Company No. **5107012**

JARVIS SECURITIES PLC

FINANCIAL STATEMENTS
For the year ended 31 December 2009

INDEX TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

	Page
Company information	1
Highlights	2
Chairman's statement	3
Report of the directors	4
Report of the independent auditors	10
Consolidated income statement	11
Consolidated statement of financial position	12
Company statement of financial position	13
Consolidated statement of comprehensive income	14
Company statement of comprehensive income	14
Consolidated statement of changes in equity	15
Company statement of changes in equity	15
Consolidated and company statement of cashflows	16
Notes forming part of the financial statements	17
Notice of meeting	31
Form of proxy	32

JARVIS SECURITIES PLC

COMPANY INFORMATION

DIRECTORS:	Andrew J Grant - Chairman and Chief Executive Officer Mathew J Edmett - Finance and Compliance Director Nick J Crabb - Business Development and Client Services Director Graeme McAusland - Non Executive Director	
SECRETARY:	Mathew J Edmett	
REGISTERED OFFICE:	78 Mount Ephraim Royal Tunbridge Wells TN4 8BS	
REGISTERED NUMBER:	5107012	
AUDITORS:	Horwath Clark Whitehill LLP 10 Palace Avenue Maidstone ME15 6NF	
REGISTRAR:	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA	
PRINCIPAL BANKERS:	HSBC Bank plc 105 Mount Pleasant Royal Tunbridge Wells TN1 1QP	
SOLICITORS:	Thomson Snell & Passmore 3 Lonsdale Gardens Royal Tunbridge Wells TN1 1NX	K&L Gates 110 Cannon Street London EC4N 6AR
NOMINATED ADVISER:	Arbuthnot Securities Limited Arbuthnot House 20 Ropemaker Street London EC2Y 9AR	
WEBSITES:	www.jarvisim.co.uk www.sharedealactive.co.uk www.jarvissecurities.co.uk www.jarvisspreadbetting.co.uk www.jarviscfds.co.uk www.x-o.co.uk	
TRADING ADDRESS:	78 Mount Ephraim Royal Tunbridge Wells TN4 8BS	

JARVIS SECURITIES PLC

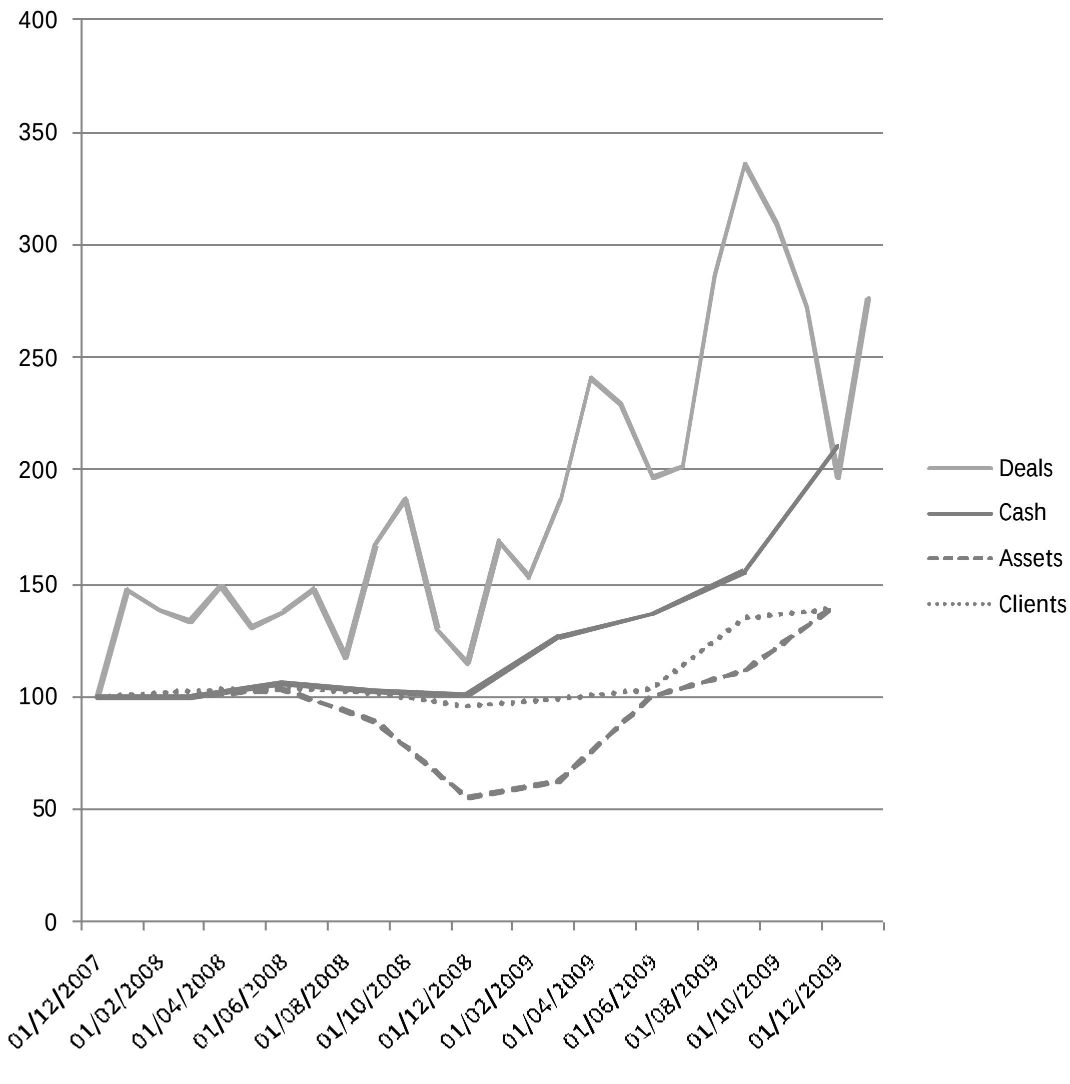
HIGHLIGHTS

"Significant improvements in the fundamentals of the group leave Jarvis positioned for significant profit growth on recovery of the interest rate environment"

- Average daily trade volume up 64% on the prior year
- Derivatives income up 88% on 2008
- Client cash balances up 108% on 31 December 2008
- Total client assets administered up 155% on 31 December 2008
- Client numbers have grown 29% during 2009
- Revenue excluding interest share up 13% on the prior year

Proportionate Changes in Client Activity

(31 December 2007 levels = base 100)



JARVIS SECURITIES PLC

CHAIRMAN'S STATEMENT

This year saw the 25th anniversary of the formation of our trading subsidiary, Jarvis Investment Management Limited. It is interesting to reflect on all the ups and downs that the market and indeed, our business, has experienced over that time. Without any doubt though, the current economic conditions are truly without precedent in living memory.

In particular, the Bank of England base rate is at its lowest since the Bank's formation in 1694. One of our significant areas of revenue has traditionally been the difference generated between interest received on pooling cash deposits and that paid to clients. This has come under pressure during the year, as anticipated, and has a noticeable impact upon our financial results. With client assets and cash balances having grown so much over the year however, the business is very well placed for the widely expected upturn in interest rates late in 2010.

It is reassuring that our business has such robust foundations and that these have enabled us to generate a similar level of turnover and profit to last year, despite the extraordinary impact on a large proportion of our overall income. Indeed, we have been actively diversifying our income to prevent reliance on any one area. It is a shame that the financials cloud the wider, extremely positive, view of progress in the business. A glance at the Highlights Page will detail some of these impressive results.

Our derivatives income continues to grow strongly and trade volumes are up by more than 60%. Both client cash and asset levels are more than double that of just twelve months ago, and in such a competitive market segment it is a great achievement to have increased our client numbers by nearly 30% in just one year. The early signs for 2010 confirm the continuation of these trends.

We are entrepreneurial by nature at Jarvis and believe that difficult conditions favour better businesses over the long term. We have been able to react to the cash pressures in the market by taking the financing and spread of certain trades in house through matched principal trading, which has provided a material new revenue stream. We have also been able to launch an ultra low cost web only product. Our efficiency affords us a very low marginal cost per trade and the ability to be at the cutting edge of execution-only pricing. Despite only having a soft launch so far, this new product is already exceeding expectations and promises to be an exciting development for our future.

Our commercial client base continues to grow with a good pipeline of enquiries at various stages too. The transfer of the dealing service for a major building society from a competitor has now completed successfully and is running well. We hope to help expand this service for our client, with encouraging early signs, and also to extend our offering of fully-outsourced branded services to other institutions off the back of our performance in this case. Unfortunately, a number of existing commercial clients went into administration during the period, however as a result of contractual arrangements this resulted in their businesses being transferred to Jarvis. Further details are provided in note 11 on the impact to these accounts of these failed contracts.

I would like to thank every member of the Jarvis team for their continued commitment throughout the year and for once again rising to the many and varied challenges of these times. Jarvis has achieved a great deal over 2009 and this leaves us excellently placed to capitalise on this financially over the coming years.

Andrew Grant
Chairman

DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 December 2009.

Statement of directors' responsibilities

The directors are responsible for preparing 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 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	Stockbroker (Member of The London Stock Exchange and PLUS markets)
	HM Revenue and Customs approved ISA manager
	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
Sharegain Limited	Dormant company

Business review

Despite growth in many areas of the business, the impact of greatly reduced interest earnings on client cash balances has resulted in the group's revenue falling by 4.7% to £4,653,690. Interest earnings were down by nearly £600,000 compared to 2008. Profit before income tax has fallen by 12.6% from the 31 December 2008 level, with basic earnings per share down by 6.8%. Group total equity is at £1,309,862 from £2,187,247 a year earlier, a fall of 40.1%. Further commentary is given in the Chairman's Statement on page 3.

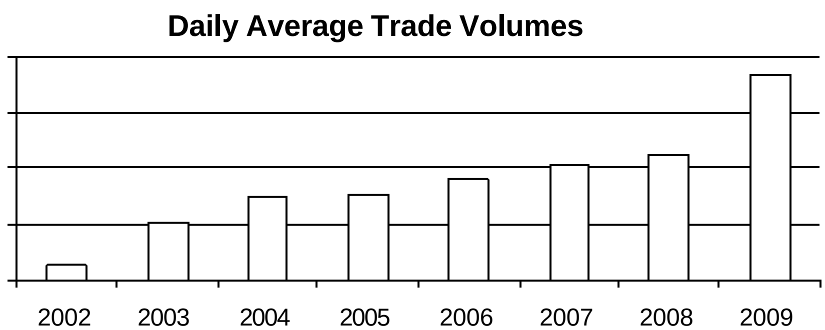
During the period the businesses of seven commercial clients were acquired following the failure of those businesses under the terms of the contractual agreements in place. The turnover and profit attributable to these intangible assets is not material for the period and has therefore not been separately disclosed. The negative goodwill recognised in the income statement as a result of acquiring these businesses was £386,143, with an associated bad debt expense of £255,094. Further detail is provided in note 11.

The Group

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 PLUS markets and is authorised and regulated by the Financial Services Authority (FSA). This status is essential for the trading activities of the Group and therefore compliance with the Rules of both the LSE and FSA is of paramount importance. The Group provides retail execution-only stockbroking, ISA and SIPP investment wrappers; savings schemes and financial administration and settlement services in all these areas to other stockbrokers and investment firms as well as individuals.

The market

There are many stockbroking firms within the UK and a number of outsourced financial administration service providers. Jarvis Investment Management is in a highly competitive and price-sensitive market for retail execution-only clients. The market for third party administration services is also competitive but with a greater bias towards service than cost. Trade volumes clearly have a significant impact on the fortunes of stockbroking businesses but with a wider spread of activities and a different charging model to our competitors we believe that our income is less volatile and of a higher quality than other pure execution-only brokers. This is reflected in the comparative performance of Jarvis against other investment businesses during the current financial market turmoil.



Capitalisation and financing

Jarvis Securities plc had 10,500,000 Ordinary 1p shares in issue throughout the year. These shares are admitted to trading on AIM. The Company has bought back its shares for cancellation during previous years when the Board believed that the share price did not reflect the value of the business. The Company will continue to repurchase shares when appropriate. Whilst the business is highly cash generative, and therefore requires no further debt or other external financing, the Board wish to balance the use of cash between the stated dividend policy and any buy-back of shares. Historically, approximately two-thirds of profit after tax is paid out as a dividend, with the other third being reinvested in the business or used for purchasing its own shares as appropriate. This results in the Group having no borrowing requirements and the ability to pay an attractive yield.

Environmental and social responsibility

Jarvis is committed to reducing waste because of the environmental and cost implications. We do not see environmental concerns as negative to our business progress but complimentary. To this end we have increased our initiatives relating to electronic communication and payment during the year to further reduce paper usage and the carbon effects of transporting documentation. Jarvis has been storing its client documentation electronically for more than seven years now and this significantly reduces wasted space and the resultant costs of rent, light and heat as well as the environmental impact of physical storage. This further supports our business continuity objectives.

Jarvis has supported a number of charities during the year and we are committed to continuing to do so and to develop new ways to cut our waste and impact upon the environment.

Donations made to:

- Aspire – Spinal Injury Charity *(£44)*
- Alzheimer's Society *(£250)*
- New Victoria Medical Foundation *(£250)*

Key Performance Indicators (KPI)

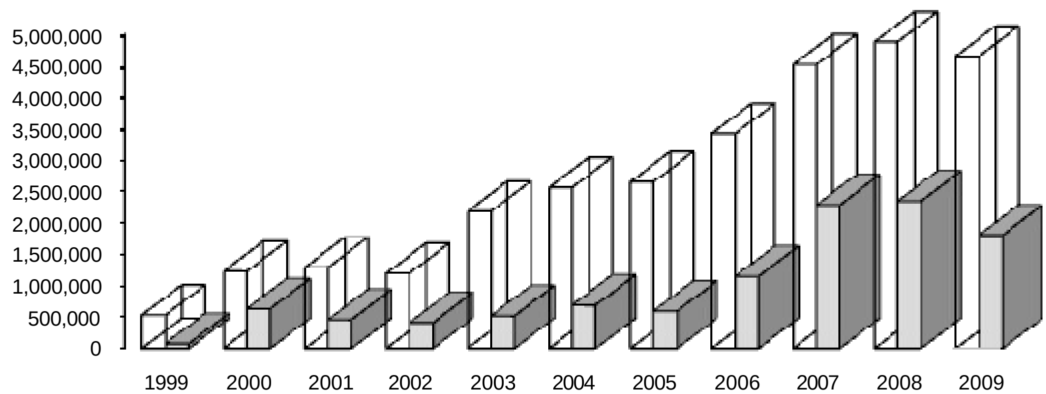
The primary goal of the Board is efficiency. We believe this to be at the heart of a successful business and we believe that efficiency is central to pleasing all the stakeholders in the Jarvis Securities plc Group. Efficiency means a constructive and satisfying work environment for employees, a positive experience for clients, reduced environmental impact, reliability for those organisations that trust Jarvis to support them and a robust financial performance for shareholders. The following measurements, or KPIs, are important in monitoring and directing the development of the Company:

Operating profit margin

This is profit before income tax and irregular costs as a percentage of revenue. This is a good indicator of efficiency, as a high margin tends to suggest that work is completed quickly and accurately resulting in a high rate of return for the Group. The Board aims to have significantly higher than average margins and to keep these above 20%. Bad debts and negative goodwill have been excluded from profit before income tax to give the operating profit (in addition costs related to an offer for the Group were excluded in the comparative period).

2009: **35.74%**
2008: 49.45%

Turnover vs. Operating Profit (£)



ROCE

The return on capital employed is the profit before income tax as a proportion of the fixed capital used in the business, such as assets. A high rate of return, ROCE, indicates the efficient use of the resources of your Group. Given the low capital nature of our business model we would expect a relatively high ROCE figure. The Board aims to maintain a ROCE figure of double the one-year Treasury rate, giving a current target of 1.00%.

2009: **129.3%**
2008: 88.6%

Revenue per employee

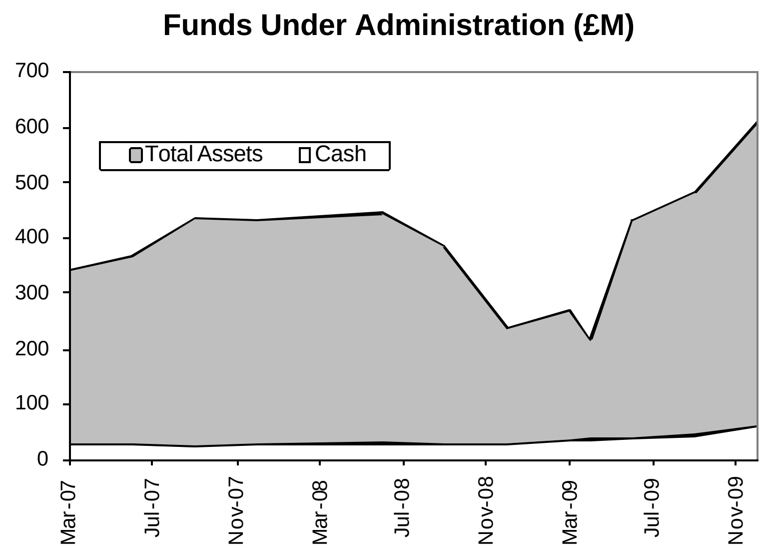
This is revenue per staff member and an increasing rate of revenue per employee represents increasing efficiency. Given that the Group's staff is not only its largest single cost but also its most important resource, this measure is fundamental in monitoring performance. The Board's aim is to grow revenue per employee at a faster rate than payroll costs, excluding any non-recurring items, in order to improve returns to shareholders and increase efficiency each year.

2009: **155,123**
2008: 187,894
Revenue decrease rate: 17.5% vs. payroll cost increase: 16.1%

This result has been negatively impacted by an increase in staff to manage growth of the business. The significant increase in trade volumes and account numbers expands work in areas of lower margin compared to the fall of nearly £600,000 in interest income which has no marginal employment cost to the Group.

Funds under administration:

A growth in stock and cash held for clients by Jarvis indicates growth of the firm. Whilst this can be due to external factors such as market values, which are beyond the control of the Board, this is a useful indicator of the general direction of the company. Interest on cash held for clients is a significant proportion of the Group's income and hence this provides a good guide to anticipated earnings in combination with current interest rates. The Board aims to grow both cash and stock under administration explicitly each year. Cash balances are more than double the previous year end, having increased 108% during the year, as is the overall value of client assets, being up 155%. This leaves the business well positioned for any upturn in interest rates.



Client numbers

Increasing client numbers is essential in increasing the size of the business in the future. Increasing revenue per client is also desirable to accelerate the growth of the business and hence these two measures are considered together. The Board aims to increase client numbers by at least 10% per year and maintain positive revenue growth per client. In combination this will drive revenue growth for the Group into the future. Client numbers are very significantly higher over the period. In combination with the unprecedentedly low interest rates, and the impact of this upon Group earnings, the revenue per client has fallen sharply. However, the strong growth in client numbers is encouraging for the future performance of the business when normal levels of interest rates are restored to the market.

Rate of Increase (Number):	28.5%
Rate of Decrease (Revenue):	31.9%

Complaints ratio

Providing a good service to clients is essential for a strong business. The number of formal complaints made per 1,000 accounts is an indicator of how good the service provided is. It is essential to keep this figure low to maintain clients and attract new ones. The Board aims to keep the number of formal complaints per 1,000 accounts below 2.

2009:	**0.87**
2008:	0.81

Calls answered in three rings

Unlike many firms in financial services we still believe in personal attention and we aim to answer 90% of all telephone calls within three rings. We believe that this differentiates us from competitors and makes our firm more attractive to clients:

% of calls answered in three rings in 2009:	**91.1%**
% of calls answered in three rings in 2008:	90.5%
Total phone calls taken 2009:	**167,900**
Total phone calls taken 2008:	128,599
Increase in call volumes:	30.56%

Notwithstanding the significant increase in call volumes, performance has further improved over 2008 and this target has been met during the current year.

Sickness days

Our staff are our most important resource and they control the success or otherwise of Jarvis. We aim to provide a happy and positive work environment. This is difficult to measure in strictly numerical terms but an accepted indication of morale is the proportion of working days lost to illness. This is calculated by dividing the number of whole working days lost per year for all employees by the maximum potential number of working days available (assumes average number of employees multiplied by 260 days per employee). The Board's aim is to attain a loss of less than 1% per year.

2009:	**1.61%**
2008:	1.88%

These results remain behind target although improved over the prior year.

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 Board have calculated an adjusted EPS by excluding the impact of bad debts and negative goodwill arising from the acquisition of seven client businesses during the year within the KPIs in order to provide a direct comparison of the underlying operating performance of the Group between periods. The P/E ratio is the share price divided by EPS. 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 your Board to be out of sync with comparable firms, such as the purchase of shares for cancellation as undertaken in previous years. However this is mainly a result of public perception and is therefore difficult to change, although considerably increased over last year.

These measures are important to investors and hence need to be given high regard. The Board aims to grow EPS by 25% per year, which is an aggressive target for expanding Jarvis. 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.

2009 EPS:	**11.46p**	**2009 adjusted EPS:**	**10.20p**
2008 EPS:	12.30p	2008 adjusted EPS:	12.30p
Rate of change:	-6.8%	Rate of change:	-17.1%
2009 P/E ratio:	**15.1**	**2009 adjusted P/E ratio:**	**16.9**
2008 P/E ratio:	10.4	2008 adjusted P/E ratio:	10.4

Threats and risks

The main risks to the Jarvis Securities plc group that are considered and monitored by the Board are as follows:

- Changes in the regulatory environment resulting in additional costs or significant system or product amendments.
- The interest rate environment has a significant effect on the earnings of the group. This has been very unfavourable for much of 2009 with deposit rates at extraordinarily low levels as a result of the unprecedentedly low Bank of England base rate. This situation appears likely to continue for much of 2010 and possibly beyond.
- Market volumes directly affect bargain numbers transacted and hence commission income for the group. The current indications are unclear with volumes remaining high despite the current global financial situation.
- Loss of key personnel is a threat to any skills-based business.
- Any takeover of The London Stock Exchange could result in major unanticipated changes for Jarvis and its commercial clients. This risk seems to have diminished since the end of 2008.
- Savings legislation may change impacting negatively on product revenue. It is currently unclear whether any significant changes that would impact Jarvis may result from the anticipated change in government at the General Election.

Future developments

Jarvis Securities plc will continue to seek further acquisition targets that can be integrated into the operating subsidiary with resultant cost savings and cross-selling opportunities, but the main focus at this time is on organic growth. Jarvis Investment Management Ltd will continue to actively promote its retail and third party stockbroking and administration services.

Results and dividends

The consolidated profit for the year after income tax amounted to £1,198,504 (2008 £1,309,686). Dividends paid during the year are detailed in Note 21. No final dividend is proposed by the Board, as a result of the change to quarterly interim dividend payments.

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 approving the remuneration of directors and executives and remuneration policy as a whole within the Group.

Payment of creditors

The Company attempts to establish continuing relationships with its suppliers by agreeing mutually acceptable arrangements on an individual basis. Accordingly, the directors consider that the adoption of any external standard or code would prejudice the flexibility that individual arrangements can achieve for the benefit of both parties. The average payment period at the year-end was 82 days (2008 48 days).

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 Business Review on pages 4 to 9. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described within these financial statements. In addition, notes 23 and 30 to the financial statements include 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.

Financial Instruments

Details of our financial risk mitigation policy are included in note 30.

Registered number

The registered number of the Company is 5107012.

Purchase of own shares

The Company made no purchases of its own shares during the year.

Directors

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

Andrew J Grant	Chairman and Chief Executive Officer
Mathew J Edmett	Finance and Compliance Director
Nick J Crabb	Business Development and Client Services Director
Graeme McAusland	Non-Executive Director

Auditors

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

BY ORDER OF THE BOARD

………………………………

Mathew J Edmett – Secretary

Date: 8 February 2010

Horwath Clark Whitehill

INDEPENDENT AUDITORS' REPORT TO THESHAREHOLDERS OF JARVIS SECURITIES PLC

We have audited the financial statements of Jarvis Securities plc for the year ended 31 December 2009 which comprise the consolidated income statement, consolidated statement of financial position, company statement of financial position, consolidated statement of comprehensive income, company statement of comprehensive income, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cashflows, company statement of cashflows and related notes 1 to 30.

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.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders 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 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 thefinancial 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.

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 2009 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; and
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and 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 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 2006requires 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.

Ian Weekes
Senior Statutory Auditor
For and on behalf of
Horwath Clark Whitehill LLP
Statutory Auditor
Maidstone
9 February 2010

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	**Year to 31/12/09**	Year to 31/12/08
		£	£
Continuing operations:			
Revenue	3	**4,653,690**	4,885,249
Administrative expenses		**(2,948,162)**	(2,908,718)
Finance costs	5	**(12,436)**	(39,320)
Profit before income tax	6	**1,693,092**	1,937,211
Income tax charge	8	**(494,588)**	(627,525)
Profit for the period	19	**1,198,504**	1,309,686
Attributable to equity holders of the parent		**1,198,504**	1,309,686
Earnings per share	9	**p**	p
Basic		**11.46**	12.30
Diluted		**11.14**	11.36

The notes on pages 17 to 29 form part of these financial statements

JARVIS SECURITIES PLC

Company No.: 5107012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2009

	Notes	31/12/09	31/12/08
		£	£
Assets			
Non-current assets			
Property, plant and equipment	10	**267,105**	333,286
Intangible assets	11	**439,481**	39,396
Goodwill	11	**342,872**	342,872
Investments held to maturity	12	**39,601**	39,601
Available-for-sale investments	13	**112,001**	57,500
Deferred income tax	8	**-**	3,143
		1,201,060	815,798
Current assets			
Trade and other receivables	15	**9,581,911**	5,342,108
Investments held for trading	16	**26,722**	50,848
Cash and cash equivalents	17	**8,522,615**	4,697,721
		18,131,248	10,090,677
Total assets		**19,332,308**	10,906,475
Equity and liabilities			
Capital and reserves	19		
Share capital	18	**105,000**	105,000
Share premium	19	**779,934**	779,934
Merger reserve	19	**9,900**	9,900
Capital redemption reserve	19	**9,845**	9,845
Fair value reserve	19	**85,902**	56,401
Share option reserve	19	**74,394**	54,099
Retained earnings	19	**328,206**	1,255,387
Own shares held in treasury	19	**(83,319)**	(83,319)
Total equity	19	**1,309,862**	2,187,247
Non-current liabilities			
Deferred income tax	8	**1,599**	-
Current liabilities	20		
Trade and other payables	20	**17,602,538**	8,135,670
Income tax	20	**418,309**	583,558
Total liabilities	20	**18,020,847**	8,719,228
Total equity and liabilities		**19,332,308**	10,906,475

Approved and authorised for issue by the Board on 8 February 2010 and signed on its behalf by:

………………………A J Grant – Director

………………………M J Edmett – Director

The notes on pages 17 to 29 form part of these financial statements

JARVIS SECURITIES PLC

Company No.: 5107012

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2009

	Notes	**31/12/09**	31/12/08
		£	£
Assets			
Non-current assets			
Property, plant and equipment	10	**267,105**	333,286
Intangible assets	11	**439,481**	39,396
Goodwill	11	**342,872**	342,872
Investments held to maturity	12	**39,601**	39,601
Available-for-sale investments	13	**112,001**	57,500
Investment in subsidiaries	14	**266,388**	111,204
Deferred income tax	8	**-**	3,143
		1,467,448	927,002
Current assets			
Trade and other receivables	15	**218,608**	1,842,509
Cash and cash equivalents	17	**7,581**	1
		226,189	1,842,510
Total assets		**1,693,637**	2,769,512
Equity and liabilities			
Capital and reserves	19		
Share capital	18	**105,000**	105,000
Share premium	19	**779,934**	779,934
Capital redemption reserve	19	**9,845**	9,845
Fair value reserve	19	**85,902**	56,401
Share option reserves	19	**74,394**	54,099
Retained earnings	19	**262,033**	26,547
Own shares held in treasury	19	**(83,319)**	(83,319)
Total equity	19	**1,233,789**	948,507
Non-current liabilities			
Deferred income tax	8	**9,475**	-
Current liabilities	20		
Trade and other payables	20	**433,104**	1,725,056
Income tax	20	**17,269**	95,949
Total liabilities	20	**450,373**	1,821,005
Total equity and liabilities		**1,693,637**	2,769,512

Approved and authorised for issue by the Board on 8 February 2010 and signed on its behalf by:

………………………A J Grant – Director

………………………M J Edmett – Director

The notes on pages 17 to 29 form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

	Notes	**Year to 31/12/09**	Year to 31/12/08
		£	£
Purchase of own shares	19	**-**	(842,962)
Sale of shares from treasury	19	**-**	41,250
Deferred tax asset on share options	8	**-**	(29,305)
Net income recognised directly in equity		**-**	(831,017)
Profit for the period	19	**1,198,504**	1,309,686
Total comprehensive income for the period		**1,198,504**	478,669
Attributable to equity holders of the parent		**1,198,504**	478,669

COMPANY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

	Notes	**Year to 31/12/09**	Year to 31/12/08
		£	£
Purchase of own shares	19	**-**	(842,962)
Sale of shares from treasury	19	**-**	41,250
Deferred tax asset on share options	8	**-**	(29,305)
Net income recognised directly in equity		**-**	(831,017)
Profit for the period	19	**2,361,171**	675,285
Total comprehensive income for the period		**2,361,171**	(155,732)
Attributable to equity holders of the company		**2,361,171**	(155,732)

JARVIS SECURITIES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Merger reserve	Capital redemption reserve	Fair value reserve	Share option reserve	Retained earnings	Own shares held in treasury	Total equity
	£	£	£	£	£	£	£	£	£
At 1 January 2008	108,000	779,934	9,900	6,845	-	34,010	695,329	(1,930)	1,632,088
Purchase of own shares	-	-	-	-	-	-	-	(842,962)	(842,962)
Sale of shares from treasury	-	-	-	-	-	-	-	41,250	41,250
Deferred tax charged to equity	-	-	-	-	-	-	(29,305)	-	(29,305)
Net income recognised directly in equity	-	-	-	-	-	-	*(29,305)*	*(801,712)*	*(831,017)*
Cancellation of own shares	(3,000)	-	-	3,000	-	-	(720,323)	720,323	-
Expense of employee options	-	-	-	-	-	20,089	-	-	20,089
Profit for the financial year	-	-	-	-	-	-	1,309,686	-	1,309,686
Investment revaluation	-	-	-	-	56,401	-	-	-	56,401
At 31 December 2008	105,000	779,934	9,900	9,845	56,401	54,099	1,255,387	(83,319)	2,187,247
Deferred tax charged to equity	-	-	-	-	-	-	-	-	-
Net income recognised directly in equity	-	-	-	-	-	-	-	-	-
Expense of employee options	-	-	-	-	-	20,295	-	-	20,295
Profit for the financial year	-	-	-	-	-	-	1,198,504	-	1,198,504
Dividends	-	-	-	-	-	-	(2,125,685)	-	(2,125,685)
Investment revaluation	-	-	-	-	29,501	-	-	-	29,501
At 31 December 2009	105,000	779,934	9,900	9,845	85,902	74,394	328,206	(83,319)	1,309,862

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital redemption reserve	Fair value reserve	Share option reserve	Retained earnings	Own shares held in treasury	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2008	108,000	779,934	6,845	-	34,010	100,890	(1,930)	1,027,749
Purchase of own shares	-	-	-	-	-	-	(842,962)	(842,962)
Sale of shares from treasury	-	-	-	-	-	-	41,250	41,250
Deferred tax charged to equity	-	-	-	-	-	(29,305)	-	(29,305)
Net income recognised directly in equity	-	-	-	-	-	*(29,305)*	*(801,712)*	*(831,017)*
Cancellation of own shares	(3,000)	-	3,000	-	-	(720,323)	720,323	-
Expense of employee options	-	-	-	-	20,089	-	-	20,089
Profit for the financial year	-	-	-	-	-	675,285	-	675,285
Investment revaluation	-	-	-	56,401	-	-	-	56,401
At 31 December 2008	105,000	779,934	9,845	56,401	54,099	26,547	(83,319)	948,507
Deferred tax charged to equity	-	-	-	-	-	-	-	-
Net income recognised directly in equity	-	-	-	-	-	-	-	-
Expense of employee options	-	-	-	-	20,295	-	-	20,295
Profit for the financial year	-	-	-	-	-	2,361,171	-	2,361,171
Dividends	-	-	-	-	-	(2,125,685)	-	(2,125,685)
Investment revaluation	-	-	-	29,501	-	-	-	29,501
At 31 December 2009	105,000	779,934	9,845	85,902	74,394	262,033	(83,319)	1,233,789

JARVIS SECURITIES PLC

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009

	CONSOLIDATED		COMPANY	
	Year to 31/12/09	Year to 31/12/08	**Year to 31/12/09**	Year to 31/12/08
	£	£	**£**	£
Cash flow from operating activities				
Profit before income tax	**1,693,092**	1,937,211	**2,370,211**	2,025,988
Loss on disposal of property, plant and equipment	**-**	13,904	**-**	13,904
Depreciation and amortisation	**167,554**	134,626	**167,554**	134,626
Goodwill released to the income statement	**(131,049)**	-	**(131,049)**	
Cost of share options	**20,295**	20,089	**14,811**	14,607
Finance costs	**12,436**	39,320	**372**	100
	1,762,328	2,145,150	**2,421,899**	2,189,225
(Increase)/decrease in trade and other receivables	**1,699,619**	(1,131,217)	**1,623,901**	(1,413,739)
(Increase)/decrease in investments held for trading	**24,126**	(29,249)	**-**	-
(Decrease)/increase in trade payables	**(63,763)**	265,559	**(1,289,934)**	441,584
Increase in investments in subsidiaries	**-**	-	**(149,700)**	-
Cash generated from operations	**3,422,310**	1,250,243	**2,606,166**	1,217,070
Interest paid	**(12,436)**	(39,320)	**(372)**	(100)
Income tax (paid)/received	**(655,095)**	(600,100)	**(75,103)**	(5,308)
Net cash from operating activities	**2,754,779**	610,823	**2,530,691**	1,211,662
Cash flows from investing activities				
Purchase of property, plant and equipment	**(74,481)**	(395,381)	**(74,481)**	(395,381)
Purchase of intangible assets	**(295,928)**	-	**(295,928)**	-
Purchase of other long term assets	**(25,000)**	(20,700)	**(25,000)**	(20,700)
	(395,409)	(416,081)	**(395,409)**	(416,081)
Cash flows from financing activities				
Proceeds from sale of treasury shares	**-**	41,250	**-**	41,250
Purchase of own shares	**-**	(842,962)	**-**	(842,962)
Dividends paid	**(2,125,685)**	-	**(2,125,685)**	-
Net cash used in financing activities	**(2,125,685)**	(801,712)	**(2,125,685)**	(801,712)
Net (decrease)/increase in cash & cash equivalents	**233,685**	(606,970)	**9,597**	(6,131)
Cash and cash equivalents at the start of the year	**273,621**	880,591	**(2,016)**	4,115
Cash and cash equivalents at the end of the year	**507,306**	273,621	**7,581**	(2,016)
Cash and cash equivalents:				
Cash at bank and in hand	**507,306**	275,638	**7,581**	1
Bank overdraft	**-**	(2,017)	**-**	(2,017)
	507,306	273,621	**7,581**	(2,016)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Basis of preparation

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

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

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

- IFRS 1 – First-time Adoption of International Financial Reporting Standards (Revised)
- IFRS 3 – Business Combinations (Revised 2008)
- IFRS 9 – Financial Instruments
- IAS 24 – Related party disclosures (Revised 2009)
- IAS 27 – Consolidated and Separate Financial Statements (Revised 2008)
- IAS 39 – Financial Instruments: Recognition and Measurement (Amendment) – Eligible Hedged Items
- IFRIC 17 – Distributions of Non-cash Assets to Owners
- IFRIC 18 – Transfers of Assets from Customers
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IFRS 1 Additional Exemptions for First-time Adopters
- Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions
- Amendment to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- Amendment to IAS 32 Classification of Rights Issues
- Amendment to IFRIC 14 Prepayments of a minimum funding requirement

Adoption of these Standards and Interpretations is not expected to have a material impact on the financial statements 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 24.

2. Summary of significant accounting policies

(a) Revenue

Revenue represents net sales of services, commissions and interest excluding value added tax. Management fees charged in arrears are accrued pro-rata for the expired period of each charging interval. Interest is accrued on cash deposits pro-rata for the expired period of the deposit. Commission income is recognised as earned.

(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, Sharegain Limited, JIM Nominees Limited, Galleon Nominees Limited and Dudley Road Nominees Limited made up to 31 December 2009.

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, plus costs directly attributable to the acquisition. 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

(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
Motor vehicles	-	15% on cost
Office equipment	-	20% on cost

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) Stockbroking balances

The gross assets and liabilities of the group relating to stockbroking transactions on behalf of clients are included in trade receivables, trade payables and cash and cash equivalents.

(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) Finance lease interest

The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(l) 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.

(m) Cashflow statement

Cash movements relating to stockbroking balances derived from client trading are excluded from the cashflow statement on the basis that these amounts do not form part of the cashflow position of the group. DVP cash is client funds held in trust for delivery versus payment transactions in order to pay market counterparties for the purchase of equities and other instruments settled via CREST, the electronic mechanism for the simultaneous and irrevocable transfer of cash and securities operated by CRESTCo Limited. Hence such cash and cash equivalents are not readily available for use by the company as they relate to client transactions.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

(s) Share based payments

The Group has applied the requirements of IFRS 2 *Share-based Payment*. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2005. The Company has also adopted IFRIC 11 from 1 January 2008.

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.

	2009	2008
	£	£
Interest received on stockbroking accounts net of interest paid to clients	1,493,617	2,091,042
Fees, commissions, foreign exchange gains and other revenue	3,160,073	2,794,207
	4,653,690	4,885,249

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.

5. Finance costs	2009	2008
	£	£
Interest on bank loans, overdrafts and income tax	12,436	39,320
	12,436	39,320

6. Profit before income tax		2009	2008
Profit before income tax is stated after charging/(crediting):		£	£
Directors' emoluments		461,544	403,386
Depreciation – owned assets		140,662	115,681
Amortisation		26,892	18,945
Expenses and income relating to business acquired:			
Negative goodwill	*(386,143)*		
Bad debt charge relating to businesses acquired	*255,094*		
		(131,049)	-
Operating lease rentals – hire of machinery		10,566	10,566
Operating lease rentals – land and buildings		63,500	63,500
Loss on disposal of fixed assets		-	13,905
Finance costs		12,436	39,320

Directors' emoluments		
Fees	385,719	350,215
Pension contributions	24,484	18,314
Cost of share options	14,811	10,832
Benefits in kind	36,530	24,025
	461,544	403,386

Details of the highest paid director are as follows:		
Aggregate emoluments	195,493	195,976
Company contributions to personal pension scheme	18,664	13,464
Cost of share options	6,585	6,585
Benefits in kind	18,382	12,467
	239,124	228,492

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

Benefits are accruing for two directors (2008 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:

	Number	Number
Management and administration	30	26
The aggregate payroll costs of these persons were as follows:	£	£
Wages and salaries	1,045,197	900,189
Pension contributions	24,484	18,314
Social security	108,906	97,921
Cost of share options	20,295	16,314
	1,198,882	1,032,738

Key personnel

The executive directors are considered to be the key management personnel of the company.

7. Auditors' remuneration

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

	2009	2008
	£	£
Fees payable to the company's auditors for the audit of the company's annual financial statements	10,635	9,525
Fees payable to the company's auditors and its associates for other services:		
The audit of the company's subsidiaries, pursuant to legislation	10,400	8,000
Total audit fees	21,035	17,525
Other services relating to taxation	2,350	2,080
All other services	13,500	20,420
	36,885	40,025

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

8. Income and deferred tax charges	2009	2008
	£	£
Based on the adjusted results for the year:		
UK corporation tax	509,087	583,598
Adjustments in respect of prior years	(19,241)	(3,032)
Total current income tax	489,846	580,566
Deferred income tax:		
Origination and reversal of timing differences	(12,972)	(7,281)
Deferred tax on share options granted	17,714	54,240
Income tax on profit	494,588	627,525

The income tax assessed for the year is greater than the standard rate of corporation tax in the UK (28%). The differences are explained below:

Profit before income tax	1,693,092	1,937,211
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 28% (2008 – 28.5%)	474,066	552,105
Effects of:		
Expenses not deductible for tax purposes	11,444	24,428
Income not taxable for tax purposes	-	4,848
Adjustments to tax charge in respect of previous years	(1,526)	(3,032)
Capital allowances in excess of depreciation	-	4,300
Small companies rate marginal relief	(5,756)	(2,083)
Depreciation on non-qualifying assets	16,360	-
Current income tax charge for the year	494,588	580,566

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

Movement in provision:		
Provision at start of year	(3,143)	(79,407)
Deferred income tax charged in the income statement for the year	4,742	(7,281)
Adjustment in respect of prior periods	-	54,240
Deferred income tax charged to equity for the year	-	29,305
Provision at end of year	1,599	(3,143)
Provision for deferred income tax:		
Accelerated capital allowances	9,475	(3,143)
Short term timing differences	(7,876)	-
	1,599	(3,143)

9. Earnings per share

	2009	2008
	£	£
Earnings:		
Earnings for the purposes of basic and diluted earnings per share *(profit for the period attributable to the equity holders of the parent)*	1,198,504	1,309,686
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	10,462,000	10,649,180
Effect of dilutive potential ordinary shares:		
Share option scheme	299,298	880,000
	10,761,298	11,529,180

Treasury shares have been deducted from the number of shares in issue for the purpose of calculating the weighted average num ber of shares in issue for 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

	Leasehold Improvements	Motor Vehicles	Office Equipment	Total
Cost:	£	£	£	£
At 1 January 2008	56,212	27,057	214,314	297,583
Additions	284,561	36,601	54,363	375,525
Disposals	(52,431)	-	(31,570)	(84,001)
At 31 December 2008	288,342	63,658	237,107	589,107
Additions	-	34,000	40,481	74,481
Disposals	-	-	(76,213)	(76,213)
At 31 December 2009	288,342	97,658	201,375	587,375
Depreciation:				
At 1 January 2008	41,191	7,912	161,133	210,236
Charge for the year	77,006	9,092	29,583	115,681
On Disposal	(42,438)	-	(27,658)	(70,096)
At 31 December 2008	75,759	17,004	163,058	255,821
Charge for the year	96,105	12,523	32,034	140,662
On Disposal	-	-	(76,213)	(76,213)
At 31 December 2009	171,864	29,527	118,879	320,270
Net Book Value:				
At 31 December 2009	116,478	68,131	82,496	267,105
At 31 December 2008	212,583	46,654	74,049	333,286

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

11. Intangible assets & goodwill – group & company	Goodwill	Intangible assets				
		Customer Relationships	Databases	Software Development	Website	Total
	£	£	£	£	£	£
Cost:						
At 1 January 2008	342,872	-	25,000	93,521	70,185	188,706
Additions	-	-	-	972	18,884	19,856
Disposals	-	-	-	-	-	-
At 31 December 2008	342,872	-	25,000	94,493	89,069	208,562
Additions	-	-	-	28,034	12,800	40,834
Amounts released to the income statement:						
Negative goodwill	-	*386,143*	-	-	-	*386,143*
Disposals	-		-	(87,486)	-	(87,486)
At 31 December 2009	342,872	386,143	25,000	35,041	101,869	548,053
Amortisation:						
At 1 January 2008	-	-	4,427	89,379	56,415	150,221
Charge for the year	-	-	1,250	2,834	14,861	18,945
On Disposal	-	-	-	-	-	-
At 31 December 2008	-	-	5,677	92,213	71,276	169,166
Charge for the year	-	8,421	1,000	4,190	13,281	26,892
On Disposal	-	-	-	(87,486)	-	(87,486)
At 31 December 2009	-	8,421	6,677	8,917	84,557	108,572
Net Book Value:						
At 31 December 2009	342,872	377,722	18,323	26,124	17,312	439,481
At 31 December 2008	342,872	-	19,323	2,280	17,793	39,396

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 85.5% or the discount rate would need to exceed 25.5%.

During the 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 turnover and profit attributable to these intangible assets is not material for the period and has therefore not been separately disclosed. The failure of the businesses resulted in a bad debt expense being recognised of £255,094. The fair value of the customer contractual and non-contractual relationships was £386,143. 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. This valuation resulted in recognition of negative goodwill of £386,143, which was credited to the consolidated income statement.

12. Investments held to maturity	Group		Company	
	2009	2008	2009	2008
Unlisted Investments:	£	£	£	£
Cost:				
At 1 January 2009	39,601	19,800	39,601	19,800
Additions	-	19,801	-	19,801
As at 31 December 2009	39,601	39,601	39,601	39,601

Unlisted investments held to maturity are stated at cost.

Unlisted investments are interests held in the following company registered in the United Kingdom:

	Shareholding	*Holding*	*Business*
Alexander David Securities Group plc	£39,601 at par	Loan notes	Stockbrokers

13. Available-for-sale investments

	Group 2009	Group 2008	Company 2009	Company 2008
Listed Investments:	£	£	£	£
Cost:				
At 1 January 2009	57,500	200	57,500	200
Additions	25,000	899	25,000	899
On revaluation	29,501	56,401	29,501	56,401
As at 31 December 2009	112,001	57,500	112,001	57,500

Listed investments are stated at their market value at 31 December 2009.

Listed investments are interests held in the following company registered in the United Kingdom:

		Shareholding	*Holding*	*Business*
Alexander David Securities Group plc	2.7%	11,500,096	1p Ordinary shares	Stockbrokers

14. Investments in subsidiaries

	Company 2009	Company 2008
Unlisted Investments:	£	£
Cost:		
At 1 January 2009	111,204	105,722
Additions	149,700	-
Capital contributions re share option costs	5,484	5,482
As at 31 December 2009	266,388	111,204

		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
Sharegain Limited*	100%	1	£1 Ordinary shares	Dormant company

** indirectly held*

For the year ended 31 December 2009, the profit after income tax for Jarvis Investment Management Limited was £1,237,334 (2008 £1,228,840) and at the end of the year the total equity was £342,462 (2008 £1,349,944).

15. Trade and other receivables

Amounts falling due within one year:	Group 2009	Group 2008	Company 2009	Company 2008
	£	£	£	£
Trade receivables	8,822,978	2,937,120	38,144	100,384
Amounts owed by group undertakings	-	17,319	-	156,900
Other receivables	75,274	317,752	17,508	20,875
Charge against ordinary shares	-	1,393,345	-	1,393,345
Prepayments and accrued income	683,659	676,572	162,956	171,005
	9,581,911	5,342,108	218,608	1,842,509

Trade receivables include £8,772,031 (2008 £2,832,609) in respect of delivery versus payment transactions for the settlement of client bargains.

16. Investments held for trading

	Group		Company	
	2009	2008	2009	2008
Listed Investments:	£	£	£	£
Valuation:				
At 1 January 2009	50,848	21,599	-	-
Additions	522,106	655,949	-	-
Disposals	(546,232)	(626,700)	-	-
As at 31 December 2009	26,722	50,848	-	-

Listed investments are stated at their market value at 31 December 2009.

17. Cash and cash equivalents

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Balance at bank and in hand – group/company	507,306	275,638	7,581	1
Balance at bank and in hand – client balances	8,015,309	4,422,083	-	-
	8,522,615	4,697,721	7,581	1

Cash at bank includes £8,015,309 (2008 £4,422,083) received in the course of settlement of bargains. This amount is held by the company in trust on behalf of clients and is only available to complete the settlement of outstanding bargains.

18. Share capital

	2009	2008
	£	£
Authorised:		
16,000,000 Ordinary shares of 1p each	160,000	160,000
Allotted, issued and fully paid:		
10,500,000 (2008: 10,800,000) Ordinary shares of 1p each	105,000	105,000

38,000 shares purchased during the previous year continue to be held in treasury at the year end.

A total of 600,000 options were granted to directors and employees on admission of the company to trading on AIM on 23 December 2004 and a further 50,000 to a director on 20 January 2008 (now exercised). These options were granted with an exercise price of 82.5p and were first exercisable on 23 December 2009 and with a last exercise date of 23 December 2014. In addition, 230,000 options were granted on 18 May 2007 to directors and employees with an exercise price of 175p and are first exercisable on 17 May 2012 and with a last exercise date of 17 May 2017. On 12 May 2009, 100,000 options were granted to a director with an exercise price of 200p and first exercisable on 12 May 2014 and with a last exercise date of 12 May 2019. The total number of options unexercised and in issue at the year end is 920,000.

The following options were granted to directors:

	at 82.5p	*at 175p*	*at 200p*
A J Grant	273,500	76,500	-
M J Edmett	175,000	50,000	-
N J Crabb	-	-	100,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

19. Consolidated capital and reserves

	Share capital	Share premium	Merger reserve	Capital redemption reserve	Fair value reserve	Share option reserve	Retained earnings	Own shares held in treasury	Total equity
	£	£	£	£	£	£	£	£	£
At 1 January 2008	108,000	779,934	9,900	6,845	-	34,010	695,329	(1,930)	1,632,088
Purchase of own shares	-	-	-	-	-	-	-	(842,962)	(842,962)
Sale of shares from treasury	-	-	-	-	-	-	-	41,250	41,250
Deferred tax charged to equity	-	-	-	-	-	-	(29,305)	-	(29,305)
Net income recognised directly in equity	-	-	-	-	-	-	*29,305*	*(801,712)*	*(831,017)*
Cancellation of own shares	(3,000)	-	-	3,000	-	-	(720,323)	720,323	-
Expense of employee options	-	-	-	-	-	20,089	-	-	20,089
Profit for the financial year	-	-	-	-	-	-	1,309,686	-	1,309,686
Investment revaluation	-	-	-	-	56,401	-	-	-	56,401
At 31 December 2008	105,000	779,934	9,900	9,845	56,401	54,099	1,255,387	(83,319)	2,187,247
Deferred tax charged to equity	-	-	-	-	-	-	-	-	-
Net income recognised directly in equity	-	-	-	-	-	-	-	-	-
Expense of employee options	-	-	-	-	-	20,295	-	-	20,295
Profit for the financial year	-	-	-	-	-	-	1,198,504	-	1,198,504
Dividends	-	-	-	-	-	-	(2,125,685)	-	(2,125,685)
Investment revaluation	-	-	-	-	29,501	-	-	-	29,501
At 31 December 2009	105,000	779,934	9,900	9,845	85,902	74,394	328,206	(83,319)	1,309,862

19. Company capital and reserves

	Share capital	Share premium	Capital redemption reserve	Fair value reserve	Share option reserve	Retained earnings	Own shares held in treasury	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2008	108,000	779,934	6,845	-	34,010	100,890	(1,930)	1,027,749
Purchase of own shares	-	-	-	-	-	-	(842,962)	(842,962)
Sale of shares from treasury	-	-	-	-	-	-	41,250	41,250
Deferred tax charged to equity	-	-	-	-	-	(29,305)	-	(29,305)
Net income recognised directly in equity	-	-	-	-	-	*(29,305)*	*(801,712)*	*(831,017)*
Cancellation of own shares	(3,000)	-	3,000	-	-	(720,323)	720,323	-
Expense of employee options	-	-	-	-	20,089	-	-	20,089
Profit for the financial year	-	-	-	-	-	675,285	-	675,285
Investment revaluation	-	-	-	56,401	-	-	-	56,401
At 31 December 2008	105,000	779,934	9,845	56,401	54,099	26,547	(83,319)	948,507
Deferred tax charged to equity	-	-	-	-	-	-	-	-
Net income recognised directly in equity	-	-	-	-	-	-	-	-
Expense of employee options	-	-	-	-	20,295	-	-	20,295
Profit for the financial year	-	-	-	-	-	2,361,171	-	2,361,171
Dividends	-	-	-	-	-	(2,125,685)	-	(2,125,685)
Investment revaluation	-	-	-	29,501	-	-	-	29,501
At 31 December 2009	105,000	779,934	9,845	85,902	74,394	262,033	(83,319)	1,233,789

Share option reserve relates to the provision for the estimated cost of employee share options.

20. Trade and other payables

Amounts falling due within one year:	Group 2009	Group 2008	Company 2009	Company 2008
	£	£	£	£
Bank loans and overdrafts	-	2,017	-	2,017
Trade payables	17,091,059	7,436,589	29,451	4,025
Amounts owed to group companies	-	7,199		1,212,759
Other taxes and social security	67,696	65,774		5,097
Other provisions	416,648	610,066	388,518	487,133
Accruals	27,135	14,025	15,135	14,025
Trade and other payables	17,602,538	8,135,670	433,104	1,725,056
Income tax	418,309	583,558	17,269	95,949
Total liabilities	18,020,847	8,719,228	450,373	1,821,005

Trade payables include £16,787,340 (2008 £7,254,693) in respect of delivery versus payment transactions for the settlement of client bargains.

21. Dividends

	2009	2008
	£	£
Final dividends paid on Ordinary 1p shares	648,000	-
Interim dividends paid on Ordinary 1p shares	1,477,685	-
	2,125,685	-
Dividend per Ordinary 1p share	20p	-

22. Operating lease commitments

At 31 December 2009 the group was committed to making the following payments in respect of operating leases which expire:

	Equipment 2009	Equipment 2008	Land & buildings 2009	Land & buildings 2008
	£	£	£	£
Between one and five years:	40,468	51,069	-	-
After more than five years:	-	-	492,125	555,625

On 26 September 2007 the company entered into 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.

In addition, on 24 October 2007, Jarvis Investment Management Limited entered into a lease agreement with Neopost Finance for the rental of various items of post management equipment. The equipment is required to support the increasing volume of post received and sent by the group as a result of the growth of the business. The lease has a term of 6 years.

23. 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 loan notes.

Short-term receivables and payables are excluded from these disclosures.

24. 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 the expense of employee options.

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

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.

25. 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 Oxford House, 15-17 Mount Ephraim Road, Royal Tunbridge Wells, Kent, TN1 1EN.

26. Related party transactions

On 26 September 2007 the company entered into 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. During the year the company made a management charge of £10,000 to Sion Holdings Limited for office and administrative services and paid Sion Holdings Limited rent of £63,500 under the terms of the lease of 78 Mount Ephraim. Further the company paid Sion Holdings Limited a premium of £175,000 on the assignment of the new lease of 78 Mount Ephraim. The premium related to the VAT position of the lease. As a financial services business, the group cannot reclaim VAT in full. Sion Holdings Limited opted not to tax on the lease in order to save the group the costs of the irrecoverable VAT and in return the company compensated Sion Holdings Limited for the effect of this decision over the lease term.

At the year end Sion Holdings Limited had an outstanding inter-company loan balance due from Jarvis Securities plc of nil (2008 £7,199). In addition, group and company trade payables include £15,875 (2008 nil) due to Sion Holdings Limited at the year end for rent for the quarter commencing 24 December.

Jarvis Investment Management Limited paid a performance related management charge to Jarvis Securities plc of £180,000 (2008 £475,000) during the year. Jarvis Securities plc owed Jarvis Investment Management Limited nil (2008 £1,205,560) at the year end.

27. Event after the statement of financial position date

The issued share capital of the company was increased by 9,000 Ordinary 1p shares, to 10,509,000 Ordinary shares of 1p, after the date of the statement of financial position to satisfy the exercise of options by employees.

28. Capital commitments

The company had no capital commitments at 31 December 2009.

29. 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.

30. 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 already in place to enable all risks to be better controlled. These include detailed profit 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 Services 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. However, interest earnings have been nearly £600,000 lower than the prior year. To put this into a wider financial context, adjusting for the current level of cash balances held, this equates to a reduction in revenue of approximately £2.8M on comparative earn rates to 2008, and £4.2M versus the average base rate since 1975*.

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 Services Authority ("FSA") 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 FSA'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.

** Source: Bank of England website*

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

Tel: 01892 510515
Fax: 01892 518977

Email: invest@jarvisim.co.uk

JARVIS SECURITIES PLC

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 **Tuesday 16 March 2010**. 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 2009.
2. To re-appoint Horwath 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

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 **Tuesday 16 March 2010 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 2009		
Ordinary Resolution	To re-appoint Horwath Clark Whitehill LLP as auditors		
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.