Company No. **5107012**

JARVIS SECURITIES PLC

FINANCIAL STATEMENTS
For the year ended 31 December 2008

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For the year ended 31 December 2008

COMPANY INFORMATION

DIRECTORS:	Andrew J Grant - Chairman and Chief Executive Officer Mathew J Edmett - Finance and Compliance Director Graeme McAusland *(appointed 1 March 2008)* - Non Executive Director Nick J Crabb *(appointed 19 December 2008*) - Business Development and Client Services 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	
BANKERS:	HSBC Bank plc 105 Mount Pleasant Royal Tunbridge Wells TN1 1QP	Anglo Irish Bank Corporation plc 10 Old Jewry London EC2R 8DN
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.sharegain.co.uk www.jarviscfds.co.uk	
TRADING ADDRESS:	78 Mount Ephraim Royal Tunbridge Wells TN4 8BS	

HIGHLIGHTS

Change from 2007:

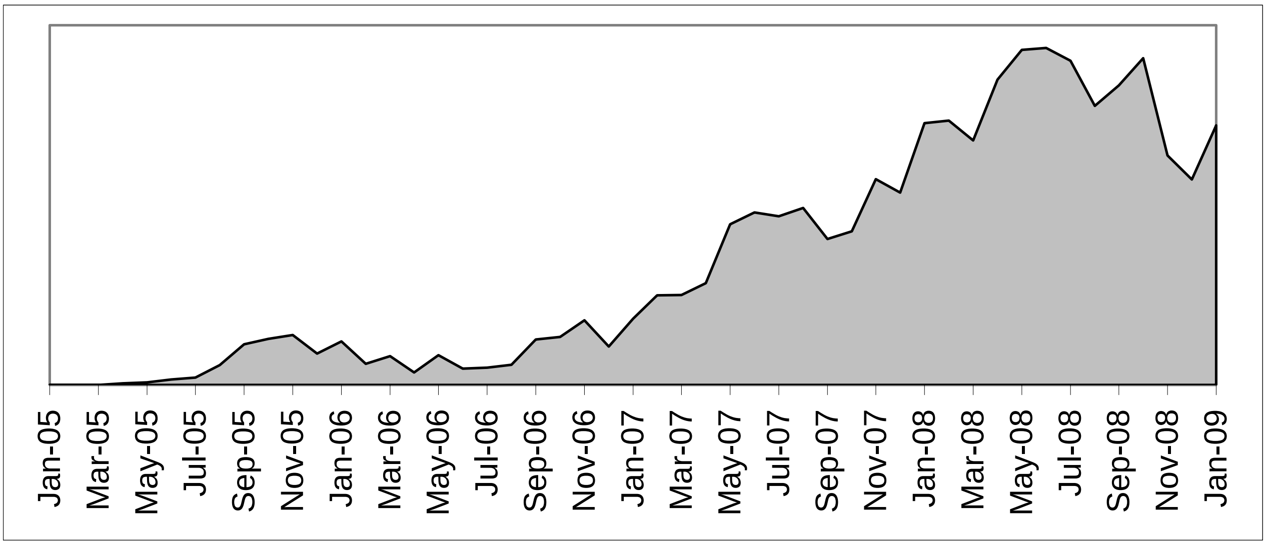
- +8% - Daily Average Trade Volumes
- +8% - Turnover
- +4% - Operating Profit *(excluding offer costs and bad debts £2,415,868 vs. £2,314,252)*
- -15% - Profit Before Income Tax
- -17% - Basic Earnings Per Share

Awards 2008:

Client Survey 2008:

- 96% of respondents rated Jarvis as good, very good or outstanding
- 94% of respondents would recommend Jarvis
- Wordle of other comments:

Trades by Commercial Settlement Clients:



CHAIRMAN'S STATEMENT

The second half of 2008 was clearly very challenging for many financial services businesses. We are all aware of the household names that have been hurriedly sold off, been taken into partial or full State control or that simply ceased trading. These are truly exceptional times to be operating in financial services, or many other sectors, of the UK economy and the repercussions of the credit situation and recession will continue for many months, possibly even years, yet.

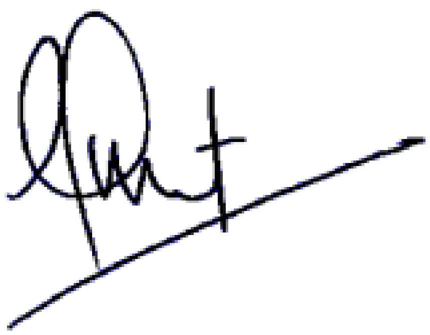
I would not normally be so delighted to report such modest improvements in turnover and trading profits over the prior year. However, against such a dismal backdrop, I am extremely pleased to be reporting a rise in revenue of 8% and operating profit up 4%. We have long held the belief that our model is more resilient than a traditional broking operation but now we have had the chance to prove that claim. We have suffered a reduction in profit before income tax and earnings per share due to the costs of the offer made for the business in early 2008 and bad debts incurred from failed commercial clients. More importantly though, given the economic climate, we remain profitable and highly cash-generative which is truly an enviable position.

The current interest rate environment will impact upon our earnings from cash deposits during the coming year. However, we continue to have significant interest in our outsourced financial administration services and I expect to be announcing further contract wins during 2009. We are also increasing our advertising and marketing not just in this area but to retail clients too. Strong firms that continue to look forward and invest in the future will be well placed to benefit when conditions improve. There is no reason to believe that this is not a great opportunity for Jarvis to win all types of clients from failing competitors and we fully intend to maximise this potential.

Whilst Jarvis has always aimed to offer cost-effective products to our clients, it is the quality of service that really makes the difference. We were all very pleased to see our efforts recognised with the firm receiving two awards from the Financial Times/Investors Chronicle. Jarvis is not the largest execution-only broker, so to win the Customer Service Award in a public vote is an achievement to be proud of. We also decided to carry out a client survey to obtain honest and impartial feedback. It is important that we are making the right improvements to our services and for us to identify any areas that we may have missed. When the results were collated, it was gratifying to see the ratings and referral rates both well above 90%. We do not see this as an excuse to be complacent and we have a number of other significant initiatives underway for the coming year.

Due to some procedural issues relating to document filing, we need to ratify one dividend at the Annual General Meeting and re-declare the 2007 final dividend. Further details are given in note 21 to this announcement. As a result of this, there will not be a final dividend declared for 2008 but such remaining distributable reserves will form part of an interim dividend for 2009, which it is anticipated will be paid in the first half of 2009. Thereafter the Company will revert to its normal dividend timetable.

Without doubt, we are operating in demanding times that are beyond our control or influence, but I remain confident in our business model, our planned developments, our quality of service and our dedicated team. Whilst the short-term forecast may be unpredictable, I maintain that the medium term outlook for Jarvis remains promising.



Andrew J. Grant
Chairman

DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 December 2008.

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. Under that law the directors have elected to prepare consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). 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 and PLUS markets)
	HM Revenue and Customs approved ISA manager
	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

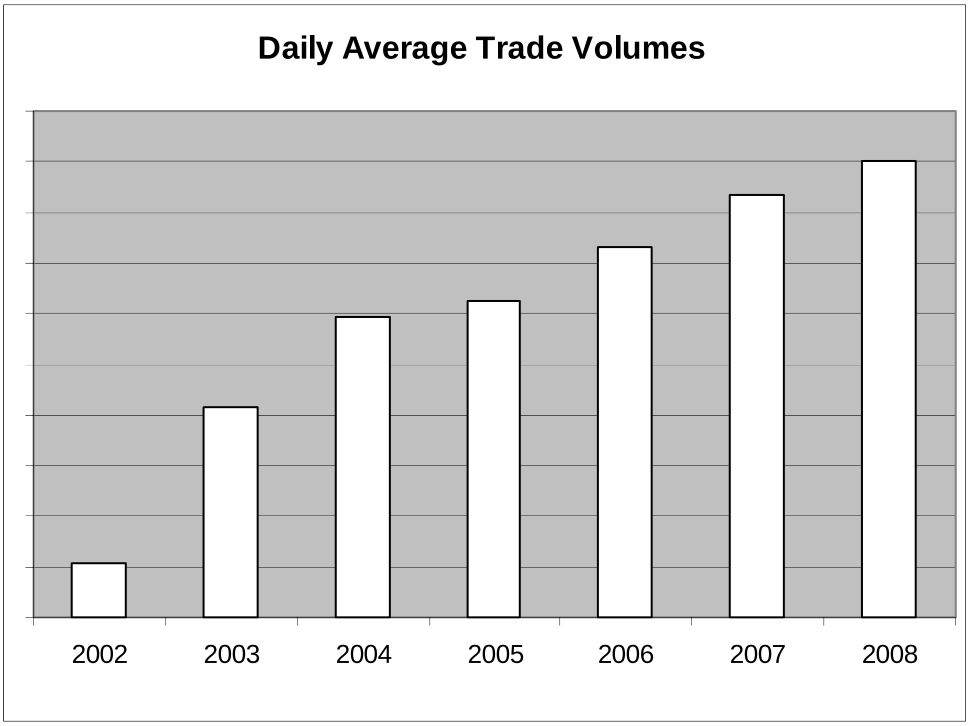
Business review
Growth has resulted in the group's revenue rising by 8.1% to £4,885,249. Profit before income tax has fallen by 15.1% from the 31 December 2007 level, with basic earnings per share down by 17.3%. Group total equity is at £2,190,181 from £1,632,088 a year earlier, a rise of 34.2%. Further commentary is given in the Chairman's Statement on page 3.

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 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 “credit-crunch” and financial market turmoil.



Capitalisation and financing

Jarvis Securities plc has 10,500,000 Ordinary 1p shares in issue. 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. 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 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 six 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:

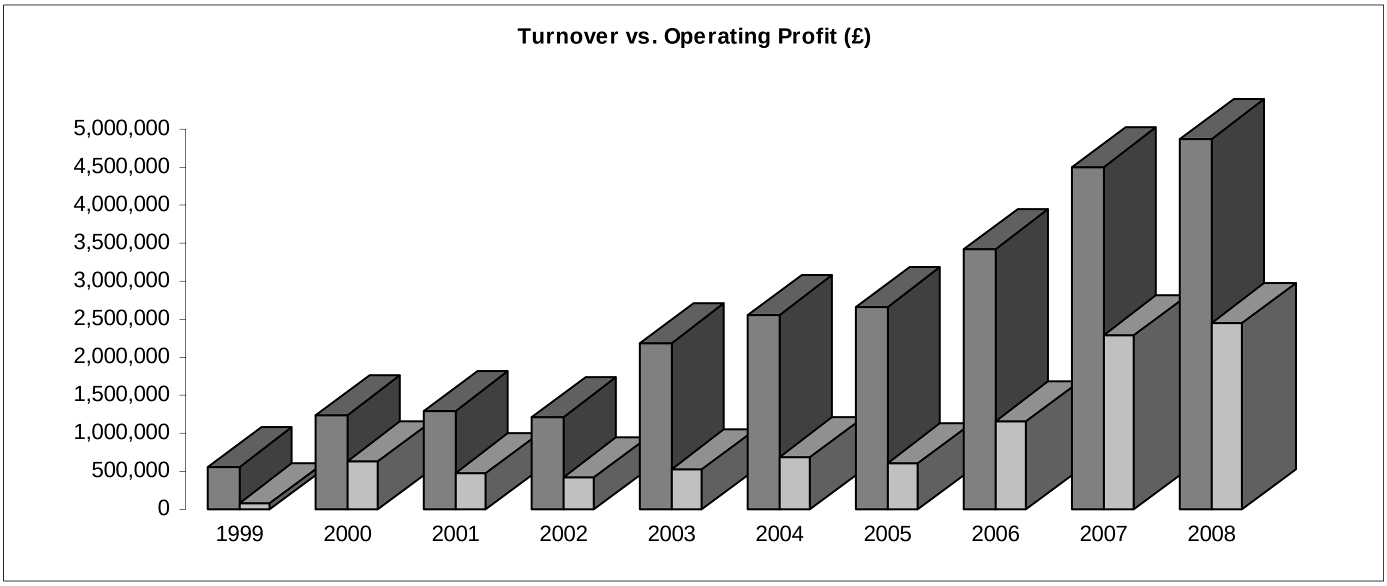
- Against Breast Cancer *(£50)*
- Orchid Trust *(£50)*
- Children In Need *(£20)*
- Sandhurst Nursery School *(£65)*
- Kent Wildlife Trust *(£100)*

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 average margin for our competitors is 23.6% (source: ComPeer Q3 2008 Peer Group Report). The Board aims to have significantly higher than average margins and to keep these above 20%. This year costs related to an offer for the Group and bad debts have been excluded from profit before income tax to give the operating profit.

2008:	**49.45%**
2007:	51.21%



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 4.00%.

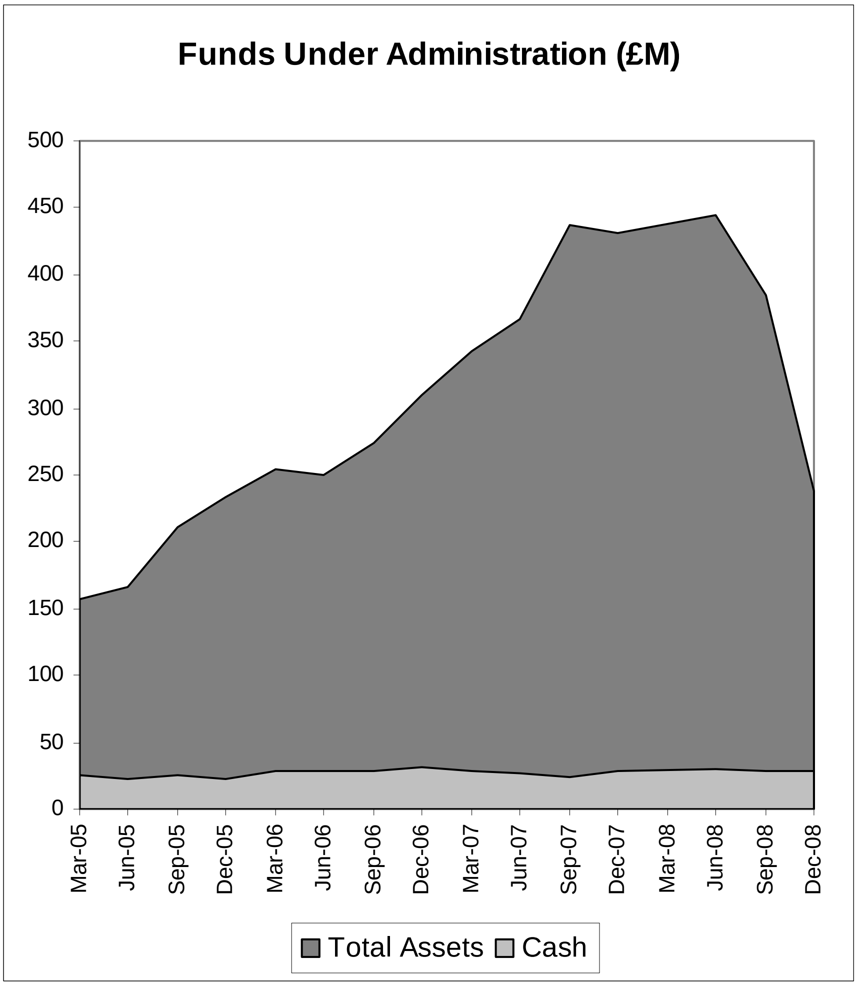
2008:	**88.6%**
2007:	139.8%

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.

2008:	**187,894**
2007:	196,483
Revenue increase rate:	-4.4% vs. payroll cost increase: 16.4%

This result has been negatively impacted by an increase in staff to manage growth of the business, particularly commercial outsourced administration clients, where activity of such clients has fallen as a result of the current market environment.

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 marginally higher than the previous year end but the overall value of client assets held has declined significantly as a result of the sharp fall in global equity values at the year end date.



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 overall slightly lower this year due to the failure of several commercial clients but there was an increase in the number of Jarvis' own retail clients.

Rate of Increase (Number):	-0.6%
Rate of Increase (Revenue):	8.65%

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 6.14 (source: ComPeer annual peer group benchmarking report 2007). Jarvis again had one of the best ratios in the execution-only industry in the last ComPeer annual benchmarking report and we are very proud of this achievement.

2008:	**0.81**
2007:	0.50

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 2008:	**90.5%**
% of calls answered in three rings in 2007:	89.4%
Total phone calls taken 2008:	**128,599**
Total phone calls taken 2007:	129,235
Decrease in call volumes:	0.49%

Performance has improved over 2007 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.

2008:	**1.88%**
2007:	1.49%

These results remain behind target.

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.

2008 EPS:	**12.30p**
2007 EPS:	14.91p
Rate of change:	-17.5%

2008 P/E ratio:	**10.4**
2007 P/E ratio:	10.8

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 favourable for much of 2008 with deposit rates higher than the Bank of England base rate due to the global "credit crunch". Recently deposit rates have fallen significantly and the outlook for 2009 is for much lower returns on cash held.
- Market volumes directly affect bargain numbers transacted and hence commission income for the group. The current indications are unclear with volumes holding up 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.
- Savings legislation may change impacting negatively on product revenue. However, changes allowing the merging of PEPs and ISAs in April 2008 did not result in any material change in fee income from such 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 and has appointed a new director to increase momentum in this area.

Results and dividends
The consolidated profit for the year after income tax amounted to £1,309,686 (2007 £1,647,767). Amounts totalling £1,393,345 were paid to shareholders during the year as dividend payments. Due to certain procedural issues, part of these distributions require ratification by the Members at the Annual General Meeting in order to be treated as a lawful dividend and the other part of the distributions require the declaration of an interim dividend for 2009 to remedy the issues with their declaration. The total amount is currently shown within trade and other receivables. Subject to approval, the net position of shareholders will not vary and this is not an additional dividend payment. The balance on the income statement has been carried forward.

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 48 days (2007 154 days).

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

Purchase of own shares
During the year the company repurchased 387,000 of its own Ordinary 1p shares into Treasury. These shares represented 3.58% of the issued share capital and had a total nominal value of £3,870. They were purchased for a consideration of £842,962 in order to improve the earnings per share of the company. The company held 1,000 shares in Treasury at the start of the year and 50,000 shares from Treasury were used to satisfy the exercise of options by Mr J S Mackay on his resignation during the period. A total of 300,000 shares with a nominal value of £3,000 were cancelled during the year. Hence, 38,000 shares purchased during the year were held in treasury at the year end.

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

Andrew J Grant	Chairman and Chief Executive Officer
Mathew J Edmett	Finance and Compliance Director
John S Mackay *(resigned 29 February 2008)*	Non-Executive Director
Graeme McAusland *(appointed 1 March 2008)*	Non-Executive Director
Nick J Crabb *(appointed 19 December 2008)*	Business Development and Client Services 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 Edmett

………………………………
Mathew J Edmett – Secretary
Date: 26 February 2009

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 consolidated income statement, consolidated balance sheet, company balance sheet, consolidated statement of recognised income and expense, consolidated statement of changes in equity, consolidated cashflow statement, company cashflow statement and related notes 1 to 30 of Jarvis Securities plc for the year ended 31 December 2008. 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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, the Financial Highlights 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 group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 December 2008 and of its profit for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, as applied in accordance with the Companies Act 1985, of the state of the parent company's affairs as at 31 December 2008; and
- the information provided in the Directors' Report is consistent with the financial statements.

HORWATH CLARK WHITEHILL LLP
Chartered Accountants
and Registered Auditors
Maidstone
3 March 2009

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	**Year to 31/12/08**	Year to 31/12/07
		£	£
Continuing operations:			
Revenue	*3*	**4,885,249**	4,519,116
Administrative expenses		**(2,908,718)**	(2,210,693)
Finance costs	*5*	**(39,320)**	(26,946)
Profit before income tax	*6*	**1,937,211**	2,281,477
Income tax charge	*8*	**(627,525)**	(633,710)
Profit for the period	*19*	**1,309,686**	1,647,767
Attributable to equity holders of the parent		**1,309,686**	1,647,767
Earnings per share	*9*	**p**	p
Basic		**12.30**	14.91
Diluted		**11.36**	13.98

The notes on pages 16 to 27 form part of these financial statements

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	**31/12/08**	31/12/07
		£	£
Assets			
Non-current assets			
Property, plant and equipment	*10*	**333,286**	87,347
Intangible assets	*11*	**39,396**	38,485
Goodwill	*11*	**342,872**	342,872
Investments held to maturity	*12*	**39,601**	19,800
Available-for-sale investments	*13*	**57,500**	200
Deferred income tax	*8*	**3,143**	79,407
		815,798	568,111
Current assets			
Trade and other receivables	*15*	**5,342,108**	8,293,218
Investments held for trading	*16*	**50,848**	21,599
Cash and cash equivalents	*17*	**4,697,721**	8,962,187
		10,090,677	17,277,004
Total assets		**10,906,475**	17,845,115
Equity and liabilities			
Capital and reserves	*19*		
Share capital	*18*	**105,000**	108,000
Share premium	*19*	**789,834**	789,834
Capital redemption reserve	*19*	**9,845**	6,845
Revaluation reserve	*19*	**56,401**	-
Other reserves	*19*	**54,099**	34,010
Retained earnings	*19*	**1,255,387**	695,329
Own shares held in treasury	*19*	**(83,319)**	(1,930)
Total equity	*19*	**2,187,247**	1,632,088
Current liabilities	*20*		
Trade and other payables	*20*	**8,135,670**	15,609,935
Income tax	*20*	**583,558**	603,092
Total liabilities	*20*	**8,719,228**	16,213,027
Total equity and liabilities		**10,906,475**	17,845,115

Approved and authorised for issue by the Board on 26 February 2009 and signed on its behalf by:

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

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

The notes on pages 16 to 27 form part of these financial statements

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	**31/12/08**	31/12/07 *as restated*
		£	£
Assets			
Non-current assets			
Property, plant and equipment	*10*	**333,286**	87,347
Intangible assets	*11*	**39,396**	38,485
Goodwill	*11*	**342,872**	342,872
Investments held to maturity	*12*	**39,601**	19,800
Available-for-sale investments	*13*	**57,500**	200
Investment in subsidiaries	*14*	**111,204**	105,722
Deferred income tax	*8*	**3,143**	79,407
		927,002	673,833
Current assets			
Trade and other receivables	*15*	**1,842,509**	428,770
Cash and cash equivalents	*17*	**1**	4,115
		1,842,510	432,885
Total assets		**2,769,512**	1,106,718
Equity and liabilities			
Capital and reserves	*19*		
Share capital	*18*	**105,000**	108,000
Share premium	*19*	**779,934**	779,934
Capital redemption reserve	*19*	**9,845**	6,845
Revaluation reserve	*19*	**56,401**	-
Other reserves	*19*	**54,099**	34,010
Retained earnings	*19*	**26,547**	100,890
Own shares held in treasury	*19*	**(83,319)**	(1,930)
Total equity	*19*	**948,507**	1,027,749
Current liabilities	*20*		
Trade and other payables	*20*	**1,725,056**	75,896
Income tax	*20*	**95,949**	3,073
Total liabilities	*20*	**1,821,005**	78,969
Total equity and liabilities		**2,769,512**	1,106,718

Approved and authorised for issue by the Board on 26 February 2009 and signed on its behalf by:

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

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

The notes on pages 16 to 27 form part of these financial statements

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR

	Notes	**Year to 31/12/08**	Year to 31/12/07
		£	£
Purchase of own shares	*19*	**(842,962)**	(1,125,013)
Sale of shares from treasury	*19*	**41,250**	252,247
Deferred tax asset on share options	*8*	**(29,305)**	29,305
Net income recognised directly in equity		**(831,017)**	(843,461)
Profit for the period	*19*	**1,309,686**	1,647,767
Total recognised income and expense for the period		**478,669**	804,306
Attributable to equity holders of the parent		**478,669**	804,306

COMPANY STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR

	Notes	**Year to 31/12/08**	Year to 31/12/07
		£	£
Purchase of own shares	*19*	**(842,962)**	(1,125,013)
Sale of shares from treasury	*19*	**41,250**	252,247
Deferred tax asset on share options	*8*	**(29,305)**	29,305
Net income recognised directly in equity		**(831,017)**	(843,461)
Profit for the period	*19*	**675,285**	1,580,098
Total recognised income and expense for the period		**(155,732)**	736,637
Attributable to equity holders of the company		**(155,732)**	736,637

CASHFLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	CONSOLIDATED		COMPANY	
	Year to 31/12/08	Year to 31/12/07	**Year to 31/12/08**	Year to 31/12/07 *as restated*
	£	£	**£**	£
Cash flow from operating activities				
Profit before income tax	**1,937,211**	2,281,477	**2,025,988**	1,525,361
Loss on disposal of property, plant and equipment	**13,904**	-	**13,904**	-
Depreciation and amortisation	**134,626**	64,376	**134,626**	64,376
Cost of share options	**20,089**	16,314	**14,607**	10,892
Finance costs	**39,320**	26,946	**100**	(983)
	2,145,150	2,389,113	**2,189,225**	1,599,646
(Increase)/decrease in trade and other receivables	**(1,131,217)**	18,201	**(1,413,739)**	22,601
(Increase)/decrease in investments held for trading	**(29,249)**	12,587	**-**	-
Increase in trade payables	**265,559**	107,693	**441,584**	3,986
Cash generated from operations	**1,250,243**	2,527,594	**1,217,070**	1,626,233
Interest paid	**(39,320)**	(26,946)	**(100)**	-
Interest received	**-**	-	**-**	983
Income tax (paid)/received	**(600,100)**	(444,550)	**(5,308)**	21,000
Net cash from operating activities	**610,823**	2,056,098	**1,211,662**	1,648,216
Cash flows from investing activities				
Purchase of property, plant and equipment	**(395,381)**	(24,240)	**(395,381)**	(24,240)
Purchase of other long term assets	**(20,700)**	(20,000)	**(20,700)**	(20,000)
	(416,081)	(44,240)	**(416,081)**	(44,240)
Cash flows from financing activities				
Proceeds from sale of treasury shares	**41,250**	252,247	**41,250**	252,247
Purchase of own shares	**(842,962)**	(1,125,013)	**(842,962)**	(1,125,013)
Dividends paid	**-**	(730,000)	**-**	(730,000)
Net cash used in financing activities	**(801,712)**	(1,602,766)	**(801,712)**	(1,602,766)
Net (decrease)/increase in cash and cash equivalents	**(606,970)**	409,092	**(6,131)**	1,210
Cash and cash equivalents at the start of the year	**880,591**	471,499	**4,115**	2,905
Cash and cash equivalents at the end of the year	**273,621**	880,591	**(2,016)**	4,115
Cash and cash equivalents:				
Cash at bank and in hand	**275,638**	880,591	**1**	4,115
Bank overdraft	**(2,017)**	-	**(2,017)**	-
	273,621	880,591	**(2,016)**	4,115

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 1985 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.

The following IFRS standards, amendments and interpretations are effective for the company from 1 January 2009 and hence have not been adopted within these financial statements. The adoptions of these standards, amendments and interpretations is not expected to have a material impact on the company's profit for the year or equity:

IFRIC 13 Customer Loyalty Programmes
IFRIC 16 Hedges of a Net Investment in a Foreign Operation
IAS1 Presentation of Financial Statements (revised September 2007)
IFRS 8 Operating Segments
IAS 32 Financial Instruments - Presentation (Amendments)
IAS1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
Amendment to IFRS 2 Share Based Payment - Vesting Conditions and Cancellations
IAS 23 Borrowing Costs
IAS 27 Consolidated and Separate Financial Statements
IFRS 3 Business Combinations
IFRIC 15 Agreements for the Construction of Real Estate
IAS 39 Financial Instruments: Recognition and Measurement (Amendment) - Eligible Hedged Items
Reclassification of Financial Assets (Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures)
IFRIC 17 Distributions of Non-cash Assets to Owners
IFRS 1 First- time Adoption of International Financial Reporting Standards (revised)

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 plc, Sharegain Limited, JIM Nominees Limited, Galleon Nominees Limited and Dudley Road Nominees Limited made up to 31 December 2008.

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 S230(3) of the Companies Act 1985.

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 capitalised at their fair value on acquisition and carried at cost less accumulated amortisation. 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
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.

(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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

(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.

(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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

(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.

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.

	2008	2007
	£	£
Interest received on stockbroking accounts net of interest paid to clients	2,091,042	1,895,453
Fees, commissions, foreign exchange gains and other revenue	2,794,207	2,623,663
	4,885,249	4,519,116

4. Segmental information
All of the reported revenue and operational results for the period derive from the group's continuing financial services operations.

5. Finance costs	2008	2007
	£	£
Interest on bank loans, overdrafts and income tax	39,320	26,946
Interest paid to clients on cash savings products	-	52,664
	39,320	79,610

Interest paid on cash savings products 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. Cash savings products ceased to be offered during 2007.

6. Profit before income tax	2008	2007
Profit before income tax is stated after charging:	£	£
Directors' emoluments	403,386	359,793
Depreciation – owned assets	115,681	39,564
Amortisation	18,945	24,812
Operating lease rentals – hire of machinery	10,566	8,657
Operating lease rentals – land and buildings	63,500	35,750
Loss on disposal of fixed assets	13,905	-
Finance costs	39,320	62,185
Directors' emoluments		
Fees	350,215	325,475
Pension contributions	18,314	11,964
Cost of share options	10,832	10,892
Benefits in kind	24,025	11,462
	403,386	359,793
Details of the highest paid director are as follows:		
Aggregate emoluments	195,976	181,001
Company contributions to personal pension scheme	13,464	11,964
Cost of share options	6,585	6,206
Benefits in kind	12,467	11,462
	228,492	210,633

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

Benefits are accruing for two directors (2007 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	26	23
The aggregate payroll costs of these persons were as follows:	£	£
Wages and salaries	900,189	773,134
Pension contributions	18,314	11,964
Social security	97,921	85,473
Cost of share options	16,314	16,314
	1,032,738	886,885

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:

	2008	2007
	£	£
Fees payable to the company's auditors for the audit of the company's annual financial statements	9,525	8,700
Fees payable to the company's auditors and its associates for other services:		
The audit of the company's subsidiaries, pursuant to legislation	8,000	7,000
Total audit fees	17,525	15,700
Other services relating to taxation	2,080	3,225
All other services	20,420	12,235
	40,025	31,160

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

8. Income and deferred tax charges	2008	2007
	£	£
Based on the adjusted results for the year:		
UK corporation tax	583,598	697,336
Adjustments in respect of prior years	(3,032)	(395)
Total current income tax	580,566	696,941
Deferred income tax:		
Origination and reversal of timing differences	(7,281)	(8,991)
Deferred tax on share options granted	54,240	(54,240)
Income tax on profit	627,525	633,710

The income tax assessed for the year is lower than the standard rate of corporation tax in the UK (28.5%). The differences are explained below:

Profit before income tax	1,937,211	2,281,477
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 28.5% (2007 – 30%)	552,105	684,443
Effects of:		
Expenses not deductible for tax purposes	24,428	9,593
Income not taxable for tax purposes	4,848	-
Adjustments to tax charge in respect of previous years	(3,032)	(395)
Capital allowances in excess of depreciation	4,300	-
Marginal relief	(2,083)	(1,594)
Cost of share options	-	4,894
Current income tax charge for the year	580,566	696,941

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

Movement in provision:		
Provision at start of year	(79,407)	13,130
Deferred income tax charged in the income statement for the year	(7,281)	(63,232)
Adjustment in respect of prior periods	54,240	-
Deferred income tax charged to equity for the year	29,305	(29,305)
Provision at end of year	(3,143)	(79,407)
Provision for deferred income tax:		
Accelerated capital allowances	(3,143)	4,138
Share options granted	-	(83,545)
	(3,143)	(79,407)

9. Earnings per share

	2008	2007
	£	£
Earnings for the purposes of basic and diluted earnings per share *(profit for the period attributable to the equity holders of the parent)*	1,309,686	1,647,767

Date	Event	Number	Days		
Basic earnings per share:					
1/1/07	Balance at 1/1/07	11,350,000	7		217,671
8/1/07	Cancellation of treasury shares	11,280,000	73		2,256,000
21/3/07	Cancellation of treasury shares	11,200,000	37		1,135,342
27/4/07	Cancellation of treasury shares	11,000,000	124		3,736,986
29/8/07	Cancellation of treasury shares	10,900,000	123		3,673,150
31/12/07	Cancellation of treasury shares	10,800,000	1		29,589
1/1/08	Balance at 1/1/08	10,800,000	182	5,370,492	
30/6/08	Cancellation of treasury shares	10,500,000	184	5,278,688	
				10,649,180	11,048,738
Diluted earnings per share:					
1/1/07	Balance at 1/1/07	12,000,000	7		230,137
8/1/07	Cancellation of treasury shares	11,930,000	73		2,386,000
21/3/07	Cancellation of treasury shares	11,850,000	37		1,201,233
27/4/07	Cancellation of treasury shares	11,650,000	124		3,957,808
18/5/07	Grant of options	11,880,000	21		683,507
29/8/07	Cancellation of treasury shares	11,780,000	102		3,291,945
31/12/07	Cancellation of treasury shares	11,680,000	1		32,000
1/1/08	Balance at 1/1/08	11,680,000	182	5,808,087	
30/6/08	Cancellation of treasury shares	11,380,000	184	5,721,093	
				11,529,180	11,782,630

10. Property, plant and equipment

	Leasehold Improvements	Motor Vehicle	Office Equipment	Total
Cost:	£	£	£	£
At 1 January 2007	49,203	24,160	202,484	275,847
Additions	7,009	2,897	11,830	21,736
At 31 December 2007	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
Depreciation:				
At 1 January 2007	31,050	3,926	135,696	170,672
Charge for the year	10,141	3,986	25,437	39,564
At 31 December 2007	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
Net Book Value:				
At 31 December 2008	212,583	46,654	74,049	333,286
At 31 December 2007	15,021	19,145	53,181	87,347

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

11. Intangible assets and goodwill	Goodwill	Databases	Software Development	Website	Total
	£	£	£	£	£
Cost:					
At 1 January 2007	342,872	25,000	91,017	70,185	529,074
Additions	-	-	2,504	-	2,504
At 31 December 2007	342,872	25,000	93,521	70,185	531,578
Additions	-	-	972	18,884	19,856
Disposals	-	-	-	-	-
At 31 December 2008	342,872	25,000	94,493	89,069	551,434
Amortisation:					
At 1 January 2007	-	3,177	76,577	45,655	125,409
Charge for the year	-	1,250	12,802	10,760	24,812
At 31 December 2007	-	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
Net Book Value:					
At 31 December 2008	342,872	19,323	2,280	17,793	382,268
At 31 December 2007	342,872	20,573	4,142	13,770	381,357

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 86.7% or the discount rate would need to exceed 24.5%.

12. Investments held to maturity	Group 2008	Group 2007	Company 2008	Company 2007
Unlisted Investments:	£	£	£	£
Cost:				
At 1 January 2008	19,800	-	19,800	-
Additions	19,801	19,800	19,801	19,800
As at 31 December 2008	39,601	19,800	39,601	19,800

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 2008	Group 2007	Company 2008	Company 2007
Listed Investments:	£	£	£	£
Cost:				
At 1 January 2008	200	-	200	-
Additions	899	200	899	200
On revaluation	56,401	-	56,401	-
As at 31 December 2008	57,500	200	57,500	200

Listed investments are stated at their market value at 31 December 2008.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

14. Investments in subsidiaries

	Company 2008	Company 2007 *as restated*
Unlisted Investments:	£	£
Cost:		
At 1 January 2008	105,722	100,300
Additions *(capital contributions re share option costs)*	5,482	5,422
As at 31 December 2008	111,204	105,722

	Shareholding		*Holding*	*Business*
Jarvis Investment Management plc	100%	10,030,000	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*

15. Trade and other receivables

Amounts falling due within one year:	Group 2008	Group 2007	Company 2008	Company 2007
	£	£	£	£
Trade receivables	2,937,120	6,988,801	100,384	56,750
Amounts owed by group undertakings	17,319	53,897	156,900	21,000
Other receivables	317,752	172,182	20,875	135,089
Charge against ordinary shares	1,393,345	-	1,393,345	-
Prepayments and accrued income	676,572	1,078,338	171,005	215,931
	5,342,108	8,293,218	1,842,509	428,770

Trade receivables include £2,832,609 (2007 £6,914,936) in respect of delivery versus payment transactions for the settlement of client bargains.

16. Investments held for trading

	Group 2008	Group 2007	Company 2008	Company 2007
Listed Investments:	£	£	£	£
Valuation:				
At 1 January 2008	21,599	34,186	-	-
Additions	655,949	534,880	-	-
Disposals	(626,700)	(547,467)	-	-
As at 31 December 2008	50,848	21,599	-	-

Listed investments are stated at their market value at 31 December 2008.

17. Cash and cash equivalents

	Group 2008	Group 2007	Company 2008	Company 2007
	£	£	£	£
Balance at bank and in hand - group	275,638	880,591	1	4,115
Balance at bank and in hand – client balances	4,422,083	8,081,596	-	-
	4,697,721	8,962,187	1	4,115

Cash at bank includes £4,422,083 (2007 £8,081,596) 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
(CONTINUED)

18. Share capital

	2008	2007
	£	£
Authorised:		
16,000,000 Ordinary shares of 1p each	160,000	160,000
Allotted, issued and fully paid:		
10,500,000 (2007: 10,800,000) Ordinary shares of 1p each	105,000	108,000

During the year the company repurchased 387,000 of its own Ordinary 1p shares into Treasury. The company held 1,000 shares in Treasury at the start of the year and 50,000 shares from Treasury were used to satisfy the exercise of options by Mr J S Mackay on his resignation during the period. A total of 300,000 shares with a nominal value of £3,000 were cancelled during the year. Hence, 38,000 shares purchased during the year 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 2007. These 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. 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. The total number of options currently unexercised and in issue is 820,000.

The following options were granted to directors:

	at 82.5p	*at 175p*
A J Grant	273,500	76,500
M J Edmett	175,000	50,000
J S Mackay *(resigned 29 February 2008)*	50,000	-

19. Consolidated statement of changes in equity for the year

	Share capital	Share premium	Capital redemption reserve	Revaluation reserve	Other reserves	Retained earnings	Own shares held in treasury	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2007	113,500	789,834	1,345	-	17,696	688,886	(69,793)	1,541,468
Purchase of own shares	-	-	-	-	-	-	(1,125,013)	(1,125,013)
Sale of shares from treasury	-	-	-	-	-	-	252,247	252,247
Deferred tax charged to equity	-	-	-	-	-	29,305	-	29,305
Net income recognised directly in equity	-	-	-	-	-	*29,305*	*(872,766)*	*(843,461)*
Cancellation of own shares	(5,500)	-	5,500	-	-	(940,629)	940,629	-
Expense of employee options	-	-	-	-	16,314	-	-	16,314
Profit for the financial year	-	-	-	-	-	1,647,767	-	1,647,767
Dividends	-	-	-	-	-	(730,000)	-	(730,000)
At 31 December 2007	108,000	789,834	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	789,834	9,845	56,401	54,099	1,255,387	(83,319)	2,187,247

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

19. Company statement of changes in equity for the year

	Share capital	Share premium	Capital redemption reserve	Revaluation reserve	Other reserves	Retained earnings	Own shares held in treasury	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2007	113,500	779,934	1,345	-	17,696	156,694	(69,793)	999,376
Purchase of own shares	-	-	-	-	-	-	(1,125,013)	(1,125,013)
Sale of shares from treasury	-	-	-	-	-	-	252,247	252,247
Deferred tax charged to equity	-	-	-	-	-	29,305	-	29,305
Net income recognised directly in equity	-	-	-	-	-	*29,305*	*(872,766)*	*(843,461)*
Cancellation of own shares	(5,500)	-	5,500	-	-	(940,629)	940,629	-
Expense of employee options	-	-	-	-	16,314	-	-	16,314
Profit for the financial year	-	-	-	-	-	1,580,098	-	1,580,098
Dividends	-	-	-	-	-	(730,000)	-	(730,000)
At 31 December 2007 *as previously stated*	108,000	779,934	6,845	-	34,010	95,468	(1,930)	1,022,327
Capital contribution re options cost of subsidiary	-	-	-	-	-	*5,422*	-	*5,422*
At 31 December 2007 *as restated*	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

Other reserves relates to the provision for the estimated cost of employee share options. Following the introduction of IFRIC 11 the options cost to the parent company relating to employees of the subsidiary has been charged to the income statement of the subsidiary for the current year and the comparative year has also been adjusted.

20. Trade and other payables

Amounts falling due within one year:	Group 2008	Group 2007	Company 2008	Company 2007
	£	£	£	£
Bank loans and overdrafts	2,017	-	2,017	-
Trade payables	7,436,589	15,449,512	4,025	57,196
Amounts owed to group companies	7,199	-	1,212,759	-
Other taxes and social security	65,774	78,512	5,097	-
Other provisions	610,066	28,044	487,133	-
Accruals	14,025	53,867	14,025	18,700
Trade and other payables	8,135,670	15,609,935	1,725,056	75,896
Income tax	583,558	603,092	95,949	3,073
Total liabilities	8,719,228	16,213,027	1,821,005	78,969

Trade payables include £7,254,693 (2007 £14,996,532) in respect of delivery versus payment transactions for the settlement of client bargains.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

21. Dividends

	2008	2007
	£	£
Final dividends paid on Ordinary 1p shares	-	282,000
Interim dividends paid on Ordinary 1p shares	-	448,000
	-	730,000
Dividend per Ordinary 1p share	-	6.5p

Amounts totalling £1,393,345 were paid to shareholders during the year as dividend payments. Due to certain procedural issues, part of these distributions require ratification by the Members at the Annual General Meeting in order to be treated as a lawful dividend and the other part of the distributions require the declaration of an interim dividend for 2009 to remedy the issues with their declaration. The total amount is currently shown within trade and other receivables. Subject to approval, the net position of shareholders will not vary and this is not an additional dividend payment.

22. Operating lease commitments

At 31 December 2008 the group was committed to making the following payments in respect of operating leases which expire:

	Equipment		Land & buildings	
	2008	2007	2008	2007
	£			£
Between one and five years:	51,069	-	-	-
After more than five years:	-	61,635	555,625	619,125

On 26 September 2007 the company entered into a lease with Sion Holdings Limited, its parent company, 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 plc 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 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 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.

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 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

26. Related party transactions
At the year end Sion Holdings Limited had an outstanding inter-company loan balance due from Jarvis Securities plc of £7,199 (2007 £nil). Sion Holdings Limited owed Jarvis Securities plc £nil (2007 £5,000 for invoiced services).

On 26 September 2007 the company entered into a lease with Sion Holdings Limited, its parent company, 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 Ltd for office and administrative services and paid Sion Holdings Limited rent of £63,500 under the terms of the lease of 78 Mount Ephraim.

Other receivables for the group include £822 (2007 £nil) due from Mr A J Grant, and for the company and group include £5,000 (2007 £nil) due from Mr M J Edmett, both directors of the company.

Jarvis Investment Management plc paid a performance related management charge to Jarvis Securities plc of £475,000 (2007 nil) on 31 December 2008 and owed the company £1,205,560 at the year end.

In addition, Sion Holdings Limited owed Jarvis Investment Management plc £17,319 (2007 £53,897) at the year end relating to group VAT.

27. Event after the balance sheet date
Amounts totalling £1,393,345 were paid to shareholders during the year as dividend payments. Due to certain procedural issues, part of these distributions require ratification by the Members at the Annual General Meeting in order to be treated as a lawful dividend and the other part of the distributions require the declaration of an interim dividend for 2009 to remedy the issues with their declaration. Consequently the Board proposes the payment of an interim dividend as detailed in the Notice of Meeting.

28. Capital commitments
The company had no capital commitments at 31 December 2008 (2007 £36,700).

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 by business segment, 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 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.

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 directors do not consider that the Group is materially exposed to foreign exchange risk or interest rate risk.

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 14 April 2009**. 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 2008.
2. To re-appoint Messrs. Horwath Clark Whitehill LLP as auditors.
3. To approve the appointment of Mr G McAusland as a director of the Company.
4. To approve the appointment of Mr N J Crabb as a director of the Company
5. To ratify the previously declared interim dividend of 7p per Ordinary share as paid on 25 July 2008.

The Special Resolution to be considered is:

6. To renew the authority granted at the Extraordinary General Meeting of 30 July 2008 allowing the company to repurchase its own shares for Treasury or cancellation up to a maximum level of 10% of the Ordinary shares in issue at that date (being 10,800,000 Ordinary 1p shares).

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

78 Mount Ephraim
Royal Tunbridge Wells
Kent
TN4 8BS

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

Jarvis Securities plc

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING

I/We (*block capitals, please*)…..

…..………

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

…..………

as *my/our* proxy to vote for *me/us* on *my/our* behalf at the Annual General Meeting of the Company to be held on **Tuesday 14 April 2009 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 2008		
Ordinary Resolution	To re-appoint Messrs Horwath Clark Whitehill LLP as auditors		
Ordinary Resolution	To approve the appointment of Mr G McAusland as a director of the Company		
Ordinary Resolution	To approve the appointment of Mr N J Crabb as a director of the Company		
Ordinary Resolution	To ratify the previously declared interim dividend of 7p per Ordinary share as paid on 25 July 2008.		
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 30 July 2008		

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.

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

Tel: 0870 224 1111
Fax: 0870 224 1119

Email: invest@jarvisim.co.uk