

Jarvis Securities plc  
Interim Financial Statements 31 October 2018

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# JARVIS SECURITIES PLC – Interim Report for the Ten months to 31 October 2018

Income statement for the period ended 31 October 2018

Company No.: 5107012

|                                               | Notes | Ten months ended<br>31/10/18 |
|-----------------------------------------------|-------|------------------------------|
| <b>Continuing operations</b>                  |       | <b>£</b>                     |
| Revenue                                       |       | 3,070,261                    |
| Administrative expenses                       |       | (127,888)                    |
| Profit before income tax                      |       | 2,942,374                    |
| Income tax charge                             |       | (559,051)                    |
| Profit for the period                         |       | 2,383,323                    |
| Attributable to equity holders of the company |       | 2,383,323                    |

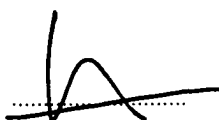
## Statement of financial position at 31 October 2018

|                                     | Notes | 31/10/18         |
|-------------------------------------|-------|------------------|
| <b>Assets</b>                       |       | <b>£</b>         |
| <i>Non-current assets</i>           |       |                  |
| Property, plant and equipment       |       | 220,843          |
| Intangible assets                   |       | 116,926          |
| Investment in subsidiaries          |       | 284,239          |
| Goodwill                            |       | 342,872          |
|                                     |       | 964,881          |
| <i>Current assets</i>               |       |                  |
| Trade and other receivables         |       | 791,518          |
| Cash and cash equivalents           |       | 1,969,993        |
|                                     |       | 2,761,512        |
| <b>Total assets</b>                 |       | <b>3,726,392</b> |
| <b>Equity and liabilities</b>       |       |                  |
| <i>Capital and reserves</i>         |       |                  |
| Share capital                       | 6     | 111,828          |
| Share premium                       |       | 1,576,669        |
| Capital redemption reserve          |       | 9,845            |
| Retained earnings                   |       | 2,610,203        |
| Own shares held in treasury         |       | (859,587)        |
| <b>Total equity</b>                 |       | <b>3,448,958</b> |
| <i>Non-current liabilities</i>      |       |                  |
| Deferred income tax                 |       | 32,929           |
| <i>Current liabilities</i>          |       |                  |
| Trade and other payables            |       | 24,974           |
| Income tax                          |       | 219,531          |
| <b>Total liabilities</b>            |       | <b>277,434</b>   |
| <b>Total equity and liabilities</b> |       | <b>3,726,392</b> |

Approved and authorised for issue by the Board on 23<sup>rd</sup> November 2018 and signed on its behalf by:



A.J. Grant – Director



J.C. Head - Director

# JARVIS SECURITIES PLC – Interim Report for the Ten months to 31 October 2018

## Statement of comprehensive income

|                                               | Ten months ended<br>31/10/18 |
|-----------------------------------------------|------------------------------|
|                                               | £                            |
| Profit for the period                         | 2,383,323                    |
| Total comprehensive income for the period     | 2,383,323                    |
| Attributable to equity holders of the company | 2,383,323                    |

## Statement of changes in equity for the period

|                                         | Share capital | Share premium | Capital redemption reserve | Share option reserves | Own shares held in treasury | Retained earnings | Attributable to equity holders of the company |
|-----------------------------------------|---------------|---------------|----------------------------|-----------------------|-----------------------------|-------------------|-----------------------------------------------|
|                                         | £             | £             | £                          | £                     |                             | £                 | £                                             |
| Balance at 31/12/16                     | 111,518       | 1,522,729     | 9,845                      | 136,556               | (616,943)                   | 1,795,050         | 2,958,755                                     |
| Share options exercised during the year | 310           | 53,940        | -                          | -                     | -                           | -                 | 54,250                                        |
| Profit for the year                     | -             | -             | -                          | -                     | -                           | 2,760,640         | 2,760,640                                     |
| Dividends                               | -             | -             | -                          | -                     | -                           | (2,576,239)       | (2,576,239)                                   |
| Purchase of own shares held in treasury | -             | -             | -                          | -                     | (242,644)                   | -                 | (242,644)                                     |
| Transfer to retained earnings           | -             | -             | -                          | (136,556)             | -                           | 136,556           | -                                             |
| Balance at 31/12/17                     | 111,828       | 1,576,669     | 9,845                      | -                     | (859,587)                   | 2,116,007         | 2,954,762                                     |
| Profit for the period                   | -             | -             | -                          | -                     | -                           | 2,383,323         | 2,383,323                                     |
| Dividends                               | -             | -             | -                          | -                     | -                           | (1,889,125)       | (1,889,125)                                   |
| Balance at 31/10/2018                   | 111,828       | 1,576,669     | 9,845                      | -                     | (859,587)                   | 2,610,205         | 3,448,960                                     |

## Statement of cashflows for the period ended 31 October 2018

|                                                        | Ten months ended<br>31/10/18 |
|--------------------------------------------------------|------------------------------|
|                                                        | £                            |
| Net cash from operating activities                     | 402,419                      |
| Net cash used in investing activities                  | (46,753)                     |
| Net cash from (used in) financing activities           | (1,889,125)                  |
| Net increase / (decrease) in cash and cash equivalents | (1,533,459)                  |
| Cash and cash equivalents at 1 January                 | 3,503,452                    |
| Cash and cash equivalents at 31 October                | 1,969,993                    |

# JARVIS SECURITIES PLC – Interim Report for the Ten months to 31 October 2018

## Notes forming part of the interim financial statements

### 1. Basis of preparation

The interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. These interim financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (November 2018).

These interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and liabilities at fair value through profit or loss.

The preparation of financial statements in accordance with IAS34 requires the use of certain accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where the assumptions and estimates are significant to the interim financial statements, are disclosed in Note 8.

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 2017 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 excluding value added tax and interest earned.

#### (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 three years.

Motor vehicles - 15% on cost

Office equipment - 20% on cost

Land & Buildings - Buildings are depreciated at 2% on cost. Land is not depreciated.

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

#### (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.

# JARVIS SECURITIES PLC – Interim Report for the Ten months to 31 October 2018

## **(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) Pensions**

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

## **(h) 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.

## **(i) 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.

## **2. Accounting policies (continued)**

### **(j) 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 to maturity**

Investments held to maturity are stated at cost. Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Assets in this category are classified as non-current.

#### **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.

## **(k) Foreign Exchange**

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

## **(l) 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.

## **(m) 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.

## **(n) 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.

# JARVIS SECURITIES PLC – Interim Report for the Ten months to 31 October 2018

## **(o) 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 19 % of income chargeable to tax.

## **5. Dividends**

During the interim period dividends totalling 17.25p per ordinary share were declared and paid.

## **6. Share capital**

There were no changes to share capital during the interim period.

## **7. Interim measurement**

*Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate 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 ultimate controlling party of the company is Andrew J Grant. On 27 September 2017 the company entered into a lease with Sion Holdings Limited, a company controlled by A J Grant, 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 Holdings Limited rent of £72,917 under the terms of the lease of 78 Mount Ephraim.