

Company No. **5107012**

Jarvis Securities plc

Interim Financial Statements
For the six months ended 30 June 2005

STATEMENT BY THE BOARD

We are pleased to report our interim results to 30 June 2005 and our first since our admission to AIM.

Financial

Clearly we have been affected by the slowdown in retail stockbroking trade volumes in the second quarter of 2005 with turnover only growing by 1.3%. Together with increased administrative costs our operating profit, excluding the exceptional costs of an aborted acquisition, has fallen by 21%. This is disappointing but we are now well placed to make strong progress in the second half of the year.

Commercial Clients

During the past six months we have been active in launching a Model B clearing service to settle the trades of other London Stock Exchange members. From a standing start we have been able to obtain the necessary consents, make adjustments to our system to operate this type of business, draft contracts and market our service. We have two clients already live and trading and very strong interest at different stages from more firms with two more due to go live imminently. We expect to be announcing further contract wins throughout the rest of 2005. We have also been experiencing increasing interest in our other outsourced financial administration services, particularly from investment and unit trust managers. We intend to increase our presence in this market.

Retail Clients

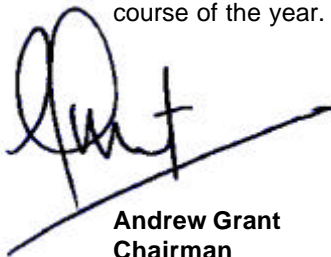
We continue to sign-up retail clients at a very encouraging rate. Our client numbers have grown by around 35% between 2004 and 2005 compared to an average rate amongst our peers of 18.9%.

Efficiency

We remain highly efficient with staff hours per trade of 0.51 against a competitor average of 0.69 and revenue per £1,000 of staff costs of £4,331 versus a £2,266 average. We are also in the top ten performers in our CREST group despite the large amount of certificated trades that we still handle. This allows us to offer our services to both commercial and retail clients at competitive rates and we appreciate that maintaining and improving this efficiency will be key to our future growth.

Outlook

There have been improvements in our trading volumes over recent weeks and with the volumes of other firms now being cleared through us at a fee we are in a good position to take maximum advantage of any sustained upturn. We continue to seek out potential acquisitions where we can cut costs and use our efficiency and higher margins to increase profitability. We also continue to actively market both retail and commercial clients and we hope to report more on this over the course of the year.



Andrew Grant
Chairman

Jarvis Securities plc

Interim Financial Statements for the six months ended 30 June 2005

CONSOLIDATED PROFIT AND LOSS ACCOUNT
(unaudited)

For the six months ended 30 June 2005

	Six months 30 June 2005	Six months 30 June 2004
	£	£
TURNOVER	1,275,270	1,258,758
Administrative expenses	945,337	841,331
Exceptional administrative expenses	46,929	-
	992,266	841,331
OPERATING PROFIT	283,004	417,427
Tax on profit on Ordinary Activities	105,233	136,710
PROFIT FOR THE FINANCIAL PERIOD	177,771	280,717
Dividends	287,114	175,525
RETAINED (LOSS)/PROFIT FOR THE PERIOD	(109,343)	105,192

GROUP BALANCE SHEET
(unaudited)

As at 30 June 2005

	30/6/2005		30/6/2004	
	£	£	£	£
FIXED ASSETS				
Intangible assets	375,012		345,870	
Tangible assets	215,615		169,025	
Investments	-		-	
		590,627		514,895
CURRENT ASSETS				
Investments	57,215		35,513	
Debtors	2,941,268		2,653,777	
Cash at bank and in hand	4,302,062		3,405,910	
		7,300,545		6,095,200
CREDITORS:				
Amounts falling due within one year		6,632,526		6,074,671
NET CURRENT ASSETS		668,019		20,529
TOTAL ASSETS LESS CURRENT LIABILITIES		1,258,646		535,424
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation		5,492		-
NET ASSETS		1,253,154		535,424
CAPITAL AND RESERVES				
Called up share capital		114,845		100,300
Share premium account		789,834		9,900
Profit and loss account		348,475		425,224
SHAREHOLDERS' FUNDS		1,253,154		535,424

GROUP CASH FLOW STATEMENT
(unaudited)
For the six months ended 30 June 2005

	<u>30/6/2005</u>	<u>30/6/2004</u>
	£	£
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	283,004	417,427
Depreciation	38,164	28,187
Amortisation	10,318	4,310
(Increase)/decrease in current asset investments	(20,866)	10,969
(Increase)/decrease in debtors	32,976	81,174
Increase/(decrease) in creditors	(654,873)	(241,293)
Net cash (outflow)/inflow from operating activities	<u>(311,277)</u>	<u>300,774</u>

CASH FLOW STATEMENT

Cash flow from operating activities	(311,277)	300,774
Capital expenditure and financial investment	(126,906)	(80,370)
Equity dividends paid	(287,114)	(175,525)
	<u>(725,297)</u>	<u>44,879</u>
Financing	(10,183)	-
Increase in cash	<u>(735,480)</u>	<u>44,879</u>

Reconciliation of net cash flow to movement in net funds

	<u>30/6/2005</u>	<u>30/6/2004</u>
	£	£
Movement in net funds in the year	(735,480)	44,879
Net funds at 1 January 2005	1,231,041	107,392
Net funds at 30 June 2005	<u>495,561</u>	<u>152,271</u>

NOTES TO THE INTERIM ACCOUNTS**1. Basis of Accounts**

These unaudited interim accounts have been prepared on the basis of accounting policies set out in the Company's 2004 Annual Report and Accounts.

2. Earnings per Share

Earnings per share is calculated as:

	Total	Per Share Six months 30 June 2005	Total	Per Share Six months 30 June 2004
	£	p	£	p
Profit for the financial period	177,771	1.5p	280,717	2.8p

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

Date	Event	No. of shares	Days	2005	2004
1/1/04	Opening balance	10,030,000	365	-	10,030,000
1/1/05	Opening balance	11,484,545	365	11,484,545	-
				11,484,545	10,030,000

3. Dividends

An ordinary dividend of 2.5p per ordinary share was proposed and paid during the period.

Jarvis Securities plc

Interim Financial Statements for the six months ended 30 June 2005



Horwath Clark Whitehill
INDEPENDENT REVIEW REPORT TO
JARVIS SECURITIES PLC

Introduction

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

Directors' Responsibilities

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

Review Work Performed

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

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2005.

Horwath Clark Whitehill LLP
Chartered Accountants
10 Palace Avenue
Maidstone
Kent
ME15 6NF

Date: 25 July 2005