UK corporation tax	902,524	834,781
Adjustments in respect of prior years	(9,793)	(6,758)
Total current income tax	892,731	828,023
Deferred income tax:		
Origination and reversal of timing differences	9,560	7,213
Adjustment in respect of prior years	(4,923)	
Adjustment in respect of change in deferred tax rates	(3,424)	(2,690)
Total deferred tax charge	1,213	4,523
	893,944	832,546

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

Profit before income tax	4,804,674	4,314,505
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	912,889	819,756
Effects of:		
Expenses not deductible for tax purposes	-	-
Redress Income not taxable	-	(1,186)
Adjustments to tax charge in respect of previous years	(14,716)	(9,449)
Ineligible depreciation	320	370

Adjust in respect of change in deferred tax rate	(3,424)	-
Deferred tax timing differences	(1,125)	23,446
Marginal relief	-	(392)
Current income tax charge for the years	893,944	832,545

Movement in (assets) / provision – group and company:		
Provision at start of year	37,451	32,929
Deferred income tax charged in the year	1,213	4,522
Provision at end of year	38,664	37,451

	Tangible Assets
Deferred tax liability brought forward	37,451
Current year	6,136
Prior year	(4,923)
Liability at end of year	38,664

8. Earnings per share	2019	2018
	£	£
Earnings:		
Earnings for the purposes of basic and diluted earnings per share *(profit for the period attributable to the equity holders of the parent)*	3,910,730	3,481,959
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	10,918,971	10,951,450
	10,918,971	10,951,450

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

9. Property, plant & equipment – group & company	Right of use assets - Leasehold	Leasehold & Property	Leasehold Improvements	Office Equipment	Total
Cost:		£	£	£	£
At 1 January 2018	-	222,450	4,014	258,617	485,081
Additions	-	-	-	6,099	6,099
Disposals	-	-	-	-	-
At 31 December 2018	-	222,450	4,014	264,716	491,180
Adjustment from the adoption of IFRS 16	303,648	-	-	-	303,648
Additions	-	-	-	31,567	31,567
Disposals	-	-	-	-	-
At 31 December 2019	303,648	222,450	4,014	296,283	826,395
Depreciation:					
At 1 January 2018	-	11,207	2,661	251,273	265,141
Charge for the year	-	1,949	1,353	4,280	7,582
On Disposal	-	-	-	-	-
At 31 December 2018	-	13,156	4,014	255,553	272,723
Charge for the year	80,973	1,949	-	9,279	92,201
On Disposal	-	-	-	-	-
At 31 December 2019	80,973	15,105	4,014	264,832	364,924
Net Book Value:					

At 31 December 2019	222,675	207,345	-	31,451	461,471
At 31 December 2018	-	209,294	-	9,163	218,457

The net book value of non-depreciable land is £125,000 (2018: £125,000).

10. Intangible assets & goodwill – group & company

		Intangible assets				
	Goodwill	Customer Relationships	Databases	Software Development	Website	Total
	£	£	£	£	£	£
Cost:						
At 1 January 2018	342,872	177,981	25,000	217,961	223,860	644,802
Additions	-	-	-	8,400	37,853	46,253
At 31 December 2018	342,872	177,981	25,000	226,361	261,713	691,055
Additions	-	-	-	72,925	-	72,925
At 31 December 2019	342,872	177,981	25,000	299,286	261,713	763,980
Amortisation:						
At 1 January 2018	-	156,890	14,719	186,208	137,323	495,140
Charge for the year	-	18,291	1,000	32,921	50,240	102,452
At 31 December 2018	-	175,181	15,719	219,129	187,563	597,592
Charge for the year	-	2,800	1,000	19,470	37,690	60,960
At 31 December 2019	-	177,981	16,719	238,599	225,253	658,552
Net Book Value:						
At 31 December 2019	342,872	-	8,281	60,687	36,460	105,428
At 31 December 2018	342,872	2,800	9,281	7,232	74,150	93,463

Goodwill represents the difference between the consideration paid and the fair value of assets acquired on the acquisition of a business in 2003. In accordance with the transitional provisions in IFRS 1 the group elected not to apply IFRS 3 retrospectively to past business combinations. Therefore the goodwill balance represents an acquired customer base, that continues to trade with the group to this day and, more fundamentally, systems, processes and a registration that dramatically reduced the group's dealing costs. These systems and the registration contributed significantly to turning the group into the low cost effective provider of execution only stockbroking solutions that it is today. The key assumptions used by the directors in their annual impairment review are that the company can benefit indefinitely from the reduced dealing costs and the company's current operational capacity remains unchanged. The recoverable amount of the goodwill has been assessed using the value in use method and there is significant headroom based on this calculation. There are no reasonable changes in assumptions that would cause the cash generating unit value to fall below its carrying amount.

11. Investments in subsidiaries

	Company	
	2019	2018
Unlisted Investments:	£	£
Cost:		
At 1 January	284,239	284,239
As at 31 December	284,239	284,239

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

Galleon Nominees Limited*	100%	2	£1 Ordinary shares	Dormant nominee company

All subsidiaries are located in the United Kingdom and their registered office is 78 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS.
** indirectly held*

12. Trade and other receivables

Amounts falling due within one year:	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade receivables	549,872	597,528	9,411	44,673
Settlement receivables	2,077,733	3,743,719	-	-
Other receivables	637,814	669,170	624,550	669,170
Prepayments and accrued income	108,009	274,584	2,010	879
Other taxes and social security	-	-	369	6,758
	3,373,427	5,285,001	636,340	721,480

An analysis of trade and settlement receivables past due is given in note 26. There are no amounts past due included within other receivables or prepayments and accrued income.

13. Leases

Lease liabilities are secured by the related underlying assets.	2019 £
Amounts recognised in the statement of cash flows:	
Repayment of capital element of leases:	79,107
	79,107

	2019 £
Reconciliation to prior year operating lease commitment:	
Operating lease commitments as disclosed at 31 December 2018	765,625
Adjustment for options reasonably certain to be exercised	(348,664)
Finance charge	13,759
Effect of discounting	(121,473)
Lease liabilities as at 31 December 2018 under IFRS 16	309,247

The undiscounted maturity analysis of lease liabilities as at 31 December 2019 is as follows:

	< 1 year (£)	1-2 years (£)	2-3 years (£)	3-4 years (£)
Lease payment	87,500	87,500	65,625	-
Finance charge	5,993	3,520	972	-
Net present value	81,507	83,980	64,653	-

The undiscounted maturity analysis of lease liabilities as at 31 December 2018 is as follows:

	< 1 year (£)	1-2 years (£)	2-3 years (£)	3-4 years (£)
Lease payment	87,500	87,500	87,500	65,625
Finance charge	8,393	5,993	3,520	972
Net present value	79,107	81,507	83,980	64,653

Lease liabilities included in the current statement of financial position	2019 £
Current	81,507
Non-current	148,633
	230,140

Amounts recognised in income statement	2019 £

Interest on lease liabilities adopted under IFRS 16	8,393
	8,393

The company has a lease with Sion Properties Limited, a company controlled by A J Grant, for the rental of 78 Mount Ephraim, a self-contained office building. The lease has an annual rental of £87,500, being the market rate on an arm's length basis, and expires on 26 September 2027. The total cash outflow for leases in 2019 was £87,500. There is an option to terminate the lease on 26 September 2022 and therefore this is the discounted period.

14. Investments held for trading

	Group		Company	
	2019	2018	2019	2018
Listed Investments:	£	£	£	£
Valuation:				
At 1 January	1,956	13,546	-	-
Additions	758,021	661,352	-	-
Disposals	(755,377)	(672,942)	-	-
As at 31 December	4,600	1,956	-	-

Listed investments held for trading are stated at their market value at 31 December 2019 and are considered to be level o in accordance with IFRS 13.

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

15. Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Balance at bank and in hand – group/company	5,374,229	5,866,848	2,181,403	2,588,487
Cash held for settlement of market transactions	(83,268)	(1,211,375)	-	-
	5,290,961	4,655,473	2,181,403	2,588,487

In addition to the balances shown above the group has segregated deposit and current accounts held in accordance with the client money rules of the Financial Conduct Authority. The group also has segregated deposits and current accounts on behalf of Counterparties and elected Professional clients of £695,474 (2018: £915,921) not governed by client money rules therefore they are also not included in the statement of financial position of the group. This treatment is appropriate as the business is a going concern however, were an administrator appointed, these balances would be considered assets of the business.

16. Share capital

	2019	2018
Authorised:	160,000	160,000
16,000,000 Ordinary shares of 1p each	160,000	160,000

	2019	2018
	£	£
At 1 January 2019	111,828	111,828
Allotted, issued and fully paid:		
11,182,750 (2018: 11,182,750) Ordinary shares of 1p each	111,828	111,828

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

During the period 50,000 shares were purchased to be held in treasury, and 27,300 shares were sold from treasury. As at the period end 254,000 shares are held in treasury.

17. Trade and other payables

Amounts falling due within one year:	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Trade payables	58,300	184,155	977	1,264
Settlement payables	1,892,926	2,426,874	-	-
Amount owed to group undertaking	-	-	840,458	668,822
Other taxes and social security	155,478	155,004	-	-
Other payables	561,738	615,668	-	-
Accruals	515,617	358,209	50,000	30,000
Trade and other payables	3,184,059	3,739,910	891,435	700,086
Lease liabilities	81,507	-	81,507	
Income tax	449,323	447,843	357,443	357,728
Total liabilities	3,714,889	4,187,753	1,330,385	1,057,814

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

18. Dividends

	2019	2018
	£	£
Interim dividends paid on Ordinary 1p shares	4,502,280	2,682,582
Dividend per Ordinary 1p share	41.25	24.5p

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

19. Operating lease commitments – group

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

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

The group has entered into leases for low value office equipment, with an annual cost of £8,641 through to 2022.

Operating lease commitments – company

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

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

20. Financial Instruments

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

The main financial asset of the group is cash and cash equivalents which is denominated in Sterling and which is detailed in note 14. The group operates a low risk investment policy and surplus funds are placed on deposit with at least A rated banks or equivalent at floating interest rates.

The group also holds investments in equities.

21. Critical accounting estimates and judgements

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

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2 (e). These calculations require the use of estimates. The assumptions and sensitivity relating to the impairment tests are detailed in note 10.

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

22. Immediate and ultimate parent undertaking

There is no immediate or ultimate controlling party.

23. Related party transactions

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

During the year Jarvis Investment Management Limited paid Jarvis Securities Plc £7,000 (2018: £7,000) for rental of a disaster recovery site.

Jarvis Securities plc owed Jarvis Investment Management Limited £751,208 (2018: £668,822) at year end.

During the year, directors, key staff and other related parties by virtue of control carried out share dealing transactions in the normal course of business. Commissions for such transactions are charged at various discounted rates. The impact of these transactions does not materially or significantly affect the financial position or performance of the company. At 31 December 2019, these same related parties had cash balances of £1,307,212 (2018: £288,458) and interest was earned during the year amounting to £2,203 (2018: £2,063). In addition to cash balances other equity assets of £40,119,621 (2018: £36,381,672) were held by JIM Nominees Ltd as custodian.

During the year Jarvis Securities Plc charged £3,844,388 (2018: £3,671,242) to Jarvis Investment Management Limited for use of intellectual properties.

24. Capital commitments

As of 31 December 2019, the company had no capital commitments (2018: nil).

25. Fair value estimation

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

26. Financial risk management objectives and policies

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

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

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

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

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

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

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

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

As of 31 December 2019, trade receivables of £131,923 (2018: £115,184) were past due and were impaired and partially provided for. The amount of the provision was £105,470 as at 31 December 2019 (2018: £84,995). The individually impaired receivables relate to clients who are in a loan position and who do not have adequate stock to cover these positions. The amount of the impairment is determined by clients' perceived willingness and ability to pay the debt, legal judgements obtained in respect of, charges secured on properties and payment plans in place and being adhered to. Where debts are determined to be irrecoverable, they are written off through the income and expenditure account. The group does not anticipate future write offs of uncollectable amounts will be significant as the group now imposes much more restrictive rules on clients who utilise extended settlement facilities.

	Group		Company	
Provision of impairment of receivables:	2019	2018	2019	2018
	£	£	£	£
At 1 January	105,470	84,995	-	-
Charge / (credit) for the year	23,398	36,452	-	-
Uncollectable amounts written off	(27,329)	(15,977)	-	-
At 31 December	101,539	105,470	-	-