Company No. **5107012**

JARVIS SECURITIES PLC

FINANCIAL STATEMENTS
For the year ended 31 December 2006

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For the year ended 31 December 2006

COMPANY INFORMATION

DIRECTORS:	A J Grant M J Edmett J S Mackay	
SECRETARY:	M J Edmett	
REGISTERED OFFICE:	Oxford House 15/17 Mount Ephraim Road Tunbridge Wells Kent TN1 1EN	
REGISTERED NUMBER:	5107012	
AUDITORS:	Horwath Clark Whitehill LLP 10 Palace Avenue Maidstone Kent ME15 6NF	
REGISTRAR:	Capita IRG plc Bourne House 34 Beckenham Road Beckenham BR3 4TU	
BANKERS:	HSBC Bank plc 105 Mount Pleasant Tunbridge Wells Kent TN1 1QP	Anglo Irish Bank Corporation plc 10 Old Jewry London EC2R 8DN
SOLICITORS:	Thomson Snell & Passmore 3 Lonsdale Gardens Tunbridge Wells TN1 1NX	
NOMINATED ADVISER:	Daniel Stewart & Company 36 Old Jewry London EC2R 8DD	
WEBSITES:	www.jarvisim.co.uk www.sharedealactive.co.uk www.jarvissecurities.co.uk www.sharegain.co.uk www.jarviscfds.co.uk	
TRADING ADDRESS:	Oxford House 15/17 Mount Ephraim Road Tunbridge Wells TN1 1EN	

CHAIRMAN'S STATEMENT

Financial Highlights

- **Turnover up 29% to £3.42M (December 2005: £2.65M)**
- **Operating profit up 93% to £1.14M (December 2005: £592k)**
- **EPS up 158% to 6.79p (December 2005: 2.63p)**
- **Net assets of the group up 11% to £1.52M (December 2005: £1.37M)**
- **Final dividend proposed of 2.5p (2005: nil final dividend)**

Commentary

In our last interim statement I reported that our strategy to focus on service and profits was beginning to deliver considerable financial benefits to the group. The results for 2006 show the success that we have enjoyed with turnover, profits, earnings and assets all up significantly.

The business continues to expand in all areas and we look forward to 2007 with great confidence. Retail client numbers are still increasing at an impressive rate and we have a number of potential commercial contracts awaiting agreement. Whilst general trading volumes are beyond our control we have been growing our fee income base and the interest rate environment is also moving in our favour.

We have put a lot of effort into the new business review requirements within the Directors' Report this year. This is an idea that we support as it gives our stakeholders a real insight into how the Board monitor the progress of the group and whether we are achieving or not. I would urge shareholders in particular to take a little time to consider these measures so as to fully appreciate the true depth of achievement and strength of the company. A quick glance at the highlights above and the graphs in the business review section of the fast growth of turnover, profits and funds under administration give a good overview of our financial performance. However, it is also important to consider what underpins that performance and I am pleased to say that you will see a firm that takes its environmental and social responsibilities seriously, that is improving productivity from its staff, that has rapidly growing client numbers, that takes quality of service seriously and that has the lowest complaints' ratio in our sector. I would also recommend a consideration of the "threats and risks" as it is especially important for investors to take a balanced view. As a Board we perceive a positive outlook for Jarvis over the coming year and I anticipate announcing an improved financial position at the interim stage.

I also commented in July 2006 on the disappointing performance of our share price. Whilst this has improved over recent months, I still do not believe that this sufficiently values the current and future prospects of the business. Since we joined AIM in 2004, operating profits are up by more than 67% but at the 31 December the share price had only risen 15% to 95p from the introduction price of 82.5p. This has not gone unnoticed by other firms in our sector and we have received a number of informal approaches during 2006. These informal discussions were not at an attractive level but they support our view on the current low valuation of Jarvis. It is also worth noting that our price earnings ratio at the end of 2006 was 9.5 compared to a selection of other publicly traded brokers at 18.3 for Charles Stanley Group plc*, 19.8 for Fiske plc* and 20.4 for Walker, Cripps, Weddle, Beck plc*. Jarvis Securities plc is fast growing, with an arguably better business model in my view, and this disparity is unsatisfactory. Given these circumstances we shall continue to commit some spare cash to buying-back further shares for cancellation whilst the Board believe the stock to be undervalued. As I have previously mentioned, this cannot be a long-term answer for our frustrations and so we shall continue to try and improve awareness of our group with investors.

I am delighted that our efforts to strengthen the foundations of the business have been successful and that we are now seeing a significant financial benefit. I would like to thank Lionel Grant, who retired this year, for his tireless service for more than 20 years in building the business that he helped to found. I would also like to extend my thanks to my colleagues on the Board and to the rest of our dedicated team in delivering such an improved performance.

Andrew J. Grant
Chairman

**Source RoyalBlue Fidessa 11/1/07*

DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 December 2006.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that year. In preparing the financial statements, the directors are required to:

a) Select suitable accounting policies and then apply them consistently;
b) Make judgements and estimates that are reasonable and prudent;
c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business;
d) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 (s. 234ZA(2)).

Principal activities

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

Jarvis Securities plc	Group holding company
Jarvis Investment Management plc	Stockbroker (Member of The London Stock Exchange) Inland Revenue approved PEP and ISA managers Outsourced investment administration and Model B settlement services
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

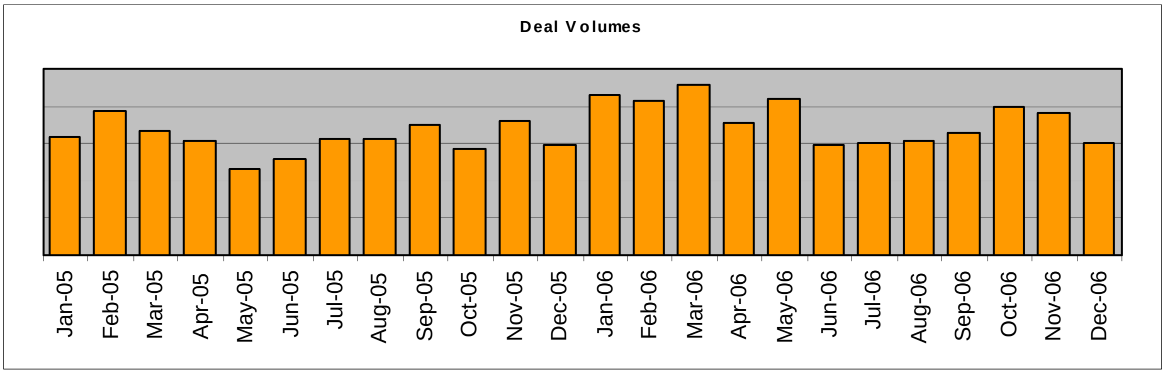
Strong growth has resulted in the group's turnover rising by 29.0% to £3,419,658. Profit before tax has also grown to 195.6% of the 31 December 2005 level, with basic earnings per share up by 158.2%. Group net assets are at £1,520,833 from £1,367,060 a year earlier, a rise of 11.2%.

The Group

The principal trading subsidiary of the Group is Jarvis Investment Management plc. 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 plc is a Member of The London Stock Exchange (LSE) 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; PEP, 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. Jarvis has expanded significantly in both these areas during the year under review and expects to continue doing so in 2007. 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 that other pure execution-only brokers.



Capitalisation and financing

Jarvis Securities plc has 11,280,000 Ordinary 1p shares in issue, following the cancellation of 70,000 Ordinary 1p shares on 8 January 2007. These shares are admitted to trading on AIM. The Company has been buying back its shares for cancellation during the year when the Board believed that the share price did not reflect the value of the business. The Company will continue to repurchase shares when its cash position allows. 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. 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 instigated a number of initiatives relating to electronic communication and payment in order to reduce paper usage and the carbon effects of transporting documentation. Jarvis has been storing its client documentation electronically for more than four 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 have supported a number of local events, including the Tunbridge Wells Business Awards, where we were delighted to be a runner-up in the Customer Service section, and we see our firm as part of our local community as well as a national service provider. 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:

- Comic Relief
- British Heart Foundation
- Demelza House
- Shooting Star Children's Hospice
- RSPCA

Jarvis also won another Investor's Chronicle award this year. These are awarded on the basis of a public vote, which makes this a real achievement against our larger competitors.

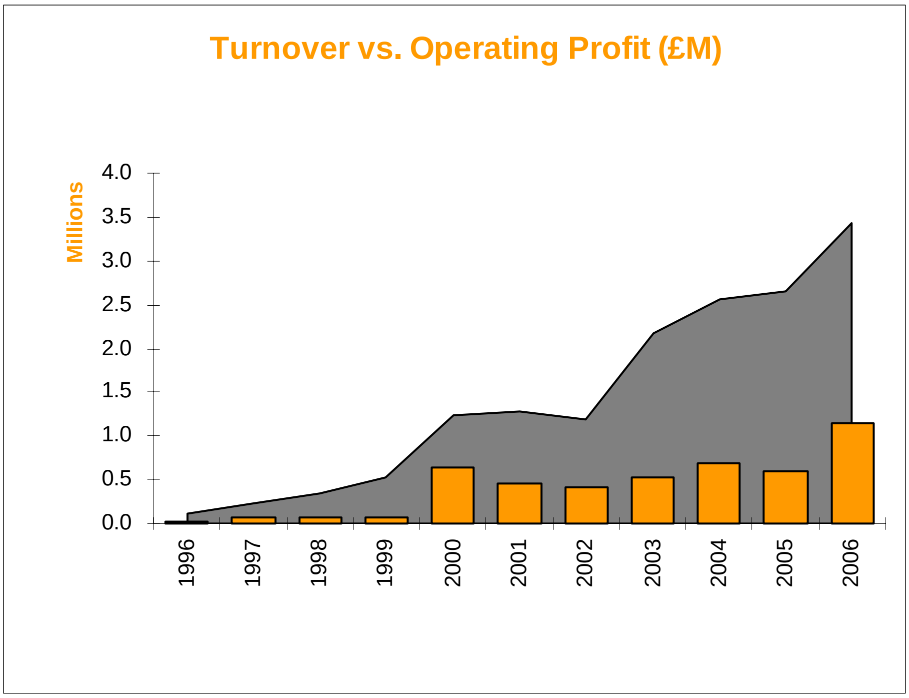
Key Performance Indicators (KPI)

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 operating profit as a percentage of turnover. 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 average margin for our competitors is 6.77% (source: ComPeer annual benchmarking report 2005). The Board aims to have significantly higher than average margins and to keep these above 20%.

2006:	**33.45%**
2005:	22.31%



ROCE

The return on capital employed is the operating profit 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 11.2%.

2006:	**75.2%**
2005:	43.3%

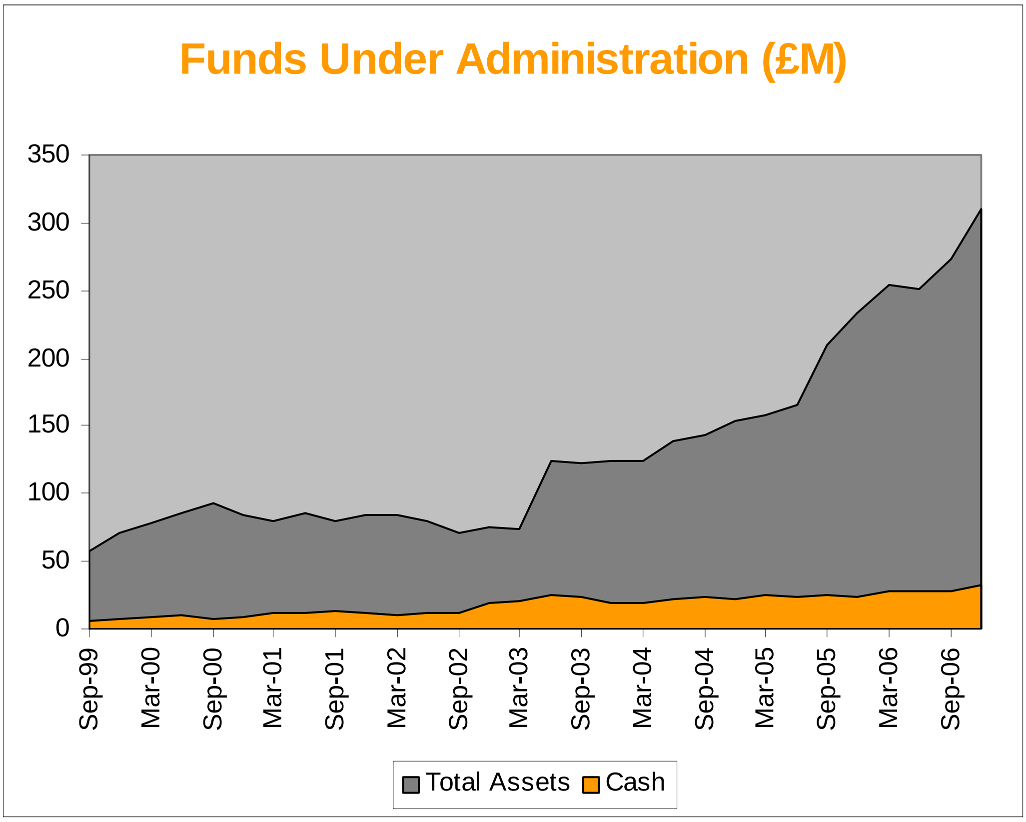
Revenue per employee

This is turnover 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.

2006:	**155,439**
2005:	115,290
Revenue increase rate:	34.8% vs. payroll cost increase: 11.2%

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.



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 turnover growth for the Group into the future.

Rate of Increase (Number):	**19.6%**
Rate of Increase (Revenue):	7.84%

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. The average amongst our competitors is 8.92 (source: ComPeer annual benchmarking report 2005). Jarvis had the best ratio in the execution-only industry in the last ComPeer report and we are very proud of this achievement.

2006:	**0.51**
2005:	0.44

Calls answered in three rings

Unlike many firms in financial services we still believe in personal attention. Jarvis do not use automated telephone menu systems 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 2006:	**88.5%**
% of calls answered in three rings in 2005:	92.4%

These results were adversely affected due to an unexpectedly busy period in the first quarter of the year. Performance was improved significantly during the year with 95.0% of calls answered in three rings by December.

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.

2006:	**1.85%**
2005:	0.75%

These results were adversely affected due to a skiing injury and the hospitalisation of a second employee, which are abnormal events.

EPS and P/E ratio

The principal measures used by investors to compare and rate publicly traded companies are the earnings per share (EPS) and the relative multiple to these earnings of the current share price (the price earnings or P/E ratio). Therefore the Board must have regard to these measures in order to maximise returns to investors. EPS is a result of dividing profit after tax by the average number of shares in issue throughout the period. The P/E ratio is the 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 the year. However this is mainly a result of public perception and is therefore difficult to change. These measures are important to investors and hence need to be given high regard. The Board aims to grow EPS by at least 25% per year, which is an aggressive target for expanding Jarvis. The Board will continue its efforts to increase the P/E ratio to reflect its belief that Jarvis should have a premium rating to its competitors because of its growth rate, yield and differentiated business model.

2006 EPS:	**6.79p**
2005 EPS:	2.63p
Rate of change:	158%

2006 P/E ratio:	**14.0**
2005 P/E ratio:	29.3

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 Board is currently considering the potential impact of MiFID (Markets in Financial Instruments Directive), which is to be implemented later in 2007. At this stage, given the specific activities of the group, it is not expected that this will result in any significant impact.
- The interest rate environment has a significant effect on the earnings of the group. This currently looks favourable with interest rates having increased in 2006, January 2007 and widely expected to rise further in 2007.
- Market volumes directly affect bargain numbers transacted and hence commission income for the group. The current indications appear favourable but this can change rapidly and unexpectedly but is beyond the control of the firm.
- 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.
- Savings legislation may change impacting negatively on product revenue. The expected changes allowing the merging of PEPs and ISAs in 2007 could result in a reduction in fee income in the short-term from these products.

Future developments

Jarvis Securities plc continues to seek further acquisition targets that can be integrated into the operating subsidiary with resultant cost savings and cross-selling opportunities. Jarvis Investment Management plc will continue to actively promote its retail and third party stockbroking and administration services.

Results and dividends

The consolidated profit for the year after taxation amounted to £776,931 (2005 £301,711). Ordinary dividends of £458,768 (2005 £287,114) were paid during the year. The balance on the profit and loss account has been carried forward and a final dividend of 2.5p per Ordinary 1p share is proposed by the Board subject to approval at the annual general meeting.

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 comprises of, and is chaired by, Mr J S Mackay. Mr L G Grant left the committee on his retirement at 30 September 2006.

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 91 days (2005 91 days).

Purchase of own shares

During the year the company repurchased 110,000 of its own ordinary 1p shares for cancellation. These shares represented 0.96% of the issued share capital and had a total nominal value of £1,100.00. They were purchased for a consideration of £104,563.00 in order to improve the earnings per share of the company. This is in addition to 24,545 shares purchased in the previous year and 70,000 shares purchased during the year and held in treasury at the year end. These shares were cancelled on 8 January 2007.

Directors and their interests

The directors and their interests, as defined by the Companies Act, in the shares of the company at 31 December 2006 were as follows:-

		31.12.06	31.12.05
A J Grant	- 1p ordinary shares	-	9,500
L G Grant *(retired 30 September 2006)*	- 1p ordinary shares	-	2,000
M J Edmett	- 1p ordinary shares	-	7,500
J S Mackay	- 1p ordinary shares	-	-

The directors had the following interests, as defined by the Companies Act, in the shares of the company's parent company, Sion Holdings Limited, at 31 December 2006:-

		31.12.06	31.12.05
A J Grant	- 50p ordinary shares	569,295	559,295
L G Grant *(retired 30 September 2006)*	- 50p ordinary shares	298,785	318,785
M J Edmett	- 50p ordinary shares	-	-
J S Mackay	- 50p ordinary shares	-	-

Share Options

A total of 600,000 options were granted to directors and employees on admission of the company to trading on AIM and a further 50,000 to a director on 20 January 2005. All options were granted with an exercise price of 82.5p and are first exercisable on 23 December 2009 and with a last exercise date of 23 December 2014. The following options were granted to directors:

A J Grant	273,500
M J Edmett	175,000
J S Mackay	50,000

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

……………………………….

Mathew J Edmett – Secretary

Date: 24 January 2007

Horwath Clark Whitehill

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JARVIS SECURITIES PLC

We have audited the group and parent company financial statements of Jarvis Securities plc (the "financial statements") which comprise the group Profit and Loss Account, group Balance Sheet, company Balance Sheet, group Cash Flow Statement and related notes 1 to 24 of Jarvis Securities plc for the year ended 31 December 2006. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company and group have not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

UNQUALIFIED OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's and group's affairs as at 31 December 2006 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Directors' Report is consistent with the financial statements.

HORWATH CLARK WHITEHILL LLP
Chartered Accountants
and Registered Auditors
Maidstone

GROUP PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2006

	Notes	2006	2005 *as restated*
		£	£
TURNOVER	2	**3,419,658**	2,651,665
Administrative expenses		**2,275,800**	2,009,766
Exceptional administrative expenses	4	**-**	50,222
		2,275,800	2,059,988
OPERATING PROFIT	3	**1,143,858**	591,677
Interest payable	5	**2,605**	8,288
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**1,141,253**	583,389
Tax on profit on ordinary activities	6	**364,322**	281,678
PROFIT FOR THE FINANCIAL YEAR		**776,931**	301,711
EARNINGS PER SHARE			
Basic earnings per share	19	**6.79p**	2.63p
Diluted earnings per share	19	**6.43p**	2.49p

CONTINUING OPERATIONS
None of the group's activities were acquired or discontinued in the current year.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2006

	Notes	2006	2005 *as restated*
		£	£
PROFIT FOR THE FINANCIAL YEAR		**776,931**	301,711
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		**776,931**	301,711
Prior year adjustment	23	**(8,848)**	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS		**768,083**	

PARENT COMPANY PROFIT AND LOSS ACCOUNT
The parent company is exempt from producing a separate profit and loss account under the provisions of S230(3) of the Companies Act 1985. The profit after tax of the company as a separate entity for the year was £731,340.

The notes on pages 15 to 22 form part of these accounts.

GROUP BALANCE SHEET
As at 31 December 2006

	Notes	2006 £	2006 £	2005 *as restated* £	2005 *as restated* £
FIXED ASSETS					
Intangible assets	8	**344,060**		364,695	
Tangible assets	9	**144,145**		176,597	
			488,205		541,292
CURRENT ASSETS					
Investments	11	**34,186**		33,177	
Debtors	12	**5,710,459**		3,693,549	
Cash at bank and in hand	13	**6,561,264**		5,130,205	
		12,305,909		8,856,931	
CREDITORS:					
Amounts falling due within one year	14	**11,273,281**		8,031,163	
NET CURRENT ASSETS			**1,032,628**		825,768
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,520,833**		1,367,060
CAPITAL AND RESERVES					
Called up share capital	15		**113,500**		114,845
Share premium account	16		**789,834**		789,834
Profit and loss account	16		**668,251**		472,412
Capital redemption reserve	16		**1,345**		-
Other reserves	16		**17,696**		8,848
			1,590,626		1,385,939
Own shares held for cancellation	16		**(69,793)**		(18,879)
SHAREHOLDERS' FUNDS – ALL EQUITY			**1,520,833**		1,367,060

Approved by the Board on 24 January 2007 and signed on its behalf by:

Andrew J Grant
……………………….A.J. Grant – Director

Mathew J Edmett
……………………….M. J. Edmett – Director

The notes on pages 15 to 22 form part of these financial statements

COMPANY BALANCE SHEET
As at 31 December 2006

	Notes	2006 £	2006 £	2005 *as restated* £	2005 *as restated* £
FIXED ASSETS					
Intangible assets	8	**344,060**		364,695	
Tangible assets	9	**144,145**		176,597	
Investments	10	**100,300**		100,300	
			588,505		641,592
CURRENT ASSETS					
Debtors	12	**472,371**		287,956	
Cash at bank and in hand	13	**2,905**		4,080	
		475,276		292,036	
CREDITORS:					
Amounts falling due within one year	14	**85,040**		63,069	
NET CURRENT ASSETS			**390,236**		228,967
TOTAL ASSETS LESS CURRENT LIABILITIES			**978,741**		870,559
CAPITAL AND RESERVES					
Called up share capital	15		**113,500**		114,845
Share premium account	16		**779,934**		779,934
Profit and loss account	16		**136,059**		(14,189)
Capital redemption reserve	16		**1,345**		-
Other reserves	16		**17,696**		8,848
			1,048,534		889,438
Own shares held for cancellation	16		**(69,793)**		(18,879)
SHAREHOLDERS' FUNDS – ALL EQUITY			**978,741**		870,559

Approved by the Board on 24 January 2007 and signed on its behalf by:

Andrew J Grant
……………………….A.J. Grant – Director

Mathew J Edmett
……………………….M.J. Edmett – Director

The notes on pages 15 to 22 form part of these financial statements

GROUP CASH FLOW STATEMENT
For the year ended 31 December 2006

	Notes	**2006**	2005 *as restated*
		£	£
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		**1,143,858**	591,677
Depreciation		**80,385**	77,822
Amortisation		**20,635**	20,635
Loss on disposal of fixed assets		**749**	13,501
(Increase) in debtors		**(581,828)**	(319,021)
Increase/(decrease) in creditors		**50,359**	(282,020)
Cost of share options		**8,848**	8,848
Interest payable		**(2,605)**	(8,288)
Net cash inflow from operating activities		**720,401**	103,154

CASH FLOW STATEMENT

	Notes	**2006**	2005
Cash flow from operating activities		**720,401**	103,154
Taxation		**(201,933)**	(245,412)
Capital expenditure and financial investment	20a	**(49,691)**	(137,874)
Equity dividends paid		**(458,768)**	(287,114)
		10,009	(567,246)
Financing	20a	**(173,240)**	(29,065)
(Decrease) in cash		**(163,231)**	(596,311)

Reconciliation of net cash flow to movement in net funds

	Notes	**2006**		2005	
		£	**£**	£	£
(Decrease) in cash in the year		**(163,231)**		(596,311)	
Movement in net funds in the year			**(163,231)**		(596,311)
Net funds at 1 January 2006			**634,730**		1,231,041
Net funds at 31 December 2006	20b		**471,499**		634,730

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

(b) 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 on receipt.

(c) Basis of consolidation

The group financial statements consolidate the financial statements of Jarvis Securities plc, Jarvis Investment Management plc, Sharegain Limited, JIM Nominees Limited, Galleon Nominees Limited and Dudley Road Nominees Limited made up to 31 December 2006. 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 S230(3) of the Companies Act 1985.

(d) Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the lives of the assets at the following rates:

Website	-	33% on cost
Leasehold improvements	-	33% on cost
Motor vehicles	-	15% on cost
Office equipment	-	20% on cost
Software developments	-	33% on cost

(e) Intangible fixed assets

Goodwill represents the excess of the fair value of the consideration given over the aggregate fair values of the separable net assets. Goodwill is amortised over 20 years on a straight line basis, being the directors' best estimate of the useful economic life, subject to annual impairment reviews. Other intangible assets are capitalised at their market value on acquisition and are amortised on the same basis.

(f) Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

(g) Segmental reporting

No significant segments for reporting purposes exist as required by Statement of Standard Accounting Practice 25.

(h) Pensions

The group operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account.

(i) Stockbroking balances

The gross assets and liabilities of the group relating to stockbroking transactions on behalf of clients are included in debtors, creditors and cash at bank.

(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 operating profit. Where the company has entered into finance leases, the obligations to the lessor are shown as part of borrowings and the rights in the corresponding assets are treated in the same way as owned fixed assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than right to legal title.

(k) Investments

Fixed asset investments are stated at cost and current asset investments are stated at current market valuations.

(l) 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.

(m) Foreign Exchange

The company offers settlement of trades in sterling, US dollars, euros, Canadian dollars and Swiss francs. The company 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. Consequently the company has no foreign exchange risk.

(n) Options

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.

2. GROUP INCOME

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

	2006	2005
	£	£
Interest received	1,508,974	1,280,405
Fees, commissions, foreign exchange gains and other revenue	1,910,684	1,371,260
	3,419,658	2,651,665

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2006 (continued)

3. OPERATING PROFIT

	2006	2005
Operating profit is stated after charging:	£	£
Directors' emoluments	378,330	247,595
Depreciation – owned assets	80,385	77,820
Amortisation	20,635	20,635
Operating lease rentals – hire of machinery	5,766	786
Operating lease rentals – land and buildings	26,371	19,750
Auditor's remuneration – audit – parent company	18,525	27,000
Auditor's remuneration – interim accounts review – parent company	3,000	3,750
Auditor's remuneration – other services – parent company	10,150	24,500
Auditor's remuneration – other services – subsidiaries	-	2,200
Loss on disposal of fixed assets	749	13,501
Interest payable and similar charges	163,566	213,343
Directors' emoluments		
Fees	361,050	231,115
Pension contributions	10,764	9,964
Cost of share options	6,516	6,516
	378,330	247,595
Details of the highest paid director are as follows:		
Aggregate emoluments	141,001	116,248
Company contributions to personal pension scheme	10,764	9,964
Cost of share options	3,430	3,430
	155,195	129,642

Other services performed by the auditors includes £8,150 relating to advice on the company's VAT position and the reclaiming of VAT on the expenses of the introduction to AIM in 2004 and £2,000 for the preparation of tax returns. The audit costs of the subsidiaries were met by Jarvis Securities plc.

Directors' emoluments include a non-recurring retirement payment to Mr L G Grant of £70,000.

Benefits are accruing for one director (2005 one director) 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	22	23

The aggregate payroll costs of these persons were as follows:	£	£
Wages and salaries	766,071	626,883
Pension contributions	10,764	9,964
Social security	86,787	66,094
Cost of share options	8,848	8,848
	872,470	711,789

4. EXCEPTIONAL ITEMS

Exceptional items derive from the costs relating to the following events:

During the previous year a potential acquisition was aborted following due diligence.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£	£
Bank loans and overdrafts	2,605	8,288
Interest paid to clients	160,961	205,055
	163,566	213,343

Interest paid on client deposits is included within administrative expenses as the holding of client monies and the earning and paying of interest upon these is a core part of the business activities of Jarvis Investment Management plc.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2006 (continued)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006	2005 *as restated*
	£	£
Based on the adjusted results for the year:		
UK corporation tax	350,700	201,440
Adjustments in respect of prior years	492	523
Payment for prior years' group relief	-	79,715
Total current tax	351,192	281,678
Deferred tax:		
Origination and reversal of timing differences	13,130	-
Tax on profit on ordinary activities	364,322	281,678

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2006	2005
Profit on ordinary activities before tax	1,141,253	583,389
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 – 30%)	342,376	175,017
Effects of:		
Expenses not deductible for tax purposes	18,800	17,014
Ineligible depreciation	-	1,366
Capital allowances in excess of depreciation	(13,130)	5,389
Adjustments to tax charge in respect of previous years	492	80,238
Cost of share options	2,654	2,654
Current tax charge for the year	351,192	281,678
Movement in provision:		
Provision at start of year	-	
Deferred tax charged in the P&L account for the year	13,130	
Provision at end of year	13,130	
Provision for deferred tax:		
Accelerated capital allowances	13,130	

7. DIVIDENDS

	2006	2005
	£	£
Interim dividends paid on Ordinary 1p shares	458,768	287,114
Dividend per Ordinary 1p share	4.0p	2.5p

8a. INTANGIBLE FIXED ASSETS – GROUP

	Goodwill	Brands, Other & Databases	Total
	£	£	£
Cost:			
At 1 January 2006	387,699	25,000	412,699
Additions	-	-	-
At 31 December 2006	387,699	25,000	412,699
Amortisation:			
At 1 January 2006	44,827	3,177	48,004
Charge for the year	19,385	1,250	20,635
At 31 December 2006	64,212	4,427	68,639
Net Book Value:			
At 31 December 2006	323,487	20,573	344,060
At 31 December 2005	342,872	21,823	364,695

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2006 (continued)

8b. INTANGIBLE FIXED ASSETS – COMPANY

	Goodwill	Brands, Other & Databases	Total
	£	£	£
Cost:			
At 1 January 2006	387,699	25,000	412,699
Additions	-	-	-
At 31 December 2006	387,699	25,000	412,699
Amortisation:			
At 1 January 2006	44,827	3,177	48,004
Charge for the year	19,385	1,250	20,635
At 31 December 2006	64,212	4,427	68,639
Net Book Value:			
At 31 December 2006	323,487	20,573	344,060
At 31 December 2005	342,872	21,823	364,695

9a. TANGIBLE FIXED ASSETS – GROUP

	Software Development	Website	Leasehold Improvements	Motor Vehicle	Office Equipment	Total
	£	£	£	£	£	£
Cost:						
At 1 January 2006	90,227	44,390	28,298	38,555	190,592	392,062
Additions	790	25,795	20,905	-	17,169	64,659
Disposals	-	-	-	(14,395)	(5,277)	(19,672)
At 31 December 2006	91,017	70,185	49,203	24,160	202,484	437,049
Depreciation:						
At 1 January 2006	46,351	38,547	20,894	1,922	107,751	215,465
Charge for the year	30,226	7,108	10,156	4,704	28,191	80,385
On Disposal	-	-	-	(2,700)	(246)	(2,946)
At 31 December 2006	76,577	45,655	31,050	3,926	135,696	292,904
Net Book Value:						
At 31 December 2006	14,440	24,530	18,153	20,234	66,788	144,145
At 31 December 2005	43,876	5,843	7,404	36,633	82,841	176,597

9b. TANGIBLE FIXED ASSETS – COMPANY

	Software Development	Website	Leasehold Improvements	Motor Vehicles	Office Equipment	Total
	£	£	£	£	£	£
Cost:						
At 1 January 2006	90,227	44,390	28,298	38,555	190,592	392,062
Additions	790	25,795	20,905	-	17,169	64,659
Disposals	-	-	-	(14,395)	(5,277)	(19,672)
At 31 December 2006	91,017	70,185	49,203	24,160	202,484	437,049
Depreciation:						
At 1 January 2006	46,351	38,547	20,894	1,922	107,751	215,465
Charge for the year	30,226	7,108	10,156	4,704	28,191	80,385
On Disposal	-	-	-	(2,700)	(246)	(2,946)
At 31 December 2006	76,577	45,655	31,050	3,926	135,696	292,904
Net Book Value:						
At 31 December 2006	14,440	24,530	18,153	20,234	66,788	144,145
At 31 December 2005	43,876	5,843	7,404	36,633	82,841	176,597

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2006 (continued)

10. FIXED ASSET INVESTMENTS

	Company	
	2006	2005
Unlisted Investments	£	£
Cost:		
At 1 January 2006	100,300	100,300
Additions	-	-
Disposals	-	-
As at 31 December 2006	100,300	100,300

Unlisted investments are interests held in the following companies registered in the United Kingdom.

	Shareholding		*Holding*	*Business*
Jarvis Investment Management plc	100%	10,030,000	1p Ordinary shares	Financial Administration

11. CURRENT ASSET INVESTMENTS

	Group	
	2006	2005
Listed Investments		
Valuation:		
At 1 January 2006	33,177	36,349
Additions	716,903	-
Disposals	715,894	(3,172)
As at 31 December 2006	34,186	33,177

Listed investments are stated at their market value at 31 December 2006.

12. DEBTORS

	Group		Company	
Amounts falling due within one year:	2006	2005	2006	2005
	£	£	£	£
Trade debtors	4,355,025	2,904,391	36,263	3,525
Amounts owed by group undertakings	254,496	149,479	254,496	149,479
Other debtors	163,519	126,698	143,134	126,698
Corporation tax	-	-	21,000	-
Prepayments and accrued income	937,419	512,981	17,478	8,254
	5,710,459	3,693,549	472,371	287,956

Trade debtors include £4,313,978 (2005 £2,878,896) in respect of delivery versus payment transactions for the settlement of client bargains.

Other debtors include £181 due from Mr A J Grant, a director of the company, which was repaid on 8th January 2007.

Other debtors in 2005 included amounts due from directors of £4,875 from Andrew Grant and £4,930 from Mathew Edmett. These loans were advanced pursuant to formal loan agreements to allow the directors to purchase shares in the company. These loans were repaid in full during the current year.

13. CASH AT BANK & IN HAND

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Balance at bank and in hand	6,561,264	5,130,205	2,905	4,080

Cash at bank includes £6,089,765 (2005 £4,495,475) 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2006 (continued)

14. CREDITORS:

Amounts falling due within one year:	Group 2006	Group 2005	Company 2006	Company 2005
	£	£	£	£
Trade creditors	10,646,884	7,545,754	18,323	26,218
Amounts owed to group companies	-	-	-	2,991
Corporation tax	350,700	201,440	-	-
Deferred tax	13,130	-	13,130	-
Other taxes and Social Security	56,295	33,756	-	-
Other creditors and provisions	64,860	76,254	35,562	18,860
Accruals	141,412	173,959	18,025	15,000
	11,273,281	8,031,163	85,040	63,069

Trade creditors include £10,403,742 (2005 £7,374,372) in respect of delivery versus payment transactions for the settlement of client bargains.

15. CALLED UP SHARE CAPITAL

	2006	2005
	£	£
Authorised:		
16,000,000 Ordinary shares of 1p each	160,000	160,000
Allotted, issued and fully paid:		
11,350,000 (2005: 11,484,545) Ordinary shares of 1p each	113,500	114,845

During the year the company repurchased 110,000 of its own ordinary 1p shares for cancellation and also cancelled 24,545 shares purchased in the previous year. A further 70,000 shares purchased were 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 2005. All options were granted with an exercise price of 82.5p and are first exercisable on 23 December 2009 and with a last exercise date of 23 December 2014. The following options were granted to directors:

A J Grant	273,500
M J Edmett	175,000
J S Mackay	50,000

16a. RESERVES AND RECONCILIATION OF SHAREHOLDERS' FUNDS – GROUP

	Share Capital	Share Premium	Own Shares Held	Profit & Loss Account *as restated*	Capital Redemption Reserve	Other Reserves *as restated*	Total Shareholders' Funds *as restated*
	£	£	£	£	£	£	£
At 1 January 2005	114,845	800,020		457,815	-	-	1,372,680
Profit for the financial year	-	-	-	301,711	-	-	301,711
Expense of employee options	-	-	-	-	-	8,848	8,848
Dividends	-	-	-	(287,114)	-	-	(287,114)
Additional expenses of share issue	-	(10,186)	-	-	-	-	(10,186)
Purchase of shares for cancellation	-	-	(18,879)	-	-	-	(18,879)
At 31 December 2005	114,845	789,834	(18,879)	472,412	-	8,848	1,367,060
Profit for the financial year	-	-	-	776,931	-	-	776,931
Expense of employee options	-	-	-	-	-	8,848	8,848
Dividends	-	-	-	(458,768)	-	-	(458,768)
Purchase of own shares	-	-	(333,228)	-	-	-	(333,228)
Cancellation of own shares	(1,345)	-	122,324	(122,324)	1,345	-	-
Sale of shares from treasury	-	-	159,990	-	-	-	159,990
At 31 December 2006	113,500	789,834	(69,793)	668,251	1,345	17,696	1,520,833

Other reserves relates to the provision for the estimated cost of employee share options. 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2006 (continued)

16b. RESERVES AND RECONCILIATION OF SHAREHOLDERS' FUNDS – COMPANY

	Share Capital	Share Premium	Own Shares Held	Profit & Loss Account *as restated*	Capital Redemption Reserve	Other Reserves *as restated*	Total Shareholders' Funds *as restated*
	£	£	£	£	£	£	£
At 1 January 2005	114,845	790,120	-	(74,473)	-	-	830,492
Profit for the financial year	-	-	-	347,398	-	-	347,398
Expense of employee options	-	-	-	-	-	8,848	8,848
Dividends	-	-	-	(287,114)	-	-	(287,114)
Additional expenses of share issue	-	(10,186)	-	-	-	-	(10,186)
Purchase of shares for cancellation	-	-	(18,879)	-	-	-	(18,879)
At 31 December 2005	114,845	779,934	(18,879)	(14,189)	-	8,848	870,559
Profit for the financial year	-	-	-	731,340	-	-	731,340
Expense of employee options	-	-	-	-	-	8,848	8,848
Dividends	-	-	-	(458,768)	-	-	(458,768)
Purchase of own shares	-	-	(333,228)	-	-	-	(333,228)
Cancellation of own shares	(1,345)	-	122,324	(122,324)	1,345	-	-
Sale of shares from treasury	-	-	159,990	-	-	-	159,990
At 31 December 2006	113,500	779,934	(69,793)	136,059	1,345	17,696	978,741

Other reserves relates to the provision for the estimated cost of employee share options. 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.

17. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

The company's immediate and ultimate parent undertaking is Sion Holdings Limited, a company registered in England and Wales. The largest set of accounts that Jarvis Securities plc is consolidated into is that of Sion Holdings Limited. Sion Holdings Limited is controlled by Mr A J Grant by virtue of his majority shareholding.

18. RELATED PARTY TRANSACTIONS

At the year end Sion Holdings Limited had an outstanding balance due to Jarvis Securities plc of £254,496 (2005 £149,479). The loan is secured and carries an interest rate of 6.45% p.a. The highest outstanding balance during the year was £576,023 and the loan is due to be repaid in full on conclusion of several property sales made by Sion Holdings Limited that have exchanged and are awaiting legal completion. A further partial repayment of £54,496 was made on 17 January 2007.

During the year the company made a management charge of £10,000 to Sion Holdings Ltd for office and administrative services and paid rent of £26,371 to Sion Holdings Limited. In addition, Jarvis Securities plc charged Sion Holdings Limited £74,125 for the costs and project management of building an extension to its office premises of which Sion Holdings Limited is the freeholder.

19. EARNINGS PER SHARE

The weighted average number of shares in issue during the year for the Earnings per Share calculations are as follows:

Date	Event	No. of shares	Days	2006	2005
01/01/05	Opening balance 2005	11,484,545	365	-	11,484,545
01/01/06	Opening balance 2006	11,484,545	8	251,716	-
09/01/06	Cancellation of treasury shares	11,460,000	252	7,912,109	-
18/09/06	Cancellation of treasury shares	11,400,000	81	2,529,860	-
07/12/06	Cancellation of treasury shares	11,350,000	24	746,301	-
				11,439,986	11,484,545

The Diluted Earnings per Share calculation is as follows:

Date	Event	No. of shares	Days	2006	2005
01/01/05	Opening balance 2005	12,134,545	365	-	12,134,545
01/01/06	Opening balance 2006	12,134,545	8	265,962	-
09/01/06	Cancellation of treasury shares	12,110,000	252	8,360,876	-
18/09/06	Cancellation of treasury shares	12,050,000	81	2,674,109	-
07/12/06	Cancellation of treasury shares	12,000,000	24	789,041	-
				12,089,988	12,134,545
Earnings per share before exceptional expenses				6.79p	3.06p

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2006 (continued)

20. NOTES TO THE CASH FLOW STATEMENT

NOTE A – GROSS CASH FLOWS	2006	2005 *as restated*
	£	£
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(64,659)	(183,045)
Receipts from disposal of fixed assets	15,977	41,999
Receipts from disposal of current asset investments	-	3,172
Purchase of current asset investments	(1,009)	-
	(49,691)	(137,874)
Financing		
Expenses paid on issue of shares	-	(10,186)
Repurchase of own shares	(173,240)	(18,879)
	(173,240)	(29,065)

NOTE B – ANALYSIS OF NET FUNDS

	At 1.1.06	Cash Flow	At 31.12.06
	£	£	£
Cash in hand, at bank	5,130,205	1,431,059	6,561,264
Less DVP cash	(4,495,475)	(1,594,290)	(6,089,765)
NET FUNDS	634,730	(163,231)	471,499

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.

21. OPERATING LEASE COMMITMENTS

At 31 December 2006 the company was committed to making the following payments during the next year in respect of operating leases which expire:

	Land & Buildings
	£
After more than five years:	26,500

22. FINANCIAL INSTRUMENTS

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

The only financial asset of the group is cash at bank and in hand which is denominated in sterling and which is detailed in note 13. The group operates a low risk investment policy and surplus funds are placed on deposit with at least A rated banks at floating interest rates.

Short-term debtors and creditors are excluded from these disclosures.

23. PRIOR YEAR ADJUSTMENT

Following the introduction of FRS 20 and its application to the company from 1 January 2006 the prior year has been adjusted to account for the expensing of the estimated cost of employee options.

24. EVENT AFTER THE BALANCE SHEET DATE

The Board proposes the payment of a final dividend of 2.5p per Ordinary 1p share to holders on the register on 2 February 2007 for payment on the 1 March 2007 subject to approval at the annual general meeting of the company.

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 20 February 2007**. The Annual General Meeting will commence at **11:00 am**.

The Ordinary Resolutions to be considered are:

1. To approve the Directors' Report and Accounts for the year ended 31 December 2006.
2. To re-appoint Messrs. Horwath Clark Whitehill LLP as auditors.
3. To approve the Final Dividend for the year proposed by the Directors of 2.5p per Ordinary 1p share to holders on the register at 2 February 2007 and payable on 1 March 2007.

The Special Resolution to be considered is:

4. To renew the authority granted at the Extraordinary General Meeting of 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 11,484,545 Ordinary 1p shares).

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

Oxford House
15/17 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EN

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.

NOTES

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 20 February 2007 at 11.00 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 2006		
Ordinary Resolution	To re-appoint Messrs Horwath Clark Whitehill LLP as auditors		
Ordinary Resolution	To approve the proposed Final Dividend		
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 granted on 28 September 2005.		

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.

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