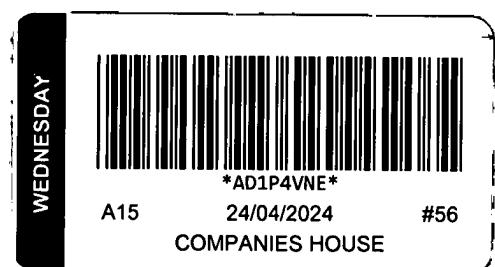


Company No. **1844601**

# JARVIS INVESTMENT MANAGEMENT LIMITED

**FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**



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# JARVIS INVESTMENT MANAGEMENT LIMITED

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# JARVIS INVESTMENT MANAGEMENT LIMITED

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## COMPANY INFORMATION

|                           |                                                                                              |
|---------------------------|----------------------------------------------------------------------------------------------|
| <b>DIRECTORS:</b>         | A J Grant<br>J C Head (resigned 31 <sup>st</sup> October 2023)<br>S M Middleton<br>S L Angus |
| <b>REGISTERED OFFICE:</b> | 78 Mount Ephraim<br>Royal Tunbridge Wells<br>TN4 8BS                                         |
| <b>REGISTERED NUMBER:</b> | 1844601                                                                                      |
| <b>AUDITOR:</b>           | Crowe U.K. LLP<br>Riverside House<br>40-46 High Street<br>Maidstone<br>Kent<br>ME14 1JH      |
| <b>CASS AUDITOR:</b>      | Grant Thornton UK LLP<br>30 Finsbury Square<br>London<br>EC2P 2YU                            |
| <b>PRINCIPAL BANKERS:</b> | NatWest<br>89 Mount Pleasant Road<br>Tunbridge Wells<br>Kent<br>TN1 1QJ                      |
| <b>SOLICITORS:</b>        | Cripps LLP<br>22 Mount Ephraim<br>Tunbridge Wells<br>TN4 8AS                                 |
| <b>WEBSITE:</b>           | <a href="http://www.jarvisinvest.co.uk">www.jarvisinvest.co.uk</a>                           |
| <b>TRADING ADDRESS:</b>   | 78 Mount Ephraim<br>Royal Tunbridge Wells<br>TN4 8BS                                         |

# JARVIS INVESTMENT MANAGEMENT LIMITED

## STRATEGIC REPORT

### The company

Jarvis Investment Management Ltd is a Member of The London Stock Exchange (LSE) and Aquis Stock Exchange (AQSE) 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 decreased by 21.7% to £6,047,941 (2022: £7,720,938), caused in main by the continuing off-boarding of Model-B clients throughout the year. Profit/(loss) before income tax has decreased by £2,987,331 to £(1,499,970) (2022: Profit £1,487,361). In addition to the reduction in revenue, costs have increased due to the external assistance needed to support the required remediation work under the voluntary requirement agreed with the regulator.

### 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. During the period the voluntarily agreement with its regulator, The Financial Conduct Authority, to cease onboarding new model B clients pending a review of controls in relation to financial crime continued. This agreement, along with lower trade volumes across the equity markets and the cost of external remediation assistance, has impacted the financial results for the year.

### Capitalisation and financing

During the year Jarvis Investment Management Ltd agreed with its parent Jarvis Securities Plc, a share subscription over a number of months totalling £1,600,000 comprised of Ordinary 1p shares. As at 31<sup>st</sup> December 2023, £600,000 of this subscription has been issued, with the remaining £1,000,000 to be issued between January and May 2024.

### 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: -21.7% (2022: -29.6%)  
Operating profit margin: -24.8% (2022: 19.3%)  
Revenue per employee: £111,999 (2022: £130,863)

### Future developments

The main focus of Jarvis Investment Management Ltd is to improve its financial crime regulatory framework and agree with the FCA that voluntary restrictions can be removed. Once that objective is achieved the company will aim to grow organically within its risk tolerance 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. The firm is currently enhancing its compliance framework with the help of external consultants and additional internal compliance resource. |
| 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.                                                                                                                                 |

# JARVIS INVESTMENT MANAGEMENT LIMITED

|                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.                                                                                                                                                                                    |
| <b>Threats &amp; Risks (continued)</b>                                                                                                                        | <b>Mitigation (continued)</b>                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 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/(loss) for the year after income tax amounted to £(1,147,184), (2022: £1,204,774). No dividend was paid during the year to the 100% parent company Jarvis Securities Plc (2022: £1,600,000).

## **Section 172(1) Statement**

The directors act in good faith to make decisions, the outcome of which, they consider will be most likely to promote the success of the company for the benefit of its members as a whole both in current periods and in the long term. In discharging their duties above, the directors carefully consider amongst other matters, the impact on and interests of other stakeholders in the company and factor these into their decision-making process.

### **Employees**

Directors receive information on various staff metrics. The directors are committed to promoting a healthy workforce comprising both physical and mental wellbeing. The directors keep staff informed of key issues through structured communication channels, promote inclusion in the workplace and also provide training and development opportunities which are considered of benefit to the company and employees. Using the company's recruitment and development strategies, the directors seek to attract and retain talented staff.

### **Customers**

The directors commit considerable time, effort and resources into understanding and responding to the needs of our customers with a view to fostering long term mutually beneficial partnerships. We act to service our customer's needs to the highest standards and have procedures in place for the escalation of disputes on the infrequent occasions they occur. A dedicated relationship manager will periodically contact commercial clients to ensure they are satisfied with the service they are receiving.

### **Suppliers**

The company seeks to pay all suppliers any undisputed amounts due and that conform with the company's billing requirements within agreed terms. The company seeks long term contracts with critical suppliers to minimise the risk business disruption.

### **Community and the environment**

The company takes its role within the community seriously and promotes and encourages community and charitable contribution. The company also recognises the importance of environmental responsibilities and whilst not in an industry that has a significant impact on the environment, it participates in schemes such as cycle to work to promote environmental awareness.

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# JARVIS INVESTMENT MANAGEMENT LIMITED

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## Standards and conduct

The company has a series of defined codes of practice regarding ethical standards and the conduct of business. These are clearly communicated to every staff member and adherence to which is expected and enforced.



.....  
Andrew Grant - On behalf of the board  
19<sup>th</sup> April 2024

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# JARVIS INVESTMENT MANAGEMENT LIMITED

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## DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 December 2023.

### 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 accounting standards as adopted by the United Kingdom 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 Aquis markets)
- Outsourced investment administration and Model B settlement services provider
- HM Revenue and Customs approved ISA manager

### Going concern basis

As the firm is currently in a loss making position, the directors consider that the firm's ability to meet its minimum regulatory requirements and continue as a going concern is dependent on the financial support of the parent company for the foreseeable future, beyond that which is currently in place and ends in May 2024. As this support is not as yet agreed, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

### Future developments

Future developments are discussed in the strategic report.

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# JARVIS INVESTMENT MANAGEMENT LIMITED

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## **Financial Instruments and risk**

Details of our financial risk mitigation policy are included in notes 14 and 15.

## **Directors**

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

A J Grant

J C Head (resigned 31<sup>st</sup> October 2023)

S M Middleton

S L Angus

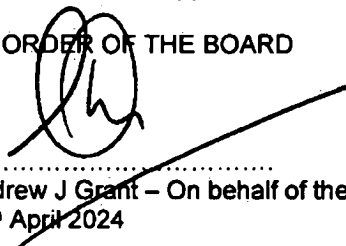
## **Subsequent Events**

The directors consider there are no subsequent events.

## **Auditors**

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

BY ORDER OF THE BOARD



.....  
Andrew J Grant – On behalf of the board  
19<sup>th</sup> April 2024



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# JARVIS INVESTMENT MANAGEMENT LIMITED

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

### Opinion

We have audited the financial statements of Jarvis Investment Management Limited for the year ended 31 December 2023 which comprise Statement of Financial Position, the Statement of Comprehensive Income, the Cash flow Statement, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of the company's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- 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 draw attention to note 1 in the financial statements, which indicates that the entity's ability to continue as a going concern is dependent upon the financial support of the parent company going forward. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other information

The directors are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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# JARVIS INVESTMENT MANAGEMENT LIMITED

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## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and their 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 company 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 5, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Taxation legislation and the FCA regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board and Compliance Committee minutes;
- examining correspondence with the FCA, the reports of the CASS Auditor and capital adequacy calculations;
- enquiry of management and review and inspection of relevant correspondence with any legal firms;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;

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# JARVIS INVESTMENT MANAGEMENT LIMITED

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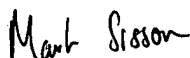
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- performed specific testing on the front-office system to gain comfort on the control environment such as testing user access rights, validation rules. Additionally, we have performed testing on the appropriateness of journal entries in the front-office system; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

## Use of our report

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.



Mark Sisson  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor

Riverside House  
40 - 46 High Street  
Maidstone Kent  
ME14 1JH  
Date: 23 April 2024

# JARVIS INVESTMENT MANAGEMENT LIMITED

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

|                                 |              | Year to<br>31/12/23 | Year to<br>31/12/22 |
|---------------------------------|--------------|---------------------|---------------------|
|                                 | <i>Notes</i> | £                   | £                   |
| <b>Continuing operations:</b>   |              |                     |                     |
| Revenue                         | 3            | 6,047,941           | 7,720,938           |
| Administrative expenses         |              | (7,547,911)         | (6,233,577)         |
| Profit/(loss) before income tax | 5            | (1,499,970)         | 1,487,361           |
| Income tax charge               | 7            | 352,786             | (282,587)           |
| Profit/(loss) for the period    |              | (1,147,184)         | 1,204,774           |
| Attributable to equity holders  |              | (1,147,184)         | 1,204,774           |

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

|                                                    | Year to<br>31/12/23 | Year to<br>31/12/22 |
|----------------------------------------------------|---------------------|---------------------|
|                                                    | £                   | £                   |
| Profit/(loss) for the period                       | (1,147,184)         | 1,204,774           |
| Total recognised income and expense for the period | (1,147,184)         | 1,204,774           |
| Attributable to equity holders                     | (1,147,184)         | 1,204,774           |

The notes on pages 14 to 22 form part of these financial statements

# JARVIS INVESTMENT MANAGEMENT LIMITED

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

Company No.:1844601


31/12/23

31/12/22

Notes

|                                             |    | £                | £                |
|---------------------------------------------|----|------------------|------------------|
| <b>Assets</b>                               |    |                  |                  |
| <i>Non-current assets</i>                   |    |                  |                  |
| Investments in subsidiaries                 | 8  | 5                | 5                |
|                                             |    | 5                | 5                |
| <i>Current assets</i>                       |    |                  |                  |
| Trade and other receivables                 | 9  | 2,328,634        | 4,853,534        |
| Investments held for trading                | 10 | 11,966           | 8,769            |
| Cash and cash equivalents                   | 11 | 4,107,258        | 2,353,265        |
|                                             |    | 6,447,858        | 7,215,568        |
| <b>Total assets</b>                         |    | <b>6,447,863</b> | <b>7,215,573</b> |
| <b>Equity and liabilities</b>               |    |                  |                  |
| <i>Capital and reserves</i>                 |    |                  |                  |
| Share capital                               | 12 | 850,000          | 250,000          |
| Share premium                               |    | 9,900            | 9,900            |
| Retained earnings                           |    | 3,106,202        | 4,253,390        |
| Total equity attributable to equity holders |    | 3,966,102        | 4,513,290        |
| <i>Current liabilities</i>                  |    |                  |                  |
| Trade and other payables                    | 13 | 2,481,761        | 2,674,908        |
| Income tax                                  | 13 | 0                | 27,375           |
| Total liabilities                           |    | 2,481,761        | 2,702,283        |
| <b>Total equity and liabilities</b>         |    | <b>6,447,863</b> | <b>7,215,573</b> |

Approved by the Board on 19<sup>th</sup> April 2024 and signed on its behalf by:

  
..... A J Grant – Director

  
..... S L Angus – Director

The notes on pages 14 to 22 form part of these financial statements

# JARVIS INVESTMENT MANAGEMENT LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR

|                              | Share capital | Share premium | Retained earnings | Attributable to equity holders |
|------------------------------|---------------|---------------|-------------------|--------------------------------|
|                              | £             | £             | £                 | £                              |
| <b>Balance at 1/1/22</b>     | 250,000       | 9,900         | 4,648,616         | 4,908,516                      |
| Profit for the period        | -             | -             | 1,204,774         | 1,204,774                      |
| Dividends                    | -             | -             | (1,600,000)       | (1,600,000)                    |
| <b>Balance at 31/12/22</b>   | 250,000       | 9,900         | 4,253,390         | 4,513,290                      |
| Shares Issued                | 600,000       | -             | -                 | 600,000                        |
| Profit/(loss) for the period | -             | -             | (1,147,184)       | (1,147,184)                    |
| Dividends                    | -             | -             | -                 | -                              |
| <b>Balance at 31/12/23</b>   | 850,000       | 9,900         | 3,106,206         | 3,966,106                      |

The notes on pages 14 to 22 form part of these financial statements

# JARVIS INVESTMENT MANAGEMENT LIMITED

## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

| Notes                                                   | Year to<br>31/12/23 | Year to<br>31/12/22 |
|---------------------------------------------------------|---------------------|---------------------|
|                                                         | £                   | £                   |
| <b>Cash flows from operating activities</b>             |                     |                     |
| Profit/(Loss) before income tax                         | (1,499,970)         | 1,487,361           |
|                                                         | (1,499,970)         | 1,487,361           |
| (Increase)/Decrease in trade and other receivables      | 2,877,717           | 3,754,551           |
| (Decrease)/Increase in trade payables                   | (193,155)           | (2,182,442)         |
| <b>Cash generated from operations</b>                   | <b>1,184,592</b>    | <b>3,059,470</b>    |
| Income tax paid                                         | (27,402)            | (550,471)           |
| <b>Net cash from operating activities</b>               | <b>1,157,190</b>    | <b>2,508,999</b>    |
| <b>Cash flows from investing activities</b>             |                     |                     |
| Purchase of investments held for trading                | (57,933)            | (2,797,363)         |
| Proceeds from sale of investments held for trading      | 54,737              | 2,790,552           |
| <b>Cash flows from financing activities</b>             | <b>(3,197)</b>      | <b>(6,811)</b>      |
| Proceeds of issue of shares                             | 600,000             | -                   |
| Dividends paid                                          | -                   | (1,600,000)         |
| <b>Net cash used in financing activities</b>            | <b>600,000</b>      | <b>(1,600,000)</b>  |
| Net (decrease)/increase in cash and cash equivalents    | 1,753,993           | 902,188             |
| Cash and cash equivalents at the start of the year      | 2,353,265           | 1,451,077           |
| <b>Cash and cash equivalents at the end of the year</b> | <b>4,107,258</b>    | <b>2,353,265</b>    |
| <b>Cash and cash equivalents:</b>                       |                     |                     |
| Balance at bank and in hand                             | 3,762,563           | 3,573,992           |
| Cash held for settlement of market transactions         | 344,695             | (1,220,727)         |
|                                                         | <b>4,107,258</b>    | <b>2,353,265</b>    |

The notes on pages 14 to 22 form part of these financial statements

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# JARVIS INVESTMENT MANAGEMENT LIMITED

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Basis of preparation

The company has adopted the requirements of international accounting standards as adopted by the United Kingdom and those parts of the Companies Act 2006 applicable to companies reporting under international accounting standards as adopted by the United Kingdom. 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.

### 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 16.

### Going concern

Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the financial statements

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 4. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described within these financial statements. In addition, note 15 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's ability to continue as a going concern is dependent on the financial support of the parent company going forward. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. This is due to the firms' ongoing monthly losses, which means the company is reliant on financial support from its parent in order to continue to meet its minimum regulatory requirements. This request for support is reviewed periodically by the parent and has been provided until the end of May 2024, however there is no guarantee it will be provided on an ongoing basis in future,



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# JARVIS INVESTMENT MANAGEMENT LIMITED

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies

#### (a) IFRS 15 'Revenue from Contracts with Customers'

Commission – the company charges 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 on a point in time basis 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. Management fees income is recognised over time as they are charged using a day count and most recent asset level basis as appropriate.

Interest income - this is accrued on a day count basis up until deposits mature and the interest income is received. The deposits pay a fixed rate of interest. In accordance with FCA requirements, deposits are only placed with banks that have been approved by our compliance department. Interest income is recognised over time as the deposits accrue interest on a daily basis.

#### (b) Basis of consolidation

The company is exempt from the requirements to prepare company 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 company.

#### (c) Segmental reporting

A reporting segment is an organisational unit for which information is reported to key management personnel for the purpose of performance assessment and future resource allocation. The Directors regard the operations of the company as a single reporting segment on the basis there is only a single organisational unit that is reported to key management personnel for the purpose of performance assessment and future resource allocation.

#### (d) Pensions

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

#### (e) Investments

##### Investments in subsidiaries

Investments in subsidiaries are stated at cost less any permanent diminution in value.

##### Investments held for trading

Under international accounting standards as adopted by the United Kingdom investments held for trading are recognised as financial assets measured at fair value through profit and loss.

#### (f) 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.

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# JARVIS INVESTMENT MANAGEMENT LIMITED

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

### 2 (continued) Summary of significant accounting policies

#### **(g) 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 year end 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.

#### **(h) 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 year end 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.

#### **(i) 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.

#### **(j) IFRS 9 'Financial Instruments'**

The company currently calculates a "bad debt" provision on customer balances based on 25% of overdrawn client accounts which are one month past due date and are not specifically provided for. Under IFRS 9 this assessment is required to be calculated based on a forward - looking expected credit loss ('ECL') model, for which a simplified approach will be applied. The method uses historic customer data, alongside future economic conditions to calculate expected loss on receivables

# JARVIS INVESTMENT MANAGEMENT LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

### 3. Revenue

The revenue of the company during the year was wholly 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.

|                         | 2023             | 2022             |
|-------------------------|------------------|------------------|
|                         | £                | £                |
| Gross interest received | 249,649          | 601,262          |
| Commissions             | 2,660,896        | 3,797,687        |
| Fees                    | 3,137,396        | 3,321,989        |
|                         | <u>6,047,941</u> | <u>7,720,938</u> |

### 4. Segmental information

All of the reported revenue and operational results for the period derive from the company's external customers and continuing financial services operations. All non-current assets are held within the United Kingdom.

The company is not reliant on any one customer and no customer accounts for more than 10% of the company's external revenues.

As noted in 2 (c) the Directors regard the operations of the company as a single reporting segment on the basis there is only a single organisational unit that is reported to key management personnel for the purpose of performance assessment and future resource allocation.

| 5. Profit before income tax                                 | 2023            | 2022            |
|-------------------------------------------------------------|-----------------|-----------------|
| Profit before income tax is stated after charging:          | £               | £               |
| Directors' emoluments                                       | 729,827         | 709,256         |
| Low value leases                                            | 0               | 8,852           |
| Impairment of receivable charge                             | <u>(65,466)</u> | <u>(77,450)</u> |
| <b>Directors' emoluments</b>                                |                 |                 |
| Short term employee benefits                                | 641,242         | 657,087         |
| Post-employment benefits                                    | 74,393          | 43,491          |
| Benefits in kind                                            | <u>14,192</u>   | <u>8,678</u>    |
|                                                             | <u>729,827</u>  | <u>709,256</u>  |
| <b>Details of the highest paid director are as follows:</b> |                 |                 |
| Short term employee benefits                                | 357,500         | 415,700         |
| Benefits in kind                                            | <u>11,133</u>   | <u>8,182</u>    |
|                                                             | <u>368,633</u>  | <u>423,882</u>  |

During the year benefits accrued for two directors (2022: two 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:

|                                                               | 2023             | 2022             |
|---------------------------------------------------------------|------------------|------------------|
|                                                               | £                | £                |
| Management and administration                                 | <u>54</u>        | <u>59</u>        |
|                                                               | <u>£</u>         | <u>£</u>         |
| The aggregate payroll costs of these persons were as follows: |                  |                  |
| Wages & salaries                                              | 2,306,091        | 2,274,813        |
| Social security                                               | 243,955          | 244,034          |
| Pension contributions                                         | <u>107,971</u>   | <u>78,610</u>    |
|                                                               | <u>2,658,017</u> | <u>2,597,457</u> |

### Key personnel

The directors are considered to be the key management personnel of the company. The total amount of employers NIC paid on behalf of key personnel was £80,549 (2022: £89,789).

# JARVIS INVESTMENT MANAGEMENT LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

### 6. Auditor's remuneration

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

|                                                        | 2023              | 2022          |
|--------------------------------------------------------|-------------------|---------------|
|                                                        | £                 | £             |
| <i>Fees payable to the company's auditors for:</i>     |                   |               |
| The audit of the company's annual financial statements | -                 | 17,000        |
| Other services relating to taxation                    | -                 | 3,750         |
|                                                        | <u>          </u> | <u>20,750</u> |

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

### 7. Income and deferred tax charges

#### Analysis of tax charge

Based on the adjusted results for the year:

UK corporation tax on profits for the year

Payment/(receipt) of group relief

Adjustments in respect of prior years

Total current income tax

*Deferred income tax:*

Adjustment in respect of prior years

Adjustment in respect of change in deferred tax rates

Origination and reversal of temporary differences

Total deferred tax charge

|  | 2023             | 2022           |
|--|------------------|----------------|
|  | £                | £              |
|  | -                | 282,630        |
|  | (352,522)        | -              |
|  | 32               | -              |
|  | <u>(352,491)</u> | <u>282,630</u> |
|  |                  |                |
|  | 1                | (1)            |
|  | -                | -              |
|  | (296)            | (42)           |
|  | <u>(295)</u>     | <u>(43)</u>    |
|  | <u>(352,786)</u> | <u>282,587</u> |

The income tax assessed for the year is greater than the standard rate of corporation tax in the UK (19%). The differences are explained below:

|                                                                                                                        |                  |                |
|------------------------------------------------------------------------------------------------------------------------|------------------|----------------|
| Profit/(loss) before income tax                                                                                        | (1,499,970)      | 1,487,361      |
| Profit before income tax multiplied by the hybrid standard rate of corporation tax in the UK of 23.52055% (2022 – 19%) | (352,801)        | 282,599        |
| <i>Effects of:</i>                                                                                                     |                  |                |
| Origination and reversal of timing differences                                                                         | -                | (12)           |
| Adjustment in respect of change in deferred tax rate                                                                   | (18)             | -              |
| Adjustments re previous years                                                                                          | 32               | -              |
| Current income tax charge for the year                                                                                 | <u>(352,787)</u> | <u>282,587</u> |

### 8. Investments in subsidiaries

At 1 January and 31 December

|  | 2023     | 2022     |
|--|----------|----------|
|  | £        | £        |
|  | <u>5</u> | <u>5</u> |

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

|                              | <u>Shareholding</u> | <u>Holding</u>       | <u>Business</u>       |
|------------------------------|---------------------|----------------------|-----------------------|
| 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.) |

# JARVIS INVESTMENT MANAGEMENT LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

### 9. Trade and other receivables

*Amounts falling due within one year:*

|                                    | 2023             | 2022             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Trade receivables                  | 674,100          | 381,372          |
| Settlement receivables             | 821,072          | 2,498,019        |
| Amount owed by company undertaking | 482,067          | 1,549,300        |
| Other taxes and social security    | 21,976           | -                |
| Prepayments and accrued income     | 328,162          | 423,881          |
| Deferred tax                       | 1,257            | 962              |
|                                    | <u>2,328,634</u> | <u>4,853,534</u> |

Settlement receivables are short term receivable amounts arising as a result of the settlement of trades in an agency capacity. The balances due are covered by stock collateral and bonds. An analysis of trade and settlement receivables past due is given in note 15. There are no amounts past due within other receivables or prepayments and accrued income.

### 10. Investments held for trading

#### Listed Investments:

*Valuation:*

|                   | 2023          | 2022         |
|-------------------|---------------|--------------|
|                   | £             | £            |
| At 1 January      | 8,769         | 1,958        |
| Additions         | 57,933        | 2,797,363    |
| Disposals         | (54,737)      | (2,790,552)  |
| As at 31 December | <u>11,966</u> | <u>8,769</u> |

Listed investments held for trading are stated at their market value at 31 December 2023.

### 11. Cash and cash equivalents

|                                                 | 2023             | 2022             |
|-------------------------------------------------|------------------|------------------|
|                                                 | £                | £                |
| Balance at bank and in hand                     | 3,762,563        | 3,573,992        |
| Cash held for settlement of market transactions | 344,695          | (1,220,727)      |
|                                                 | <u>4,107,258</u> | <u>2,353,265</u> |

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 elected Professional clients of £361,397 (2022: £1,088,375) not governed by client money rules therefore they are also not included in the statement of financial position of the company. 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

#### Ordinary Shares of 1p each:

##### Authorised:

|                                   | 2023           | 2022           |
|-----------------------------------|----------------|----------------|
|                                   | £              | £              |
| Balance at beginning of year      | 250,000        | 250,000        |
| Shares Authorised during the year | 600,000        | -              |
| Balance at end of year            | <u>850,000</u> | <u>250,000</u> |

##### Allotted, issued and fully paid:

|                                                        | 2023           | 2022           |
|--------------------------------------------------------|----------------|----------------|
|                                                        | £              | £              |
| Balance at beginning of year                           | 250,000        | 250,000        |
| Shares allotted, issued and fully paid during the year | 600,000        | -              |
| Balance at end of year                                 | <u>850,000</u> | <u>250,000</u> |

# JARVIS INVESTMENT MANAGEMENT LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

### 13. Trade and other payables

*Amounts falling due within one year:*

|                                 | 2023             | 2022             |
|---------------------------------|------------------|------------------|
|                                 | £                | £                |
| Trade payables                  | 452,499          | 218,334          |
| Settlement payables             | 1,126,083        | 1,219,465        |
| Other taxes and social security | -                | 127,910          |
| Other payables                  | 627,239          | 808,027          |
| Accruals                        | 275,940          | 301,172          |
| <b>Trade and other payables</b> | <b>2,481,761</b> | <b>2,674,908</b> |
| Income tax                      | 0                | 27,375           |
| <b>Total liabilities</b>        | <b>2,481,761</b> | <b>2,702,283</b> |

Settlement payables are short term payable amounts arising as a result of settlement of trades in an agency capacity. 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. 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 held at amortised cost, trade and other payables are classified as held at amortised cost. 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.

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# JARVIS INVESTMENT MANAGEMENT LIMITED

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

### 15. 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 that the company has remained profitable during the past decade when the Bank of England base rate was at its lowest level since its foundation in 1694 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. Jarvis Investment Management Limited has an Internal Capital and Risk Assessment process ("ICARA"), as required by the Financial Conduct Authority ("FCA") for establishing the amount of regulatory capital to be held by that company. The ICARA gives consideration to both current and projected financial and capital positions. The ICARA is updated throughout the year to take account of any significant changes to business plans and any unexpected issues that may occur. The ICARA is discussed and approved at a board meeting of the subsidiary at least annually. Capital adequacy is monitored daily by management. Jarvis Investment Management Limited uses the simplified approach to Credit Risk and the standardised approach for Operational Risk to calculate Pillar 1 requirements. Jarvis Investment Management Limited 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. The company offers settlement of trades in various currencies, predominately Sterling, US Dollars and Euros. The company does not hold any assets or liabilities other than in Sterling and converts client currency on matching terms to settlement of trades realising any currency gain or loss immediately in the income statement. Consequently, the company has minimal foreign exchange risk.

As of 31 December 2023, trade receivables of £275,691 (2022: £128,948) were past their due date and were impaired and partially provided for. The amount of the provision was £35,506 as at 31 December 2023 (2022: £57,828). 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 company does not anticipate future write offs of uncollectable amounts will be significant as the company now imposes much more restrictive rules on clients who utilise extended settlement facilities.

# JARVIS INVESTMENT MANAGEMENT LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(CONTINUED)

### 15. Financial risk management objectives and policies (con't)

|                                                | 2023     | 2022     |
|------------------------------------------------|----------|----------|
| <i>Provision of impairment of receivables:</i> |          |          |
|                                                | £        | £        |
| At 1 January                                   | 57,828   | 143,524  |
| Charge / (credit) for the year                 | (65,466) | (77,450) |
| Uncollectable amounts written off              | 43,144   | (8,246)  |
| At 31 December                                 | 35,506   | 57,828   |

### 16. 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.

### 17. Immediate and ultimate parent undertaking

The company's immediate and ultimate parent undertaking is Jarvis Securities plc, a company registered in England and Wales. Consolidated financial statements are available from Jarvis Securities Plc at its registered office address of 78 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS.

### 18. Related party transactions

During the year Jarvis Investment Management Limited paid Jarvis Securities Plc £18,000 (2022: £12,500) for rental of a disaster recovery site.

Jarvis Securities plc owed Jarvis Investment Management Limited £482,067 (2022: £1,549,300) 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 2023, these same related parties had cash balances of £44,738 (2022: £810,742). No interest was earned during the year (2022: £0). In addition to cash balances other equity assets of £4,151,917 (2022: £30,479,543) were held by JIM Nominees Ltd as custodian.

During the year Jarvis Securities Plc charged £7,365,165 (2022: £4,871,178) to Jarvis Investment Management Limited for use of intellectual properties.

During the year Jarvis Investment Management Limited charged £326,600 (2022: £Nil) to Jarvis Securities Plc in respect of management charge.