

Jarvis Securities plc
Interim Financial Statements 31 August 2023

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JARVIS SECURITIES PLC – Interim Report for the period 1 Jan 2023 to 31 August 2023

Income statement for the period 1 January 2023 to 31 August 2023

Company No.: 5107012

	Notes	31/08/23
Continuing operations		£
Revenue		5,048,839
Administrative expenses		(118,752)
Lease finance costs		(11,759)
Profit before income tax		4,918,328
Income tax charge		(1,155,807)
Profit for the period		3,762,521
Attributable to equity holders of the company		3,762,521

Statement of financial position at 31 August 2023

	Notes	31/08/23
Assets		£
<i>Non-current assets</i>		
Property, plant and equipment		536,051
Intangible assets		53,856
Investment in subsidiaries		284,239
Goodwill		342,872
		1,217,018
<i>Current assets</i>		
Trade and other receivables		149,361
Cash and cash equivalents		1,386,501
		1,535,862
Total assets		2,752,880
Equity and liabilities		
<i>Capital and reserves</i>		
Share capital	6	111,828
Capital redemption reserve		9,845
Retained earnings		1,480,973
Total equity		1,602,646
<i>Non-current liabilities</i>		
Deferred income tax		61,006
Lease liability – non current		267,101
<i>Current liabilities</i>		
Trade and other payables		53,565
Lease liability - current		54,247
Income tax		714,315
Total liabilities		1,150,234
Total equity and liabilities		2,752,880

Approved and authorised for issue by the Board on 7th September 2023 and signed on its behalf by:

A.J. Grant – Director

JARVIS SECURITIES PLC – Interim Report for the period 1 Jan 2023 to 31 August 2023

Statement of comprehensive income

	31/08/23
	£
Profit for the period	3,762,521
Total comprehensive income for the period	3,762,521
Attributable to equity holders of the company	3,762,521

Statement of changes in equity for the period

	Share capital	Share premium	Capital redemption reserve	Own shares held in treasury	Retained earnings	Attributable to equity holders of the company
	£	£	£		£	£
Balance at 31/12/21	111,828	-	9,845	-	400,083	521,756
Profit from financial year	-	-	-	-	5,369,949	5,369,949
Dividends	-	-	-	-	(5,144,065)	(5,144,065)
Balance at 31/12/22	111,828	-	9,845	-	625,967	747,640
Profit from the period	-	-	-	-	3,762,521	3,762,521
Dividends	-	-	-	-	(2,907,515)	(2,907,515)
Balance at 31/08/23	111,828	-	9,845	-	1,480,973	1,602,646

Statement of cashflows for the period 1 January 2023 to 31 August 2023

	31/08/2023
	£
Net cash from operating activities	2,427,634
Net cash used in investing activities	(750)
Net cash from (used in) financing activities	(2,965,849)
Net increase / (decrease) in cash and cash equivalents	(538,965)
Cash and cash equivalents at 1 January	1,925,466
Cash and cash equivalents at 31 August	1,386,501

JARVIS SECURITIES PLC – Interim Report for the period 1 Jan 2023 to 31 August 2023

Notes forming part of the interim financial statements

1. Basis of preparation

These interim financial statements have been prepared in accordance with the accounting policies set out below. The financial information contained in this report, which has not been audited, does not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. The auditors' report for the 2022 accounts was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985 or Section 498 (2) or (3) of the Companies Act 2006.

2. Accounting policies

(a) Revenue

Revenue represents net sales of services and dividends received from subsidiary companies excluding value added tax where applicable.

(b) Property, plant and equipment

All property, plant and equipment is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on cost in equal annual instalments over the lives of the assets at the following rates:

Leasehold improvements	-	33% on cost, or over the lease period if less than 3 years
Office equipment	-	20% on cost
Land & Buildings	-	Buildings are depreciated at 2% on cost. Land is not depreciated.
Right of use asset	-	Straight line basis over the lease period

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each year end date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. Impairment reviews of property, plant and equipment are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

(c) Intangible assets

Intangible assets are carried at cost less accumulated amortisation. If acquired as part of a business combination the initial cost of the intangible asset is the fair value at the acquisition date. Amortisation is charged to administrative expenses within the income statement and provided on cost in equal annual instalments over the lives of the assets at the following rates:

Databases	-	4% on cost
Customer relationships	-	7% on cost
Software developments	-	20% on cost
Website	-	33% on cost

Impairment reviews of intangible assets are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

(d) Goodwill

Goodwill represents the excess of the fair value of the consideration given over the aggregate fair values of the net identifiable assets of the acquired trade and assets at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

(e) 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.

(f) 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.

(g) Operating leases and finance leases

Costs in respect of operating leases are charged on a straight line basis over the lease term in arriving at the profit before income tax. Where the company has entered into finance leases, the obligations to the lessor are shown as part of borrowings and the rights in the corresponding assets are treated in the same way as owned fixed assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than right to legal title.

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(h) Finance lease interest

The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(i) Investments

The company classifies its investments in the following categories: investments held to maturity, investments held for trading and available-for-sale investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Investments held for trading

Investments held for trading are stated at fair value. An investment is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current.

Available-for-sale investments

Available-for-sale investments are stated at fair value. They are included in non-current assets unless management intends to dispose of them within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or been transferred and the company has transferred substantially all the risks and rewards of ownership. Realised and unrealised gains and losses arising from changes in fair value of investments held for trading are included in the income statement in the period in which they arise. Unrealised gains and losses arising in changes in the fair value of available-for-sale investments are recognised in equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair value of quoted investments is based on current bid prices. If the market for an investment is not active, the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, or discounted cash flow analysis refined to reflect the issuer's specific circumstances.

The company assesses at each balance sheet date whether there is objective evidence that an investment is impaired. In the case of investments classified as available-for-sale, a significant or prolonged decline in the fair value below its cost is considered in determining whether the security is impaired.

(j) Foreign Exchange

The company does not hold any assets or liabilities other than in sterling. Consequently the company has no foreign exchange risk.

(k) Share Capital

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from proceeds, net of income tax. Where the company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income tax), is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) 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.

(n) 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 interim dividends are notified to shareholders and final dividends are approved by the company's shareholders.

3. Segmental information

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

4. Income tax charge

Income tax has been accrued at 23.5% of income chargeable to tax.

5. Dividends

During the period the company did not receive any dividends from its 100% subsidiary holding Jarvis Investment Management Limited.

During the period a first interim dividend of 3p was declared on 8 February and was paid on 21 March 2023. A second interim dividend of 3.5p was declared on 11 May and paid on 13 June 2023. A third interim dividend of 2.25p was declared on 10 August to be paid on 12 September 2023.

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6. Share capital

The company has one class of ordinary shares which carry no right to fixed income. The company has 64,000,000 ordinary shares of 0.25p of which 44,731,000 are allotted issued and fully paid. During the period no shares were bought or sold from treasury. At the period end there are no shares held in treasury.

7. Interim measurement

Costs that incur unevenly during the financial year are accrued or deferred in the interim report only if it would also be appropriate to accrue or defer such costs at the end of the financial year.

8. Critical accounting estimates and judgements

The company makes estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year relate to goodwill and the expense of employee options.

The company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2 (d). These calculations require the use of estimates.

9. Related party transactions

The company has a lease with Sion Properties Limited, a company controlled by a director of the company, for the rental of 78 Mount Ephraim, a self-contained office building. The lease has an annual rental of £87,500, being the market rate on an arm's length basis, and expires on 26 September 2027. During the period the company paid Sion Properties Limited rent of £58,333 under the terms of the lease of 78 Mount Ephraim.

During the period Jarvis Investment Management Limited paid Jarvis Securities Plc £9,000 for rental of a disaster recovery site.

Jarvis Investment Management Limited owed Jarvis Securities plc £127,484 at period end.

During the year Jarvis Securities Plc charged £5,037,439 to Jarvis Investment Management Limited for use of intellectual properties.