

Company No. **1844601**

**JARVIS INVESTMENT MANAGEMENT plc**

**FINANCIAL STATEMENTS**  
**For the year ended 31 December 2002**



# JARVIS

## INDEX TO THE FINANCIAL STATEMENTS For the year ended 31 December 2002

	Page
Company Information	1
Report of the Directors	2
Chairman's Statement	4
Report of the Auditors	5
Group Profit and Loss Account	6
Group Balance Sheet	7
Company Balance Sheet	8
Group Cash Flow Statement	9
Notes forming part of the Financial Statements	10

# JARVIS

## COMPANY INFORMATION For the year ended 31 December 2002

**DIRECTORS:** A J Grant  
L G Grant  
M A P Studholme (Resigned 1 April 2003)  
M J Edmett (Appointed 1 August 2002)  
J S Mackay (Appointed 29 October 2002)

**SECRETARY:** M J Edmett

**REGISTERED OFFICE:** Oxford House  
15/17 Mount Ephraim Road  
Tunbridge Wells  
Kent  
TN1 1EN

**REGISTERED NUMBER:** 1844601

**AUDITORS:** Horwath Clark Whitehill  
10 Palace Avenue  
Maidstone  
Kent  
ME15 6NF

**REGISTRAR:** Capita IRG plc  
Bourne House  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

**BANKERS:** HSBC Bank plc                      Anglo Irish Bank  
105 Mount Pleasant                  Corporation plc  
Tunbridge Wells                      10 Old Jewry  
Kent                                      London  
TN1 1QP                                  EC2R 8DN

**SOLICITORS:** Nicholson Graham & Jones  
110 Cannon Street  
London  
EC4N 6AR

**WEBSITES:** [www.jarvisim.co.uk](http://www.jarvisim.co.uk)  
[www.sharedealactive.co.uk](http://www.sharedealactive.co.uk)  
[www.e-Zee-invest.com](http://www.e-Zee-invest.com)

**TRADING ADDRESS:** Oxford House  
15/17 Mount Ephraim Road  
Tunbridge Wells  
Kent  
TN1 1EN

# JARVIS

## DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 December 2002.

### 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 period. 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.

### Principal activities

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

Jarvis Investment Management plc	Stockbroker Member of The London Stock Exchange Inland Revenue approved PEP and ISA managers Third party investment administration services
Jarvis Personal Finance Limited	Secured loan provider
Dudley Road Nominees Limited	Dormant nominee company
e-Zee-invest.com Limited	Dormant (protect trading name of fund supermarket)

### Business review

In the face of a very difficult trading environment, turnover has contracted by 7.3% to £1,196,043 from £1,289,793 in 2001. Profit on ordinary activities before taxation has also fallen 10.6% to £407,653. However, administrative expenses have been kept to a level very slightly below 2001.

The net assets of the Jarvis Investment Management plc group have increased by 42.0% to £523,435 from £368,695 last year. This is an increase of £154,740. Short-term liquidity has improved to a 1.24 from a 1.20 rating between 31 December 2001 and 2002.

### Future developments

Jarvis Investment Management plc has been reviewing a number of potential acquisition targets during the past six months and it is intended to make a purchase within the next year. Since the year end the office computer systems have been upgraded to industry standard software, increasing the volume of deals and accounts that the current staff level can manage and decreasing the cost per deal. The Board continues to monitor the benefits and possibilities for moving to a more senior market.

### Results and dividends

The consolidated profit for the year after taxation amounted to £303,746 (2001 profit £299,888). Ordinary dividends of £150,000 (2001 £450,000) were paid during the year. The balance on the profit and loss account has been carried forward.

### 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 20 days (2001 10 days).

# JARVIS

## Directors and their interests

The directors and their interests, as defined by the Companies Act, in the shares of the company at 31 December 2002 were as follows:-

		<u>31.12.02</u>	<u>31.12.01</u>
A J Grant	- 1p ordinary shares	31,400	2,400
L G Grant	- 1p ordinary shares	32,188	-
M A P Studholme	- 1p ordinary shares	5,000	2,000
M J Edmett	- 1p ordinary shares	-	-
J S Mackay	- 1p ordinary shares	-	-

A J Grant has an interest in 25,800 (2001 2,800) 1p ordinary shares which are registered in the name of his spouse. L G Grant has an interest in 115,168 (2001 22,800) 1p ordinary shares registered in the name of his spouse. Messrs. Grant also own the entire share capital of Hazelburn Limited, a company which holds 85,500 (2001 261,300) 1p ordinary shares in Jarvis Investment Management plc.

The directors had the following interests, as defined by the Companies Act, in the shares of the company's parent company, Sion Holdings plc, at 31 December 2002:-

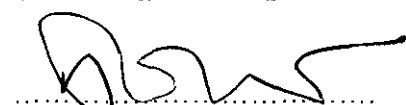
		<u>31.12.02</u>	<u>31.12.01</u>
A J Grant	- 50p ordinary shares	286,628	186,000
L G Grant	- 50p ordinary shares	119,971	79,500
M A P Studholme	- 50p ordinary shares	6,500	2,482
	- 6% redeemable preference shares	-	15,862
M J Edmett	- 50p ordinary shares	-	-
J S Mackay	- 50p ordinary shares	-	-

A J Grant has an interest in 91,927 (2001 37,000) 50p ordinary shares and nil (2001 82,390) 6% redeemable preference shares which are registered in the name of his spouse. L G Grant has an interest in 57,000 (2001 57,000) 50p ordinary shares and nil (2001 21,414) 6% redeemable preference shares which are registered in the name of his spouse. In addition to the above, A J Grant and L G Grant own the entire share capital of Hazelburn Limited a company which holds 378,200 (2001 371,000) ordinary shares in Sion Holdings plc and nil (2001 6,000) 6% redeemable preference shares.

## Auditors

Horwath Clark Whitehill will be proposed for re-appointment in accordance with Section 385 of The Companies Act 1985.

BY ORDER OF THE BOARD



Mathew J Edmett – Secretary

Date: 7 April 2003

# JARVIS

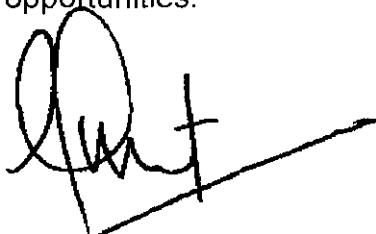
## CHAIRMAN'S STATEMENT

Turnover has fallen by 7% and profit before tax 10%. In any of the past few years I would have been disappointed to report such results to our Members. Given the backdrop of dramatic falls in world markets, significantly reduced dealing volumes and a much lower take-up of investment products I am actually very pleased with such a robust performance.

Given the early signs, the Board remains cautious on the prospects for 2003. We have taken the opportunity of this quieter period to install new systems and software. This will not only improve the services we can offer our clients, but cut our direct costs significantly. Perhaps most importantly, the new system will allow us to handle a much greater multiple of our current client and deal numbers when the market returns to us.

The only advantage of a depressed period for businesses in our sector is that the valuations and finances of many of our competitors have been hit hard. Whilst we remain able to keep ahead of the pack, Jarvis has the ability to purchase the trade of other brokers and managers at historically very low multiples of earnings. The Board continue to monitor such opportunities.

Finally, I would like to formally welcome the two new directors appointed in 2002. They provide a balance between detailed knowledge of Jarvis and familiarity with our sector at large. I am confident that they will help to steer the group successfully through these interesting times of great challenge and greater opportunities.



**Andrew J Grant**  
Chairman



# JARVIS



Horwath Clark Whitehill

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JARVIS INVESTMENT MANAGEMENT PLC

We have audited the financial statements of Jarvis Investment Management Plc for the year ended 31 December 2002 set out on pages 6 to 9. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards 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 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.

### OPINION

In our opinion the financial statements give a true and fair view of the state of the company's and group's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Horwath Clark Whitehill*

**HORWATH CLARK WHITEHILL**

Chartered Accountants  
and Registered Auditors  
Maidstone

7 Apr 2003

# JARVIS

## GROUP PROFIT AND LOSS ACCOUNT For the year ended 31 December 2002

		2002	2001
	Notes	£	£
<b>TURNOVER</b>		<b>1,196,043</b>	1,289,793
Administrative Expenses		<b>720,052</b>	722,395
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>475,991</b>	567,398
Interest Payable	4	<b>68,338</b>	111,161
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<b>407,653</b>	456,237
Tax on profit on Ordinary Activities	5	<b>103,907</b>	156,349
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>303,746</b>	299,888
Minority Interests		-	994
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>303,746</b>	300,882
Dividends	6	<b>150,000</b>	450,000
<b>RETAINED PROFIT/(LOSS)</b>	14	<b>153,746</b>	(149,118)
Retained profit brought forward		<b>269,689</b>	418,807
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b>423,435</b>	269,689
<b>EARNINGS PER SHARE</b>			
Basic earnings per share	17	<b>3.04p</b>	4.78p

### CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the current and previous years. Accordingly, no separate Statement of Total Recognised Gains and Losses is presented.

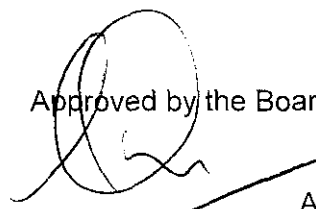


# JARVIS

## GROUP BALANCE SHEET As at 31 December 2002

		2002		2001	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7	137,799		96,568	
Investments	8	<u>768</u>		<u>-</u>	
			138,567		96,568
<b>CURRENT ASSETS</b>					
Debtors	9	1,463,681		1,219,232	
Cash at bank and in hand	10	<u>495,178</u>		<u>441,202</u>	
		1,958,859		1,660,434	
<b>CREDITORS:</b>					
Amounts falling due within one year	11	<u>1,552,193</u>		<u>1,388,307</u>	
<b>NET CURRENT ASSETS</b>			406,666		272,127
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>545,233</u>		<u>368,695</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	12		21,798		-
<b>NET ASSETS</b>			<u>523,435</u>		<u>368,695</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		100,000		100,000
Profit and loss account	14		423,435		269,689
<b>SHAREHOLDERS' FUNDS</b>			<u>523,435</u>		<u>369,689</u>
Minority interests			-		(994)
<b>EQUITY AND NON-EQUITY FUNDS</b>			<u>523,435</u>		<u>368,695</u>

Approved by the Board on 7 April 2003 and signed on its behalf by:



.....A.J. Grant - Director



.....L.G. Grant - Director

The notes form part of these financial statements

# JARVIS

## COMPANY BALANCE SHEET As at 31 December 2002

		2002		2001	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7	137,799		96,568	
Investments	8	<u>125,772</u>		<u>5</u>	
			<b>263,571</b>		<b>96,573</b>
<b>CURRENT ASSETS</b>					
Debtors	9	1,109,135		1,135,173	
Cash at bank and in hand	10	<u>493,528</u>		<u>440,740</u>	
		<b>1,602,663</b>		<b>1,575,913</b>	
<b>CREDITORS:</b>					
Amounts falling due within one year	11	<u>1,340,195</u>		<u>1,301,956</u>	
<b>NET CURRENT ASSETS</b>			<b>262,468</b>		<b>273,957</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>526,039</b></u>		<u><b>370,530</b></u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	12		<b>21,798</b>		-
<b>NET ASSETS</b>			<u><b>504,241</b></u>		<u><b>370,530</b></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		<b>100,000</b>		<b>100,000</b>
Profit and loss account	14		<b>404,241</b>		<b>270,530</b>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>504,241</b></u>		<u><b>370,530</b></u>

Approved by the Board on 7 April 2003 and signed on its behalf by:

  
..... A.J. Grant - Director

  
..... L.G. Grant - Director

The notes form part of these financial statements

# JARVIS

## GROUP CASH FLOW STATEMENT For the year ended 31 December 2002

Notes	2002	2001
	£	£
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		
Operating profit	475,991	552,302
Depreciation	31,733	19,923
Loss on disposal of fixed assets	325	7,807
Increase/(decrease) in debtors	(250,292)	766,534
Increase/(decrease) in creditors	282,821	(1,216,158)
<b>Net cash inflow from operating activities</b>	<b>540,578</b>	<b>130,408</b>

### CASH FLOW STATEMENT

Cash flow from operating activities		540,578	130,408
Returns on investment and servicing of finance	18a	(68,338)	(111,161)
Taxation		(216,570)	(10,623)
Capital expenditure and financial investment	18a	(49,823)	(71,210)
Equity dividends paid		(150,000)	(450,000)
		<u>55,847</u>	<u>(512,586)</u>
Financing	18a	(1,871)	90,000
<b>Increase in cash</b>		<b>53,976</b>	<b>(422,586)</b>

### Reconciliation of net cash flow to movement in net debt

	2002	2001
	£	£
Increase in cash in the period	53,976	(422,586)
New finance lease agreements	(15,813)	-
Repayments of amounts borrowed	1,871	-
Movement in net debt in the period	<u>40,034</u>	<u>(422,586)</u>
Net funds at 1 January 2002	441,202	863,788
Net funds at 31 December 2002	<u>481,236</u>	<u>441,202</u>

# JARVIS

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 31 December 2002

### 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.

#### (b) Revenue

Revenue represents net sales of services, commissions and interest excluding value added tax.

#### (c) Basis of consolidation

The group financial statements consolidate the financial statements of Jarvis Investment Management plc, Jarvis Personal Finance Limited, e-Zee-Invest.com Limited and Dudley Road Nominees Limited made up to 31 December 2002. 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 Investment Management 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 of depreciation:

Website	-	33% on cost
Leasehold Improvements	-	33% on cost
Motor Vehicles	-	20% on cost
Office equipment	-	20% on cost

Software developments relate to a new computer system that is not yet operational. Hence depreciation will not be provided until the system is complete and has entered use.

#### (e) 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.

#### (f) Segmental reporting

There are no significant segments for reporting purposes as required by Statement of Standard Accounting Practice 25.

#### (g) Pensions

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

#### (h) Stockbroking balances

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

#### (i) 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 reversion.

### 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.

The retained profit of the parent company for the year was £133,711 (2001 loss £148,277).

### 3. OPERATING PROFIT

Operating profit is stated after charging:

	2002	2001
	£	£
Operating profit is stated after charging:		
Directors' emoluments	137,514	120,804
Depreciation – owned assets	30,233	19,923
Depreciation – assets held under hire purchase agreements	1,500	-
Operating lease rentals – hire of machinery	1,646	-
Audit – remuneration – audit	13,525	9,450
Auditors' remuneration – other services	1,372	-
Loss on disposal of fixed assets	325	7,807
<b>Directors' emoluments</b>		
Fees	130,771	116,723
Pension contributions	6,743	4,081
Other emoluments	4,720	-

# JARVIS

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 31 December 2002 (continued)

Benefits are accruing for one director (2001 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	12	14
The aggregate payroll costs of these persons were as follows:		£
Wages and salaries	296,377	286,507
Pension contributions	7,679	4,081
Social security	28,639	25,522
	<u>332,695</u>	<u>316,110</u>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank loans and overdrafts	1,072	157
Hire purchase agreement	344	-
Other interest	66,922	111,004
	<u>68,338</u>	<u>111,161</u>

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002	2001
	£	£
Based on the adjusted results for the year:		
UK corporation tax	111,997	156,349
Tax credits on UK dividends	287	-
Adjustments in respect of prior periods	(30,175)	-
Total current tax	<u>82,109</u>	<u>156,349</u>
Deferred tax:		
Origination and reversal of timing differences	21,798	-
Tax on profit on ordinary activities	<u>103,907</u>	<u>156,349</u>

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

Profit on ordinary activities before tax	<u>387,315</u>	<u>458,076</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001 – 30%)	116,194	137,423
Effects of:		
Expenses not deductible for tax purposes	2,997	22,659
Dividend income	(575)	(3,500)
Depreciation on non qualifying assets	216	-
Capital allowances given in excess of depreciation	(6,548)	(233)
Over provision of tax in previous years	(30,190)	-
Under provision of tax in previous years	15	-
Current tax charge for the year	<u>82,109</u>	<u>156,349</u>

There are no factors that may affect future tax charges.

# JARVIS

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 31 December 2002 (continued)

### 6. DIVIDENDS

	2002	2001
	£	£
Interim dividends paid on Ordinary 1p shares	150,000	450,000

### 7a. TANGIBLE FIXED ASSETS – GROUP

	Software Development	Website	Leasehold Improvements	Motor Vehicle	Office Equipment	Total
	£	£	£	£	£	£
<b>Cost:</b>						
At 1 January 2002	18,457	-	17,649	-	83,808	119,914
Additions	18,627	23,000	-	30,000	6,680	78,307
Disposals	(3,531)	-	-	-	(2,955)	(6,486)
At 31 December 2002	33,553	23,000	17,649	30,000	87,533	191,735
<b>Depreciation:</b>						
At 1 January 2002	-	-	2,942	-	20,404	23,346
Charge for the year	-	7,667	5,883	1,500	16,683	31,733
On Disposal	-	-	-	-	(1,143)	(1,143)
At 31 December 2002	-	7,667	8,825	1,500	35,944	53,936
<b>Net Book Value:</b>						
At 31 December 2002	33,553	15,333	8,824	28,500	51,589	137,799
At 31 December 2001	18,457	-	14,707	-	63,404	96,568

The net book value of the motor vehicle includes £28,500 in respect of an asset held under a hire purchase contract (2001 £Nil).

### 7b. TANGIBLE FIXED ASSETS – COMPANY

	Software Development	Website	Leasehold Improvements	Motor Vehicles	Office Equipment	Total
	£	£	£	£	£	£
<b>Cost:</b>						
At 1 January 2002	18,457	-	17,649	-	83,808	119,914
Additions	18,627	23,000	-	30,000	6,680	78,307
Disposals	(3,531)	-	-	-	(2,955)	(6,486)
At 31 December 2002	33,553	23,000	17,649	30,000	87,533	191,735
<b>Depreciation:</b>						
At 1 January 2002	-	-	2,942	-	20,404	23,346
Charge for the year	-	7,667	5,883	1,500	16,683	31,733
On Disposal	-	-	-	-	(1,143)	(1,143)
At 31 December 2002	-	7,667	8,825	1,500	35,944	53,936
<b>Net Book Value:</b>						
At 31 December 2002	33,553	15,333	8,824	28,500	51,589	137,799
At 31 December 2001	18,457	-	14,707	-	63,404	96,568

The net book value of the motor vehicle includes £28,500 in respect of an asset held under a hire purchase contract (2001 £Nil).

# JARVIS

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 31 December 2002 (continued)

### 8. FIXED ASSET INVESTMENT

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
<b>Unlisted Investments</b>				
Cost:				
At 1 January 2002	-	-	5	2
Additions	-	-	125,000	3
Disposals	-	-	(1)	-
As at 31 December 2002	-	-	125,004	5
<b>Listed Investments</b>				
Cost:				
At 1 January 2002	-	-	-	-
Additions	768	-	768	-
Disposals	-	-	-	-
As at 31 December 2002	768	-	768	-
<b>Total</b>	<b>768</b>	<b>-</b>	<b>125,772</b>	<b>5</b>

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

	Shareholding		Holding	Business
Jarvis Personal Finance Limited	100%	1	£1 Ordinary shares	Personal loans
Jarvis Personal Finance Limited	100%	125,000	£1 Preference shares	Personal loans
Dudley Road Nominees Limited	100%	2	£1 Ordinary shares	Dormant (nominee co.)
e-Zee-invest.com Limited	100%	1	£1 Ordinary shares	Dormant

Listed investments are 334 fully paid 230p B Shares of Dee Valley Group plc at cost. The market value of these investments at 31 December 2002 was £768.20.

### 9. DEBTORS

	Group		Company	
<i>Amounts falling due within one year:</i>	2002	2001	2002	2001
	£	£	£	£
Trade debtors	1,319,379	547,374	964,833	393,391
Amounts owed by group undertakings	-	329,372	-	399,296
Other debtors	10,388	59,588	10,388	59,588
Prepayments and accrued income	133,914	282,898	133,914	282,898
	<b>1,463,681</b>	<b>1,219,232</b>	<b>1,109,135</b>	<b>1,135,173</b>

Other debtors includes £711 (2001 £2,948) in respect of a director's loan account to AJ Grant. The maximum balance outstanding during the year was £2,948. No interest has been charged or is accruing on this balance.

### 10. CASH AT BANK & IN HAND

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Balance at bank	495,178	441,202	493,528	440,740

### 11. CREDITORS:

	Group		Company	
<i>Amounts falling due within one year:</i>	2002	2001	2002	2001
	£	£	£	£
Hire Purchase	15,813	-	15,813	-
Trade creditors	1,093,977	862,348	1,093,977	861,995
Amounts due to group companies	-	-	91	-
Corporation tax	132,143	266,891	132,143	266,891
Other taxes and Social Security	37,021	63,477	37,021	63,477
Other creditors	219,140	88,309	7,051	2,311
Accruals	54,099	107,282	54,099	107,282
	<b>1,552,193</b>	<b>1,388,307</b>	<b>1,340,195</b>	<b>1,301,956</b>

Creditors includes nil (2001 £546) due to pension providers relating to staff contributions.

# JARVIS

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 31 December 2002 (continued)

### 12. DEFERRED TAX

	2002	2001
	£	£
Charge for the year	21,798	-
As at 31 December 2002	21,798	-
The deferred tax is made up as follows:		
Accelerated capital allowances	22,122	-
Provisions	(324)	-
	21,798	-

### 13. CALLED UP SHARE CAPITAL

	2002	2001
	£	£
<b>Authorised:</b>		
10,000,000 Ordinary shares of 1p each	100,000	100,000
	100,000	100,000
<b>Allotted, issued and fully paid:</b>		
10,000,000 Ordinary shares of 1p each	100,000	100,000
	100,000	100,000

### 14a. RESERVES AND RECONCILIATION OF SHAREHOLDER FUNDS – GROUP

	Share Capital	Profit & loss Account	Total Shareholders' Funds
	£	£	£
Opening shareholders' funds	100,000	269,689	369,689
Retained profit for the financial year	-	153,746	153,746
Shares issued at par for cash	-	-	-
Closing shareholders' funds	100,000	423,435	523,435

### 14b. RESERVES AND RECONCILIATION OF SHAREHOLDER FUNDS – COMPANY

	Share Capital	Profit & loss Account	Total Shareholders' Funds
	£	£	£
Opening shareholders' funds	100,000	270,530	370,530
Retained profit for the financial year	-	133,711	133,711
Shares issued at par for cash	-	-	-
Closing shareholders' funds	100,000	404,241	504,241

### 15. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Sion Holdings plc, a company registered in England and Wales.

### 16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under paragraph 3(c) of Financial Reporting Standard Number 8 on the grounds that it is more than 90% controlled within the group and included in financial statements that are publicly available.

There were no related party disclosures during the year.



# JARVIS

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 31 December 2002 (continued)

### 17. EARNINGS PER SHARE

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

Date	Event	No. of shares	Days	2002	2001
1/1/01	Opening balance 2001	10,000	130	-	3,562
11/5/01	Issue and subdivisions of capital	5,000,000	11	-	150,685
22/5/01	Issue of capital	10,000,000	224	-	6,136,986
1/1/02	Opening balance 2002	10,000,000	365	10,000,000	-
				10,000,000	6,291,233

### 18. NOTES TO THE CASH FLOW STATEMENT

#### NOTE A – GROSS CASH FLOWS

	2002	2001
	£	£
<b>Returns on investment and servicing of finance</b>		
Interest paid	(74,474)	(111,161)
Interest received	6,136	-
	<u>(68,338)</u>	<u>(111,161)</u>
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(48,307)	(73,112)
Receipts from disposal of fixed assets	(768)	1,900
Disposal of subsidiary	(748)	2
	<u>(49,823)</u>	<u>(71,210)</u>
<b>Financing</b>		
Issue of ordinary share capital	-	90,000
Capital element of finance lease rentals	(1,871)	-
	<u>(1,871)</u>	<u>90,000</u>

#### NOTE B – ANALYSIS OF NET DEBT

	At 1.1.02	Cash Flow	Other Non Cash Changes	At 31.12.02
	£	£	£	£
Cash in hand, at bank	441,202	53,976	-	495,178
Debt due after one year	-	-	-	-
Debt due within one year	-	-	(13,942)	(13,942)
	<u>441,202</u>	<u>53,976</u>	<u>(13,942)</u>	<u>481,236</u>