Company No. **1844601**

JARVIS INVESTMENT MANAGEMENT LIMITED

FINANCIAL STATEMENTS
For the year ended 31 December 2017

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For the year ended 31 December 2017

JARVIS INVESTMENT MANAGEMENT LIMITED

COMPANY INFORMATION

DIRECTORS:	A J Grant N J Crabb J C Head	
REGISTERED OFFICE:	78 Mount Ephraim Royal Tunbridge Wells TN4 8BS	
REGISTERED NUMBER:	1844601	
AUDITOR:	Crowe Clark Whitehill LLP Riverside House 40-46 High Street Maidstone Kent ME14 1JH	
CASS AUDITOR:	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU	
BANKERS:	NatWest 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ	
SOLICITORS:	Thomson Snell & Passmore 3 Lonsdale Gardens Tunbridge Wells TN1 1NX	K&L Gates 110 Cannon Street London EC2R 8DN
WEBSITE:	www.jarvisinvest.co.uk	
TRADING ADDRESS:	78 Mount Ephraim Royal Tunbridge Wells TN4 8BS	

JARVIS INVESTMENT MANAGEMENT LIMITED

STRATEGIC REPORT

The company

Jarvis Investment Management Ltd is a Member of The London Stock Exchange (LSE) and ICAP Securities and Derivatives Exchange (ISDX) markets and is authorised and regulated by the Financial Conduct Authority (FCA). This status is essential for the trading activities of the company and therefore compliance with the Rules of both the LSE and FCA is of paramount importance. The company 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.

Business review

The company's revenue has increased by 14% to £5,803,484. Profit before income tax has increased by 61% to £981,619.

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. The company has again expanded in both these areas during the year under review and expects to continue doing so in 2018. 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.

Capitalisation and financing

Jarvis Investment Management Ltd has 25,000,000 Ordinary 1p shares in issue. The business is cash generative, and therefore, requires no further debt or other external financing.

Key Performance Indicators (KPI)

Detailed KPI's are presented in the accounts of the immediate parent company Jarvis Securities plc. Summary KPI's of Jarvis Investment Management Limited are:

Turnover growth: 14.1% (2016: 8.2%)
Operating profit margin: 16.9% (2016: 12.0%)
Revenue per employee: £138,178 (2016: £108,179)

Future developments

The main focus of Jarvis Investment Management Ltd at this time is on organic growth through actively promoting its retail and third party stockbroking and administration services.

Threats and risks

The main risks to the company are considered and monitored by the Board. An explanation as to how they are mitigated is also provided.

Threats & Risks	Mitigation
Changes in the regulatory environment resulting in additional costs or significant system or product amendments.	The firm operates in the "execution only" area of the financial services environment in which regulation is less onerous than the "advisory" area. The firm avoids entering into areas that are complex from a regulatory perspective.
Market volumes directly affect bargain numbers transacted and hence commission income for the company. Volumes are currently volatile month on month and are driven largely by investors risk appetite.	As stated above the firm has several income streams. The firm also has a low fixed cost base and most of the costs associated with trade volumes are marginal. Therefore in months where commission income is lower variable costs are also lower.
Loss of key personnel is a threat to any skills-based business.	The firm attempts to set remuneration at competitive market levels and empower key employees so that they enjoy working at Jarvis. All employment contracts for key staff members include sufficient notice periods for replacements to be recruited and trained.

Threats & Risks (continued)	Mitigation (continued)
Any takeover of The London Stock Exchange could result in major unanticipated changes for Jarvis and its commercial clients.	The Board monitor any proposed changes to the pricing structure of The London Stock Exchange and calculate their impact on our profitability in advance. In the event that there was an anticipated adverse impact the firm would have sufficient time to renegotiate contracts with commercial clients.
Loss of data, client assets or corporate assets through breaches of our IT infrastructure would result in financial loss to the firm and reputational damage.	The Board acknowledge the growing threat of cybercrime and maintain up to date industry standards in IT security. The firm's IT infrastructure is externally audited to be Payment Card Industry Data Security Standard, policies and procedures are in place to minimise the risk of critical data loss, employees must complete ongoing training in money laundering and fraud prevention and all computers are installed with malware protection.

Results and dividends

The profit for the year after income tax amounted to £792,691 (2016: £487,445). No dividends were paid during the year (2016: £700,000). The balance on the income statement has been carried forward.

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Jolyon Head – Finance Director

16th March 2018

JARVIS INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 December 2017.

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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.

Principal activities
The principal activities of the company are:

- Stockbroker (Member of The London Stock Exchange and ISDX markets)
- Outsourced investment administration and Model B settlement services provider
- HM Revenue and Customs approved ISA manager

Going concern basis
The company has considerable financial resources together with long term contracts with all its significant suppliers as well as a diversified income stream. The company does not have any current borrowing or any anticipated borrowing requirements. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Future developments
Future developments are discussed in the strategic report.

Financial Instruments and risk
Details of our financial risk mitigation policy are included in notes 15 and 16.

Directors
The directors who served in the year were as follows:-
A J Grant
N J Crabb
J C Head

Subsequent Events
The directors consider there are no subsequent events.

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

BY ORDER OF THE BOARD

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Andrew J Grant – Managing Director
16th March 2018

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JARVIS INVESTMENT MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Jarvis Investment Management Limited for the year ended 31 December 2017 which comprise Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

I. Weeks

Ian Weekes
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Riverside House
41-46 High Street
Maidstone
Kent
ME14 1JH
16th March 2018

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Year to 31/12/17	Year to 31/12/16
		£	£
Continuing operations:			
Revenue	3	5,803,484	5,084,394
Administrative expenses		(4,821,865)	(4,475,032)
Profit before income tax	5	981,619	609,362
Income tax charge	7	(188,928)	(121,917)
Profit for the period		792,691	487,445
Attributable to equity holders		792,691	487,445

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

	Year to 31/12/17	Year to 31/12/16
	£	£
Profit for the period	792,691	487,445
Total recognised income and expense for the period	792,691	487,445
Attributable to equity holders	792,691	487,445

The notes on pages 12 to 20 form part of these financial statements

JARVIS INVESTMENT MANAGEMENT LIMITED

Company No.: 1844601

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

	Notes	31/12/17	31/12/16
		£	£
Assets			
Non-current assets			
Investments in subsidiaries	8	5	5
		5	5
Current assets			
Trade and other receivables	9	**3,978,073**	7,587,032
Investments held for trading	10	**13,546**	1,712
Cash and cash equivalents	11	**9,672,051**	3,397,130
		13,663,670	10,985,874
Total assets		**13,663,675**	10,985,879
Equity and liabilities			
Capital and reserves			
Share capital	12	**250,000**	250,000
Share premium		**9,900**	9,900
Other Reserves		-	34,240
Retained earnings		**2,642,222**	1,815,291
Total equity attributable to equity holders		**2,902,122**	2,109,431
Current liabilities			
Trade and other payables	13	**10,619,857**	8,846,958
Income tax	13	**141,696**	29,490
Total liabilities		**10,761,553**	8,876,448
Total equity and liabilities		**13,663,675**	10,985,879

Approved by the Board on 16th March 2018 and signed on its behalf by:

.............................A.J. Grant – Director

.............................J.C. Head – Director

The notes on pages 12 to 20 form part of these financial statements

JARVIS INVESTMENT MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR

	Share capital	Share premium	Other Reserves	Retained earnings	Attributable to equity holders
	£	£	£	£	£
Balance at 1/1/16	250,000	9,900	34,240	2,027,846	2,321,986
Profit for the period	-	-	-	487,445	487,445
Dividends	-	-	-	(700,000)	(700,000)
Balance at 31/12/16	250,000	9,900	34,240	1,815,291	2,109,431
Profit for the period	-	-	-	792,691	792,691
Transfer to retained earnings	-	-	(34,240)	34,240	-
Balance at 31/12/17	250,000	9,900	-	2,642,222	2,902,122

The notes on pages 12 to 20 form part of these financial statements

JARVIS INVESTMENT MANAGEMENT LIMITED

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	**Year to 31/12/17**	Year to 31/12/16
		£	£
Cash flows from operating activities			
Profit before income tax		**981,619**	609,362
Profit on disposal of investment held to maturity		**-**	-
		981,619	609,362
Decrease/(Increase) in trade and other receivables		**3,608,959**	(4,677,992)
(Decrease) in trade payables		**1,772,899**	(488,414)
Cash generated from operations		**6,363,477**	(4,557,044)
Interest paid		**-**	-
Income tax paid		**(76,722)**	(110,000)
Net cash from operating activities		**6,286,755**	(4,667,044)
Cash flows from investing activities			
Purchase of investments held for trading		**(1,644,356)**	(3,822,741)
Proceeds from sale of investments held for trading		**1,632,522**	3,898,086
Receipt from sale of investment held to maturity		**-**	-
		(11,834)	75,345
Cash flows from financing activities			
Dividends paid		**-**	(700,000)
Net cash used in financing activities		**-**	(700,000)
Net (decrease)/increase in cash and cash equivalents		**6,274,921**	(5,291,699)
Cash and cash equivalents at the start of the year		**3,397,130**	8,688,829
Cash and cash equivalents at the end of the year		**9,672,051**	3,397,130

The notes on pages 12 to 20 form part of these financial statements

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Basis of preparation

The company has adopted the requirements of International Financial Reporting Standards (IFRS) and IFRIC interpretations endorsed by the European Union (EU) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets 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.

New standards, not yet effective
A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the EU.

The Board has considered the impact of IFRS 9 and IFRS 15 on the financial statements. It considers there to be no material impact.

The Directors have assessed whether the application of IFRS 16, once effective, and note it will have a material impact on the results of the company. Application of this standard will result in changes in presentation of information within the company's financial statements due to the capitalisation of the operating leases noted in note 14.

Significant judgements and estimates
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 17.

Going concern
The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 3. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described within these financial statements. In addition, note 16 of the financial statements includes the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The company has considerable financial resources together with long term contracts with all its significant suppliers as well as a diversified income stream. The company does not have any current borrowing or any anticipated borrowing requirements. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Summary of significant accounting policies

(a) Revenue

Income is recognised as earned in the following ways:

Commission – we charge commission on a transaction basis. Commission rates are fixed according to account type. When a client instructs us to act as an agent on their behalf (for the purchase or sale of securities) our commission is recognised as income when the instruction is executed in the market. Our commission is deducted from the cash given to us by the client in order to settle the transaction on the client's behalf or from the proceeds of the sale in instance where a client sells securities.

Management fees – these are charged quarterly or bi-annually depending on account type. Fees are either fixed or are a percentage of the assets under administration. Fees are accrued up to the time they are charged using a day count and most recent asset level basis as appropriate.

Interest income – interest income is earned on clients' late settlement positions. This is charged to the client's account at the end of each month and is calculated on a daily basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

(b) Basis of consolidation
The company is exempt from the requirements to prepare group financial statements by virtue of Sections 400 and 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

(c) 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 company as a single segment.

(d) Pensions
The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the income statement.

(e) Trading balances
Trading balances incurred in the course of executing client transactions are measured at initial recognition at fair value. In accordance with market practice, certain balances with clients, Stock Exchange member firms and other counterparties are included as trade receivables and payables. The net balance is disclosed where there is a legal right of set off.

(f) Operating 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.

(g) Investments
The company classifies its investments in the following categories: investments in subsidiaries and investments held for trading. 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 in subsidiaries
Investments in subsidiaries are stated at cost less any permanent diminution in value. Assets in this category are classified as non-current.

Investments 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 and are considered to be level 1 assets in accordance with IFRS 13.

(h) Foreign Exchange
The company offers settlement of trades in various currencies, predominately Sterling, US Dollars and Euros. 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 company has minimal foreign exchange risk.

(i) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits. Client money is not included in the cash balance as this money is held in trust and is not an asset of the company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

(j) 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 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 company and it is probable that the temporary differences will not reverse in the foreseeable future.

(k) 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.

(l) Dividend distribution
Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's directors.

(m) Share based payments
The Company applies the requirements of IFRS 2 Share-based Payment.

The Company issues equity-settled share-based payments to certain employees and other personnel. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effects of non market-based vesting conditions.

The share option reserve represents the accumulated share option charge. The balance in the reserve will be transferred to retained earnings once the options have been exercised.

Fair value is measured by use of a Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

All remaining options were exercised during the year.

3. Revenue
The revenue of the company during the year was made in the United Kingdom and the revenue of the company for the year derives from the same class of business as noted in the Strategic Report.

	2017	2016
	£	£
Gross interest received	243,514	272,975
Commissions	4,141,315	3,661,488
Fees	1,418,655	1,149,931
	5,803,484	5,084,394

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

5. Profit before income tax

	2017	2016
Profit before income tax is stated after charging:	£	£
Directors' emoluments	606,648	572,391
Operating lease rentals – hire of machinery	8,842	9,052
Impairment of receivable charge	72,604	116,300
Directors' emoluments		
Short term employee benefits	529,853	466,435
Post employment benefits	67,463	97,023
Benefits in kind	9,332	8,933
	606,648	572,391
Details of the highest paid director are as follows:		
Short term employee benefits	330,943	275,080
Post employment benefits	2,167	37,950
Benefits in kind	8,396	7,906
	341,506	320,936

During the year benefits accrued for three directors (2016 three directors) under a money purchase pension scheme.

Staff costs

The average number of persons employed by the company, including directors, during the year was as follows:

	2017	2016
Management and administration	49	47
	£	£
The aggregate payroll costs of these persons were as follows:		
Wages, salaries & social security	1,968,639	1,701,577
Pension contributions	82,818	105,165
	2,051,457	1,806,742

Key personnel

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

6. Auditor's remuneration

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

	2017	2016
Fees payable to the company's auditors for:	£	£
The audit of the company's annual financial statements	14,750	16,750
Other services relating to taxation	9,720	4,250
	24,470	21,000

The audit fees of the company are met by Jarvis Securities plc, the company's immediate parent undertaking.

7. Income and deferred tax charges	2017	2016
Analysis of tax charge	£	£
Based on the adjusted results for the year:		
UK corporation tax	188,928	121,872
Adjustments in respect of prior years	-	45
Total current income tax	188,928	121,917
Income tax on profit	188,928	121,917

The income tax assessed for the year is greater than the standard rate of corporation tax in the UK (19.25%). The differences are explained below:

Profit before income tax	981,619	609,362
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 19.25% (2016 – 20%)	188,928	121,872
Effects of:		
Adjustments to tax charge in respect of previous years	-	45
Current income tax charge for the year	188,928	121,917

8. Investments in subsidiaries	2017	2016
	£	£
At 1 January and 31 December	5	5

Investments in subsidiaries are unlisted investments held in the following companies registered in the United Kingdom.

	Shareholding		*Holding*	*Business*
JIM Nominees Limited	100%	1	£1 Ordinary share	Dormant (nominee co.)
Dudley Road Nominees Limited	100%	2	£1 Ordinary shares	Dormant (nominee co.)
Galleon Nominees Limited	100%	2	£1 Ordinary shares	Dormant (nominee co.)

9. Trade and other receivables

Amounts falling due within one year:	2017	2016
	£	£
Trade receivables	516,235	435,814
Settlement receivables	2,083,049	6,732,763
Amount owed by group undertaking	1,098,660	152,679
Other receivables	1,750	9,400
Prepayments and accrued income	278,379	256,376
	3,978,073	7,587,032

An analysis of trade and settlement receivables past due is given in note 17. There are no amounts past due within other receivables or prepayments and accrued income.

10. Investments held for trading	2017	2016
Listed Investments:	£	£
Valuation:		
At 1 January	1,712	77,057
Additions	1,644,356	3,822,741
Disposals	(1,632,522)	(3,898,086)
As at 31 December	13,546	1,712

Listed investments held for trading are stated at their market value at 31 December 2017.

11. Cash and cash equivalents

	2017	2016
	£	£
Balance at bank and in hand	1,715,234	1,698,524
Cash held for settlement of market transactions	7,956,817	1,698,606
	9,672,051	3,397,130

In addition to the balances shown above the company has segregated deposit and current accounts held in accordance with the client money rules of the Financial Conduct Authority. The company also has segregated deposits and current accounts on behalf of Counterparties and elected Professional clients of £14,555,830 not governed by client money rules therefore they are also not included in the statement of financial position of the group. This treatment is appropriate as the business is a going concern however, were an administrator appointed, these balances would be considered assets of the business.

12. Share capital

	2017	2016
	£	£
Authorised:		
25,000,000 Ordinary shares of 1p each	250,000	250,000
Allotted, issued and fully paid:		
25,000,000 (2016 25,000,000) Ordinary shares of 1p each	250,000	250,000

13. Trade and other payables
Amounts falling due within one year:

	2017	2016
	£	£
Trade payables	186,029	109,433
Settlement payables	9,955,530	8,131,466
Other taxes and social security	52,632	81,389
Other payables	85,193	300,102
Accruals	340,473	224,568
Trade and other payables	10,619,857	8,846,958
Income tax	141,696	29,490
Total liabilities	10,761,553	8,876,448

Settlement payables will be settled on their contracted date, which has a maximum allowed time of 20 days from the trade date. Trade payables and other taxes and social security are all paid at the beginning of the month after the invoice was received or the liability created.

14. Operating lease commitments

At 31 December 2017 the company was committed to making the following payments in respect of operating leases which expire:

	Equipment	
	2017	2016
	£	£
Not later than one year:	8,641	9,052
Later than one year and not later than five years:	34,564	13,579
After more than five years:	7,921	-

The equipment lease is for the use of postage processing and franking machines. The lease was terminated during the year and a new agreement lease entered by mutual agreement of both parties.

15. Financial instruments

The company'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 company's trading activities. Cash and cash equivalents and trade and other receivables are categorised as loans and receivables, investments held for trading are categorised as available-for-sale financial assets and trade and other payables are classified as financial liabilities. Other than investments held for trading all financial assets and liabilities are held at amortised cost and their carrying value approximates to their fair value.

The main financial asset of the company is cash and cash equivalents, which is denominated in sterling and which is detailed in note 11. The company operates a low risk investment policy and surplus funds are placed on deposit with at least A rated banks or equivalent at floating interest rates.

The company also holds investments in equities.

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

16. 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 company, which are considered to be principally credit risk, compliance risk, liquidity risk and operational risk. Several high-level procedures are in place to enable all risks to be better controlled. These include detailed profit forecasts, monthly management accounts and comparisons against forecast, regular meetings of the full Board of Directors, and more regular senior management meetings.

The company'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 company. These credit limits prevent the processing of trades in excess of the available maximum permitted margin at 100% of the current portfolio value of a client.

A further credit risk exists in respect of trade receivables. The company'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 company 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 Conduct Authority and the London Stock Exchange and are overseen by the compliance officer together with the management team. In addition, regular compliance performance information is prepared, reviewed and distributed to management.

The company 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 company. 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 company derives a significant proportion of its revenue from interest earned on client cash deposits and does not have any borrowings. Hence, the directors do not consider the company to be materially exposed to interest rate risk in terms of the usual consideration of financing costs, but do note that there is a risk to earnings. Given the current Bank of England base rate is at its lowest level since its foundation in 1694, and the business has remained profitable, this risk is not considered material in terms of a threat to the long term prospects of the company.

The capital structure of the company consists of issued share capital, reserves and retained earnings. The company has an Internal Capital Adequacy Assessment Process ("ICAAP"), as required by the Financial Conduct Authority ("FCA") for establishing the amount of regulatory capital to be held by the company. The ICAAP gives consideration to both current and projected financial and capital positions. The ICAAP is updated throughout the year to take account of any significant changes to business plans and any unexpected issues that may occur. The ICAAP is discussed and approved at a board meeting at least annually. Capital adequacy is monitored daily by management. The Group uses the simplified approach to Credit Risk and the standardised approach for Operational Risk to calculate Pillar 1 requirements. The Group observed the FCA's regulatory requirements throughout the period. Information disclosure under Pillar 3 of the Capital Requirements Directive is available from the company's websites.

The directors do not consider that the company is materially exposed to foreign exchange risk as the company does not run open currency positions beyond the end of each working day.

As of 31 December 2017, trade receivables of £115,184 (2016: £398,765) were past their due date and were impaired and partially provided for. The amount of the provision was £84,995 as at 31 December 2017 (2016: £299,903). The individually impaired receivables relate to clients who are in a loan position and who do not have adequate stock to cover these positions. The amount of the impairment is determined by clients' perceived willingness and ability to pay the debt, legal judgements obtained in respect of, charges secured on properties and payment plans in place and being adhered to. Where debts are determined to be irrecoverable they are written off through the income and expenditure account. The group does not anticipate future write offs of uncollectable amounts will be significant as the group now imposes much more restrictive rules on clients who utilise extended settlement facilities.

Provision of impairment of receivables:	2017	2016
	£	£
At 1 January	299,903	207,711
Charge / (credit) for the year	72,412	116,300
Uncollectable amounts written off	(287,320)	(24,108)
At 31 December	84,995	299,903

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED)

17. Critical accounting estimates and judgements

The company may be required to make 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. No critical accounting estimates and judgements have been required for the production of these financial statements.

18. Immediate and ultimate parent undertaking

The company's immediate parent undertaking is Jarvis Securities plc. The company's ultimate parent undertaking is Sion Securities Limited, a company registered in England and Wales. Sion Securities Limited is controlled by Mr A J Grant by virtue of his controlling interest. Consolidated financial statements will be available from Jarvis Securities Plc at its registered office address of 78 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS.

19. Related party transactions

During the year Jarvis Investment Management Limited paid Jarvis Securities Plc £7,000 (2016: £7,000) for rental of a disaster recovery site.

Jarvis Securities plc owed Jarvis Investment Management Limited £1,098,660 (2016: £150,929) at year end.

During the year, Directors, key staff and other related parties by virtue of control carried out share dealing transactions in the normal course of business. Commissions for such transactions are charged at various discounted rates. The impact of these transactions does not materially or significantly affect the financial position or performance of the Company. At 31 December 2017, these same related parties had cash balances of £1,332,833 (2016: £1,413,834) and interest was earned during the year amounting to £8,395 (2016: £925). In addition to cash balances other equity assets of £40,589,819 (2016: £45,026,624) were held by JIM Nominees Ltd as custodian.

During the year Jarvis Securities Plc charged £3,564,550 to Jarvis Investment Management Limited for use of intellectual properties.