Numis Corporation Plc

ANNUAL REPORT & ACCOUNTS 2013

Numis Smaller Companies Index

continues to be the defining benchmark for the universe of UK smaller companies

Thomson Reuters Extel 2013 survey results

NUMIS No. 1
UK Small & Mid Cap Brokerage Firm by company votes

NUMIS No. 1
UK Small & Mid Cap Brokerage Firm by fund manager votes

NUMIS No. 3
UK Broking Firm in the Pan European survey

Starmine FTSE 250 Best Recommendations

NUMIS No. 1
for last six years based on brokers with the most FTSE 250 coverage each year

2013 UK Stock Market Awards

NUMIS VOTED
"Best Advisor – Corporate Sponsor"

Acquisition International's 2013 Finance Awards

NUMIS VOTED
"Institutional Stockbroking Firm of the Year – UK"

01 / OVERVIEW

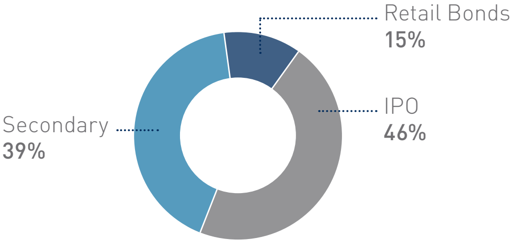
01 / OVERVIEW

Numis at a Glance

We offer a full range of research, execution, corporate broking and corporate finance services to companies quoted in the UK and their investors.

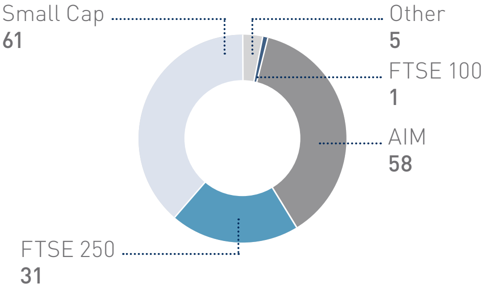
We help companies acheive their goals by sourcing the capital they need to fuel investment in their products, services and people

Split of funds raised in 2013, by value



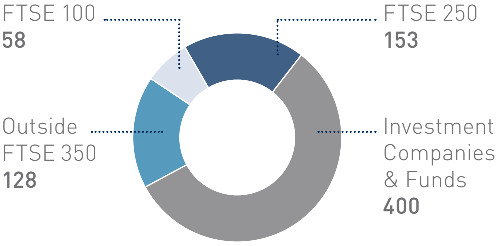
We serve a diverse range of corporate clients across the market place

Coverage, number of individual companies



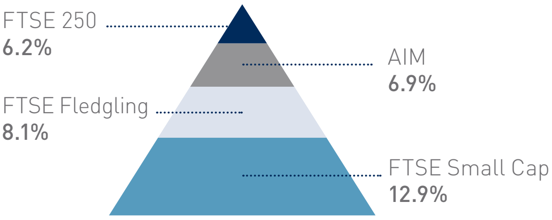
We provide in-depth, high quality research which is one of the most valuable tools in any investment decision

Coverage, number of individual companies



We provide powerful distribution and execution giving us a leading market share in UK mid and small cap stocks

Market share by sector



Source: LSE Direct Customer Business, by value, calendar year to 30 September 2013

01 / OVERVIEW

Financial Highlights

Revenue 2012: £50.1m

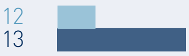
£77.7m

Statutory basic earnings per share 2012: 3.2p

16.9p

Adjusted profit before tax* 2012: £7.7m

£25.0m



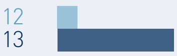
* See reconciliation on page 43

Net assets 2012: £97.1m

£106.8m

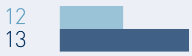
Statutory profit before tax 2012: £4.1m

£22.6m



Cash balances 2012: £35.9m

£71.2m

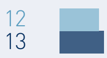


Adjusted basic earnings per share 2012: 6.4p

19.3p

Total dividend per share 2012: 8.00p

9.00p



Joint Chairman & CEO Statement

The business performed well during 2013 against a background of improved market conditions that were favourable to equity issuance.

An increase in revenue to £77.7m (2012: £50.1m) fed through to an increase in adjusted earnings per share to 19.3p (2012: 6.4p) showing the high degree of operational leverage that exists within our business model. Our performance in 2013 is reviewed in more detail in our strategic report on page 10.

We also performed well for our clients in helping them raise £2.2bn of finance (2012: £717m) through a mix of equity and retail bond finance which in aggregate is the highest level of activity we have achieved in any one reporting period. At the same time we have added both quantity and quality to our corporate client base and will continue to focus our efforts on providing them with exceptional client service and advice. The key performance indicators we use to assess our performance are described on page 8 and include both financial and non-financial performance indicators.

External recognition of the quality of our people and service was reinforced in the 2013 Thomson Reuters Extel survey in which Numis was voted No.1 UK Small and Mid Cap Brokerage Firm by both companies and fund managers. This demonstrates the exceptional quality of our research, distribution and execution capabilities and is testament to the hard work of our staff whose drive and dedication provide the platform for the Group's future success.

Dividend

In view of our robust capital position and confidence in the Group's future prospects, the Board are recommending an increase in the final dividend to 5.0p per share (2012: 4.0p per share) which brings the total dividend for the year to 9.0p per share (2012: 8.0p per share).

It is noteworthy that over the past five years ended 30 September 2013 we will, including the final dividend above, have paid out 41p of dividends to shareholders whom have also enjoyed an increase in share price of 105.75p over the same period. Hence a total return of 146.75p has been achieved over a particularly challenging period of the economic cycle which has re-confirmed our belief in the strategy which has served us well over past years. This strategy is described in more detail on page 6.

Regulatory change

Regulatory change, political involvement and intervention from Europe have never been more prevalent in the financial services industry. Whilst it is clear that regulatory change can and should be instrumental in both reducing risk and increasing protection, there are undoubtedly damaging effects if poorly thought out regulation is targeted at the wrong businesses and for the wrong reasons.

We have seen this recently with the ill thought out Financial Transaction Tax concept which could lead to the cessation of certain markets if implemented as initially intended and the so called bankers bonus cap which appears to be driving certain bulge bracket institutions to a higher fixed cost base environment which, it can be argued, reduces their ability to withstand market downturns and therefore increases systemic risk.

We believe that all external regulation, well intentioned or otherwise, must be accompanied by a strong internal culture which puts the clients' interests first and demands that we strive to attain the highest ethical and professional standards. An overarching governance framework is essential in ensuring that the principles of good governance are maintained and that this culture is driven from, and by, the Board downwards. Details of our governance framework are described in our Corporate Governance Report on page 16.

Outlook

Buoyant levels of activity in both primary and secondary markets have continued into the start of our new financial year and our deal pipeline is building strongly. Now that the market is open and much more favourable to equity issues, we will continue to drive forward in order to consolidate our position as one of the leading independent UK broking and investment banking businesses. Our strategy has served us well in the past and, we believe, positions us well for future success.

Sir David Arculus
Chairman

13 December 2013

Oliver Hemsley
Chief Executive Officer

13 December 2013

02 / STRATEGIC REPORT

02 / STRATEGIC REPORT

Introduction

We are a leading independent investment banking and stockbroking business. Relationships built through continuity and trust combined with exceptional client service enable us to create value for our clients and shareholders.

In accordance with Section 414A of the Companies Act 2006, the directors serving during the year ended 30 September 2013 and up to the date of signing the financial statements are pleased to present their Strategic Report on the development and performance of the Group during the year ended 30 September 2013, the financial position of the Group as at 30 September 2013 and the principal risks to which the Group is exposed.

This report is a key component of the annual report and accounts which provides an opportunity for the directors to communicate our strategy and goals (Our Strategy), the measures we use to determine how well the business is performing (Key Performance Indicators) and the principal risks (Principal Risks) faced by the business which could prevent these goals being achieved.

We also provide an overview of how our business is structured (Our Business Model) and a review of the Group's performance for the year ended 30 September 2013 (Review of Performance) in order to add context to the results shown in the financial statements. This review includes commentary on the four main pillars of our business model.

Finally, we summarise the financial position of the business (Financial Position) and comment on future prospects for the business (Outlook).

Our Strategy

Our overarching goal is to retain our position as one of the leading independent investment banking and stockbroking businesses in the UK. The key elements which we believe are essential to achieving our goal are set out below.

Focus

Focusing on the UK market, where Numis has a clear competitive advantage in its core integrated business

Putting clients' interests first and delivering exceptional client service

Providing high quality research combined with powerful international distribution

Providing expert advisory and broking services in both favourable and difficult markets

Benefits:

Serving our clients needs with outstanding research and international distribution coupled with sector aligned advisory and broking expertise leads to enduring relationships based on trust

Risks:

Strategic risk - see page 12

Partnership

Offering a collegial culture with an emphasis on harnessing the combined expertise of the firm

Attracting highly capable and motivated professionals looking for an opportunity to serve clients without latent conflicts

Offering the opportunity to make a tangible difference and participate in the direction and performance of the business

Benefits:

Recruitment, development and retention of high calibre individuals is essential to the firms stability and long-term success

Risks:

People risk - see page 12

Selectivity

Adding research, distribution and client service capability to selective sectors so that the business continues to strengthen its offering

Building non-UK distribution and alternative execution capability

Adding origination capacity and bringing exceptional investment opportunities to institutional clients

Benefits:

Being selective ensures that the firm maintains an integrated approach to its business model and delivery of client service

In this way we aim to ensure that additions are both accretive and reputationally enhancing

Risks:

Strategic risk and reputational risk - see page 12

Discipline

Making disciplined operational improvements and maintaining a prudent risk management culture

Actively evaluating and managing financial and non-financial risks

Continuing to manage our finances, liquidity and capital conservatively

Benefits:

Operational effectiveness is key to maintaining quality of service and controlling operational risks

A robust balance sheet and capital position provides assurance to our clients, counterparties, shareholders and employees

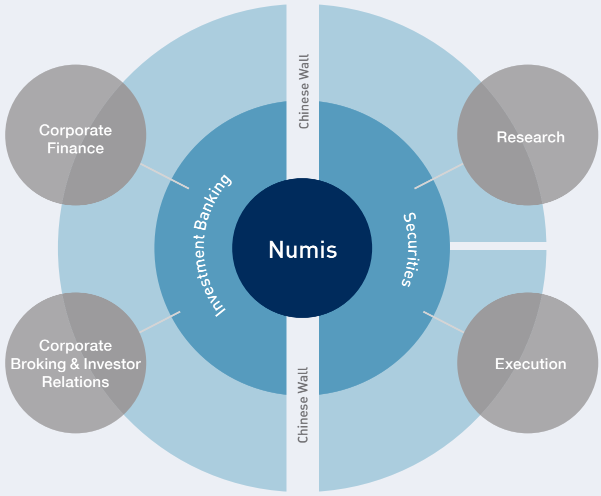
Risks:

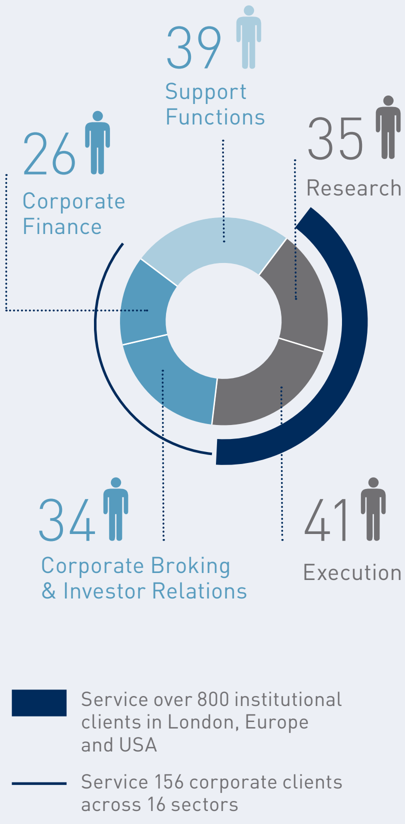
Other operational risk, financial risk and regulatory & legal risk - see page 12

02 / STRATEGIC REPORT

Our Business Model

We employ an integrated approach to our business model in order to harness the combined expertise of the firm to the benefit of our clients.





Numis operates as a single integrated business which is structured to deliver exceptional service to our clients through an emphasis on teamwork and communication.

Corporate Finance

The success of our Corporate Finance team springs from its ability to understand our clients' businesses, to know what they are looking for and where to locate it. Our Corporate Finance team operates an industry-focused approach in sectors covered by our highly rated research teams. We provide a full range of services including advice in relation to M&A, public bids, IPOs, secondary fundraisings, convertible securities, retail bonds and private equity.

Corporate Broking & Investor Relations

Our dedicated Corporate Broking team bridges the transactional and advisory services of our Corporate Finance department and the placing power of our Institutional Sales and Trading teams. Our brokers provide ongoing advice to our corporate clients on market conditions and perceptions, and with the aid of our dedicated Investor Relations team deal with all aspects of investor relations including the organisation of and feedback on institutional road show presentations to existing and potential shareholders.

Research

Through the recruitment of highly ranked specialist teams and the development and training of talented individuals, we are able to provide in-depth, quality sector coverage. Our research is recognised by fund managers and corporates alike as among the best. Our research attracts institutional clients, builds relationships with them and thereby enables us to offer superior distribution for our corporate clients.

Execution

Our Sales and Trading team offer strong distribution capabilities in London, Europe and the United States of America. Working together they combine their strengths to deliver a substantial resource to our institutional clients who require best execution to capture the value of our research and trading ideas. Our execution team delivers market leading execution in over 400 stocks and has access to over 22 trading venues and liquidity providers.

Key Performance Indicators

We use a number of key performance indicators to measure the underlying performance of the business

Measure	Objective	Performance
Revenue per head	Our aim is to ensure that sufficient productivity levels are maintained whilst acknowledging the impact that the economic cycle and weaker external market conditions can have on revenue generation opportunities	Revenue per head has increased to £449,000 in 2013 and has benefitted from carefully managed reductions in average headcount over the last 4 years
Cost: core revenue (costs exclude charges relating to share based payments but include annual incentive pay amounts)	Our aim is to ensure that the overall cost base is managed effectively and that the interest of shareholders and employees are aligned over the longer term business cycle	We have been able to manage down the ratio over the last 5 years through a combination of cost control and, in 2013, higher revenues
Corporate client base and average market capitalisation	Our aim is to win corporate clients across a broad range of sectors ensuring that both the net number and quality of our corporate client base continues to grow	Further increases in net corporate clients numbers and their average market capitalistation have been achieved during 2013, average market capitalisation having increased to £467m
Number of FTSE 250 corporate clients	Whilst continuing to serve a broad range of corporate clients across 16 sectors, we aim to expand our exposure to FTSE 250 clients and thereby further diversify the breadth of our client base	We acheived a net addition of three FTSE 250 corporate clients during 2013
Funds raised for corporate clients	Our aim is to grow the aggregate value of funds raised as this is a key driver of primary revenues	2013 has been a record year for the Group as we raised over £2bn of funds for our clients for the first time in our history. Our ability to raise debt finance, in the form of retail bonds, as well as equity finance has helped diversify our offering
Market share in UK Mid Cap and Small Cap (source: LSE Direct Customer Business, calendar years)	Our aim is to dominate market share as this is a key driver of secondary revenues	2013 has seen the Group achieve further gains in market share in both these indices as well as maintaining it's top 3 ranking in FTSE Small Cap and AIM market share
Adjusted earnings per share (adjusted profit after tax divided by basic weighted average number of shares)	Our aim is to grow adjusted earnings per share as this reflects, in our view, a truer measure of the performance of the underlying business	A significant improvement has been achieved as our strategy and actions employed during the downturn positioned the Group to benefit from the improved market conditions
Dividend per share (in respect of the full year)	Our aim is to maintain a sustainable dividend across the broad economic cycle	The Board has proposed a final dividend of 5.00p per share which increases the total distribution for 2013 by 12.5% to 9.00 per share, in recognition of our robust cash position, significant excess regulatory capital and profitability

02 / STRATEGIC REPORT

Long Term Performance

Expectations for 2014

YEAR	£'000
09	255
10	275
11	288
12	278
13	449

If external market conditions continue their buoyant start to the year we would expect to achieve a ratio at or around 2013 levels despite selective hiring within the business

YEAR	%
09	97
10	86
11	85
12	85
13	68

Improving market conditions may well heighten competition for high calibre staff. Regulatory considerations may also impact staff remuneration trends as well as certain elements of a sell-side firm's cost base and revenue model. These factors are likely to exert upward pressure on this ratio that will require careful management

YEAR	NO. CORPORATE CLIENTS
09	122
10	133
11	140
12	144
13	156

Client losses may occur through M&A and other routes, however we are confident that gains will be made on a net basis which is the case so far during 2014

YEAR	NO. CORPORATE CLIENTS
09	16
10	26
11	25
12	28
13	31

We have made good progress in this area to date, future additions are unlikely to be made at a significantly faster pace

YEAR	£m
09	787
10	1,315
11	634
12	717
13	2,162

2013 was a record year in terms of the funds we raised for our clients. The market's appetite for IPO activity will need to remain intact in order for similar levels to be achieved in 2014

YEAR	COMBINED FTSE 250 & SMALL CAP SHARE %
09	12.10
10	16.24
11	18.97
12	18.14
13	19.11

We believe our market share will remain at current levels as we continue to benefit from investments made in our people and platform

YEAR	PENCE PER SHARE
09	3.2
10	6.6
11	7.3
12	6.4
13	19.3

See comments for cost: core revenue ratio above

YEAR	PENCE PER SHARE
09	8.0
10	8.0
11	8.0
12	8.0
13	9.0

Will be dependent on our performance during 2014 and visibility of future prospects on the conclusion of 2014. In any event, will be subject to our overall policy of providing sustainable distributions across the business cycle

Review of Performance

We have delivered a significant improvement in performance and are confident that the strategy we have in place positions the firm for future success.

Overall Performance

We are pleased to report a significant improvement in the performance of the business. During the year ended 30 September 2013 revenues have increased to £77.7m (2012: £50.1m) and adjusted profit before tax to £25.0m (2012: £7.7m). There were £3.6m of gains (2012: £2.8m) recognised on investments held outside of our market making business and £6.0m of charges (2012: £6.3m) relating to employee share scheme arrangements. This resulted in a statutory profit before tax for the year of £22.6m (2012: £4.1m). A reconciliation of the adjusted profit to the statutory result is set out in note 2 to the financial statements.

Strong inflows of capital into equities and a general re-opening of the market to equity issuance helped to underpin a buoyant and consistent performance across UK equity indices. For the year ended 30 September 2013 double-digit percentage gains were experienced in all the key FTSE indices, with the largest gains recorded for the AIM 50 (36.3%), FTSE Small Cap (30.8%) and FTSE 250 (27.1%). Similarly, the main Numis Smaller Companies Index generated returns of 34.4% over the same period demonstrating the continued strong performance in this sector of the market.

For the market as a whole, the value of secondary trading and equity fundraising on the London Stock Exchange also improved. Secondary trading (by value) in main market stocks was up 8.6% on the same period last year and equity funds raised on AIM and the Main Market combined, increased to £23.8bn resulting in a year-on-year increase of 119%. In addition, a further £1.1bn of finance was raised by way of retail bond offerings through the Order book for Retail Bonds (ORB).

We have been able to take advantage of the improved market conditions and post a 55% increase in core revenues. This includes a record full year result for combined institutional commission & trading revenues which generated a year-on-year increase of 50% to £37.2m (2012: £24.8m). Similarly, income from corporate and issuance transactions for the year increased by 75% to £33.5m (2012: £19.1m) and was driven by the completion of 7 IPOs, 31 secondary market equity placings and 5 retail bond offerings bringing the total funds raised for our clients during the year to £2.2bn (2012: £717m). This is the highest level of activity we have achieved in any reporting period.

Our balance sheet remains strong with cash balances totalling £71.2m (2012: £35.9m) while net assets have increased to £106.8m (2012: £97.1m). Net cash inflows during the year largely reflect the significant improvement in operating profit, the monetisation of part of our investment portfolio held outside of the market making business coupled with net inflows from other operating activities such as cash collateral placed with stock lending counterparties and clearing institutions.

Our investment portfolio is valued at £10.5m (2012: £17.8m) the majority of which comprises holdings in quoted companies. During the year we monetised £12m of this portfolio and recorded net gains of £3.2m which are reported through the other operating income line of the income statement.

Corporate Finance

We believe in building solid, long-term relationships with our clients endeavouring to provide them with service of exceptional quality tailored to their needs. Our track record reflects the quality of our client relationships and the depth of expertise enabling us to deliver original and telling solutions. Our focus on debt securities as well as equity finance enables us to launch retail bond issues on behalf of corporate clients thereby helping them to access non-bank finance via different routes.

Notable deals completed during 2013 included IPOs for Foxtons, Crest Nicholson, esure Group, Hellermann Tyton and TwentyFour Income Fund and retail bond issuances for Enquest, St Modwen, Unite Group, Helical Bar and Workspace. In total we raised £1.8bn of equity finance during the year (2012: £717m) which equates to 7.7% (2012: 5.4%) of total equity fund raising on the London Stock Exchange. In the retail bond space we raised £334m during the year which represents one third of all funds raised on the London Stock Exchange ORB market during the period.

Corporate Broking & Investor Relations

We continue to attract high quality corporate clients with 28 new clients added during the year bringing the total number for whom we act to 156 companies (2012: 144). This has helped to achieve a 13% increase in retainer fees year-on-year which currently has an annual run rate of just under £8m. During the year we won our largest ever new broking client by market capitalisation with our appointment as joint broker to Daily Mail & General Trust (market cap of c. £2.6bn at date of appointment). The average market capitalisation of our client base now stands at c. £467m (2012: £332m).

The breadth and quality of our corporate client list is significant and includes 31 FTSE 250 clients, one FTSE 100 company, 61 FTSE Small Caps and 58 AIM companies. The offering to our corporate clients includes access to worldwide institutional investors, but also to a network of over 1,500 active private client fund managers (PCFM) providing alternative sources of liquidity and investor interaction. With access to over 70 regional PCFM houses throughout the UK our dedicated PCFM team continues to expand its reach and client base which now totals 36 (2012: 32) clients.

In addition our dedicated Investor Relations team provides the link between companies, existing shareholders and potential investors. This is achieved through the organisation of roadshows, site visits and investor conferences both here in the UK, Europe and in the USA. Roadshow activity has been strong with 3,869 UK meetings and 48 European meetings held during the last 12 months. Over the same period, our team has arranged 61 roadshows and 40 reverse roadshows in the USA.

These achievements are a testament to the calibre of our people and the strength of our dedicated corporate broking team which were instrumental in Numis being voted #1 UK Small & Mid Cap Brokerage Firm by both companies and institutions in the 2013 Thomson Reuters Extel survey. In addition, Numis was voted “Best Advisor – Corporate Sponsor” in the UK Stock Market Awards 2013, retaining our 2012 title, giving further evidence of the leading role we play in this field and the high regard in which our franchise is held.

Research

High quality research is at the heart of Numis’ business. It creates trust-based relationships with our institutional clients that are further strengthened by our powerful international distribution capability.

Our research services are recognised as being exceptional and have been critical in helping to drive further increases in market share during the year. We remain in the top 5 brokers for FTSE 250 trade (by value traded) based on direct customer business, and are top 3 ranked in both FTSE Small Cap and AIM trade on this basis.

Numis analysts cover 340 companies (excluding investment companies) including 58 of the FTSE 100 as well as 128 companies that fall outside the FTSE 350. Our 28 recognised leading analysts are organised into 16 key sectors.

Our Alternative Investment Funds research comprises coverage of around 400 investment companies and funds. In this sector our research-driven approach focuses on investment companies with specialist or differentiated mandates, including quoted equity, private equity, hedge funds, property and other alternative assets. The research product (classified as marketing communications) includes a daily data sheet covering all UK-traded funds as well as regular fund-specific and broader-based research offering insight into individual companies and specific asset classes.

External recognition of the quality of our research was reinforced in the 2013 UK Mid and Smallcap Thomson Reuters Extel survey. Out of 18 sectors covered by the survey, Numis analysts ranked number 1 in eight sectors with no other broker achieving more then two number 1 analysts votes. Our analysts produce research on 340 companies including around 160 companies with market capitalisations of over £1bn, and 180 smaller companies. In addition, our investment funds research covers around 400 investment companies and together this gives us a recognised capability across sixteen sectors. We believe that we are now one of the leading UK country brokers for equity research.

Further external recognition comes from Starmine’s tracking of Broker recommendations. Numis has been ranked 1st for the performance of Midcap recommendations in every one of the last 6 years, among the leading ten brokers for Midcaps researching more than 100 companies. We believe this performance reflects the extensive experience of our analysts and demonstrates the consistent and significant insight that our research product provides to investors in UK listed companies.

Execution

Sales & Trading is a highly competitive area. Our clients have a strong demand for well-researched ideas combined with high quality execution and we believe our platform is well placed to improve performance for our 450+ active institutional clients across the UK, Europe and the USA.

Numis provides active execution services in 633 stocks (2012: 572) of which 493 are listed on the main market (2012: 404). Importantly, Numis had the leading market share in 121 (2012: 103) stocks across these markets and was a top three service provider in a further 103 stocks (2012: 83).

Our US office continues to provide an excellent service in marketing UK quoted companies to major US institutional investors and arranging road shows in the US for FTSE 350 companies.

External recognition of our Sales Team and Trading capability was achieved in the 2013 Thomson Reuters Extel survey in which Numis was voted #2 UK Small & Mid Cap Sales as well as #4 UK Small & Mid Cap Trading. Further recognition was achieved in the Acquisition International’s 2013 Finance Awards in which Numis was voted Institutional Stockbroking Firm of the Year – UK.

Principal Risks

The Board is ultimately responsible for determining Numis' risk appetite and for ensuring that Numis' risk framework and management processes are appropriate and operating effectively.

The management of risk is embedded in our culture and it is the responsibility of each employee to ensure that this culture is built into our working practices. Specifically, day-to-day management of risk is delegated by the Board to senior executives across the firm, through appropriate committees, systems and controls. Whilst encouraging an entrepreneurial and commercial culture that is focused on generating value for our clients, the Board actively seeks to ensure all relevant risk exposures are managed and mitigated. Note 28 to the financial statements describes how the Board receives input from other key committees and the framework employed by the Group to manage the risks faced in the normal course of business. In financial terms, the Board's policy is to hold regulatory capital that, at a minimum, meets its interpretation of the most severe but plausible stress test measures thereby maintaining an additional capital buffer available for use should adverse circumstances materialise that are outside the firm's normal and direct control.

The principal risks to which the business is exposed are set out below. Although not exhaustive, this highlights the risks that are currently considered to be of most significance to the Group's activities:

People risk

Retaining, attracting and developing key staff, including, in particular, significant current and future income generators, is essential to the long-term success of the business. The Board therefore places particular focus on its remuneration policy and strategies, including considering the appropriate allocation and mix of cash and share based schemes, and maintains formal structured performance-based staff evaluations. The nature of the share based schemes and their deferral characteristics are described in Note 24 to the financial statements. Additionally, the on-boarding, retention and growth of our people remain at the top of the Board's agenda.

Reputational risk

Whilst entrepreneurial staff are always encouraged to develop new clients relationships and streams of income, all new business is subject to a rigorous appraisal process supervised by the New Business Committee. For all activities, this discriminates strongly in favour of high quality clients. We place great emphasis on employing and adding highly experienced senior staff who are very closely engaged with clients. To aid the application of best practice, regulatory compliance and consistency, management continue to make use of standardised operating procedures. Finally, the Board sets the tone by demanding a strong ethical and professional culture as the only acceptable standard for the firm.

Strategic risk

The Board recognises that continued improvement in the way in which our strategy is executed is key to our long-term success. In particular, the management team is subject to healthy and robust challenge from the Board on the firm's strategic direction, execution of strategy and the implementation of agreed initiatives. This includes significant focus on the risks that threaten the achievement of the firm's strategy as well as those that present the greatest opportunity. Our corporate governance structure ensures that the Board has sufficient, well articulated, consistent and timely information to enable the necessary decisions and choices to be made and the appropriate level of assurance obtained.

Regulatory & legal risk

The Board's policy is to encourage an intense focus by senior management on the long-term, sustainable success of the business. This specifically includes robust corporate governance, mitigating the likelihood of litigation and full compliance with the relevant regulatory and legal requirements for the jurisdictions in which the Group operates. A strong culture of regulatory and legal compliance permeates the firm and there is a demonstrated track record of transparency and strong relations with the key regulatory bodies. Compliance procedures are maintained across the Group and our Compliance department supports senior management in meeting their obligations as well as carrying out risk-based monitoring of the Group's compliance with relevant regulation. Similarly the Groups legal obligations are overseen by suitably qualified in-house legal resource.

Financial risk

Financial risks are discussed in more detail in Note 28 to the financial statements and include market, credit, concentration and liquidity risks. Applicable external regulatory measures along with internal VaR measures are utilised and compared with Board approved limits. These measures are calculated daily by the Finance team and are reported to senior management and, ultimately, to the Board.

Other operational risk

We aim to be able to sustain operations and client service, with minimum disruption, with a combination of business continuity planning, duplicated infrastructure, strong supplier relations and remote facilities. Evolving control standards are applied by suitably trained and supervised individuals, and senior management are actively involved in identifying and analysing all operational risks to find the most effective and efficient means to mitigate and manage them. The use of an independent, outsourced Internal Audit function provides assurances over the adequacy and effectiveness of the systems of internal control throughout the business as well as identifying enhancements that provide further risk mitigation.

Financial Position

A prudent approach to the management of market risk, liquidity risk and regulatory capital has helped to ensure that we continue to maintain a strong balance sheet and capital position. Our balance sheet includes cash balances totalling £71.2m (2012: £35.9m) while net assets have increased to £106.8m (2012: £97.1m).

As at 30 September 2013 our Pillar I regulatory financial resource requirement was £18.0m (2012: £16.7m) including £7.4m (2012: £7.4m) of operational capital requirement. Total regulatory capital as at 30 September 2013 amounted to £85.8m (2012: £72.6m) giving a Pillar I solvency ratio of 477% (2012: 436%).

Our focus on high quality clients, high calibre staff and a robust capital position has enabled us to deliver underlying profits throughout the most extreme and challenging times whilst maintaining distributions to shareholders.

This strategy positioned us well for the improved market conditions we are currently experiencing and underpins the significant improvement in the Group's performance in 2013. In view of our robust cash position, significant excess regulatory capital and profitability, the Board has proposed a final dividend of 5.00p per share (2012: 4.00p) which increases the total distribution for 2013 by 12.5% to 9.00 per share (2012: 8.00p).

Our People

The Group's employees are its greatest asset and, ultimately, are the key factor in determining the long term success of the business. During the year we have made further quality hires across various areas of the business whilst maintaining our overall headcount at stable levels. We will continue to look at hiring opportunities in order to strengthen our offering and service to clients but always in the context of our overall strategy to ensure the impact is additive and complementary to our integrated business model.

Outlook

Our new financial year has started well with buoyant levels of activity in both primary and secondary markets. The deal pipeline is building strongly and we expect favourable conditions for equity issuance to prevail in the short to medium term.

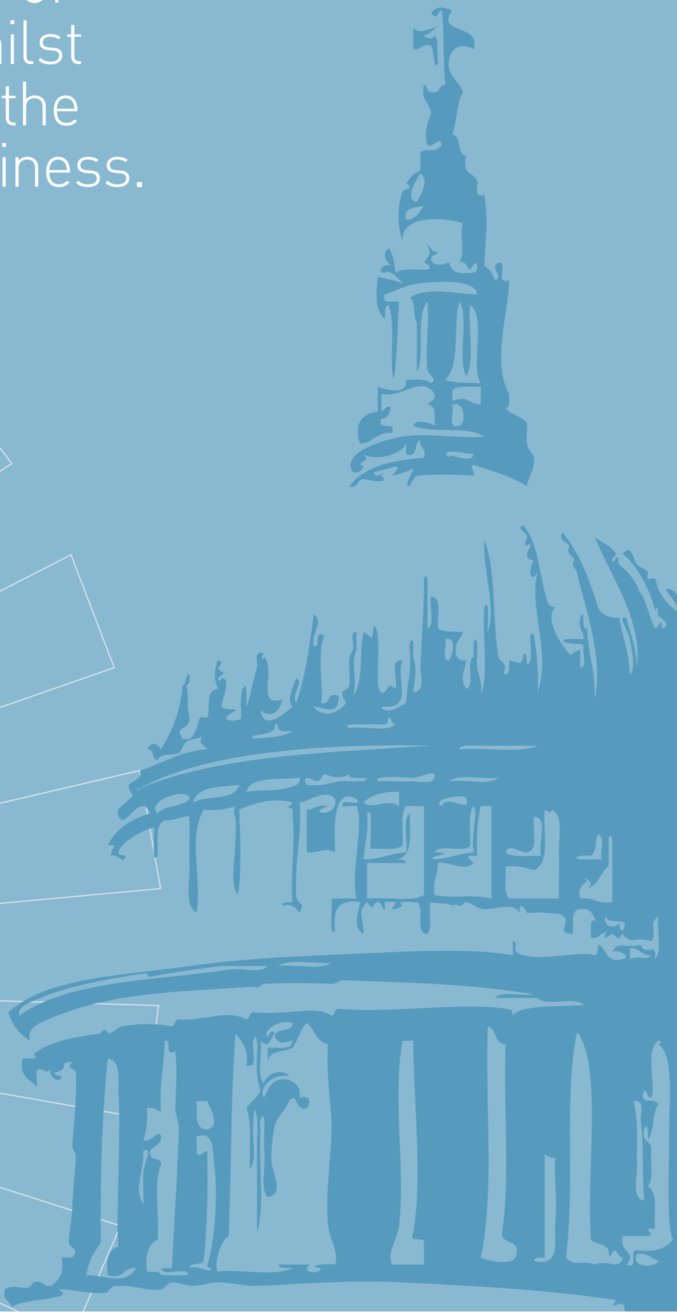
Our strategy of building close relationships through continuity and trust combined with a relentless focus on client service is appreciated by both institutions and companies. It is this focus that underpins the strong performance seen in 2013 and should ensure that the firm remains well positioned to benefit from favourable market conditions.

This report was approved by the Board on 13 December 2013 and signed on its behalf by

Oliver Hemsley
Chief Executive Officer

13 December 2013

A wide range of experience and expertise at both executive and non-executive level creates the drive and challenge required to achieve high standards of corporate governance whilst maintaining our focus on the future success of the business.



03 / CORPORATE GOVERNANCE

Board of Directors

The Board is responsible for overseeing the management of the business and for ensuring high standards of corporate governance are maintained throughout the Group.

Executive Directors

Oliver Hemsley
Chief Executive Officer

Oliver Hemsley is the founder and Chief Executive Officer of Numis. Oliver is responsible for Numis' strategic development as well as the day to day management of the main trading entity, Numis Securities Limited which has offices based in London and New York employing over 170 staff. Oliver is also a non-executive Director of The Quoted Companies Alliance and The ECU Group Plc.

Lorna Tilbian
Executive Director

Lorna Tilbian is an Executive Director and Head of the Media Sector. After a distinguished career as a top ranked Media analyst by Institutional Investor and Thomson Reuters Extel from 1987 to 2012, Lorna now heads the Media banking franchise where the team has won Finance Monthly Deal Maker of the Year 2013 (disposal of Future's rock titles) and Finance Monthly Deal of the Month December 2013 (Chime's acquisition of JMI). Lorna has multiple duties at Numis which include the HR report as well as PR and IR. She joined Numis in 2001 after Sheppards (1984-88), SG Warburg (Director, 1988-95) and WestLB Panmure (Executive Director, 1995-2001). Lorna appears in Campaign's A List 2014 and has served as a C&binet Ambassador (an Ambassador for Creative Britain) for the DCMS. Lorna is also a Non-executive Director of Jupiter Primadona Growth Trust and ProVen VCT Plc.

Simon Denyer
Group Finance Director and Company Secretary

Simon Denyer is an Executive Director and is Group Finance Director of Numis. Simon is a chartered accountant having spent five years with Price Waterhouse before moving to the banking arm of Schroders Plc where he spent five years performing a number of finance and risk roles. Simon then moved to Citigroup where he spent a further six years in the investment banking arm before joining Numis in 2006.

Non-Executive Directors

Sir David Arculus
Non-executive Chairman

Sir David Arculus is the non-executive Chairman of Numis and chairs the Nominations Committee. David brings a wealth of experience to Numis having spent 24 years at EMAP, the last eight as Group Managing Director leaving EMAP in 1997. Outside the media sector he was non-executive Director of Severn Trent plc from 1996, serving as Chairman from 1998 to 2004. David held a range of further non-executive positions including, Barclays Bank plc from 1997 to 2006 and Aldermore Bank plc from 2010 to 2013. David was Chairman of the British Government's Better Regulation Task Force from 2002 to 2006 where he reported to the Prime Minister and was instrumental in reducing burdens on business. David is a Director of Pearson plc and also serves as Chairman or director of a number of private equity backed companies.

Tom Bartlam
Independent Non-executive Director

Tom Bartlam is an independent non-executive Director of Numis and chairs the Remuneration Committee. Prior to his retirement in 2005 Tom was Managing Director of Intermediate Capital Group Plc, which he co-founded in 1989. Tom is also non-executive Chairman of Jupiter Primadona Growth Trust Plc, Pantheon International Participations Plc and Polar Capital Holdings Plc and a non-executive Director of Diverse Income Trust Plc. As announced on 4 December 2013, Tom will be stepping down from his position as non-executive Director of the Company with effect from 30 December 2013.

Gerald Corbett
Independent Non-executive Director

Gerald Corbett is an independent non-executive Director of Numis. Gerald's external appointments include the Chairmanship of Betfair Plc, Britvic Plc, Moneysupermarket.com Plc and Towry Holdings Limited (a private wealth management business). Over a long business career, Gerald has been a director of 12 public companies, 5 of which he has chaired. Gerald was also Chairman of SSL International Plc between 2005 to 2010 and his executive career included Group Finance Director roles with Redland Plc and Grand Metropolitan Plc. Gerald was CEO of Railtrack between 1997 and 2000.

Geoffrey Vero
Independent Non-executive Director

Geoffrey Vero is an independent non-executive Director of Numis and chairs the Audit and Risk Committee. Geoffrey is a chartered accountant and was an Investment Director of ABN Amro Private Equity (previously Causeway Capital Limited), Lazard Development Capital and previously held senior positions at Diners Club and Savills. Geoffrey Vero is Chairman of Albion Development VCT Plc and EPE Special Opportunities Plc.

Corporate Governance Report

A number of appropriately constituted committees ensure the principals of good governance and challenge are in place.

Corporate Governance Policy

AIM companies are not required to comply with the UK Corporate Governance Code 2012 (Principles of good governance and standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders) adopted by the London Stock Exchange. However, the directors have chosen to make the following disclosures to meet the provisions of the Code deemed most relevant to AIM listed companies, and specifically having considered the size, nature and scope of the Group's activities.

Governance Framework

The diagram opposite illustrates the main components of the Group's governance framework, the delegation of authority by the Board and how this achieves the required level of independent oversight.

The Board

The Board is authorised to manage the business of the Company on behalf of the shareholders and in accordance with the Company's Articles of Association. This is achieved through its own decision making and by delegating responsibilities to the Board Committees and authority to manage the business to the Chief Executive Officer. The Board is responsible for overseeing the management of the business and for ensuring high standards of corporate governance are maintained throughout the Group.

The Board of Numis Corporation Plc is chaired by Sir David Arculus and meets a set number of times a year and at other times as necessary, to discuss a formal schedule of matters specifically reserved for its decision. These matters routinely include:

- The Groups strategy and associated risks;
- Acquisitions, disposals and other material transactions;
- Financial performance of the business and approval of annual budgets, the half year results, annual report and accounts and dividends;
- Appointments to and removal from the Board and Committees of the Board;
- Risk management strategy and risk appetite;
- Remuneration strategy;
- Actual or potential conflicts of interest relating to any Director; and
- Changes relating to the Group's capital structure or the Company's status as an AIM listed company.

Board Effectiveness

The Chairman conducts an annual assessment of the effectiveness of the Board and its Committees through an internal questionnaire completed by each Director followed up by one-to-one discussions with each Director. The questionnaire covers a number of areas including Board composition, meeting structure, strategic oversight, risk management, succession planning, information content and format and, finally, performance of the Board Committees. The outcomes and principal findings are reported to the Board for consideration.

The performance of the Chief Executive Officer is appraised annually by the Chairman. The performance of the remaining Executive Directors is appraised annually by the Chief Executive Officer.

Chairman and Chief Executive

The Chairman is Sir David Arculus and he is responsible for leading the Board, ensuring its effectiveness, steering its agenda, promoting a healthy culture of challenge and debate together with monitoring and evaluating the performance of the Chief Executive Officer.

The Chief Executive Officer is Oliver Hemsley who is responsible for the executive management of the Group and its business on a day-to-day basis. This includes making recommendations to the Board in respect of strategy.

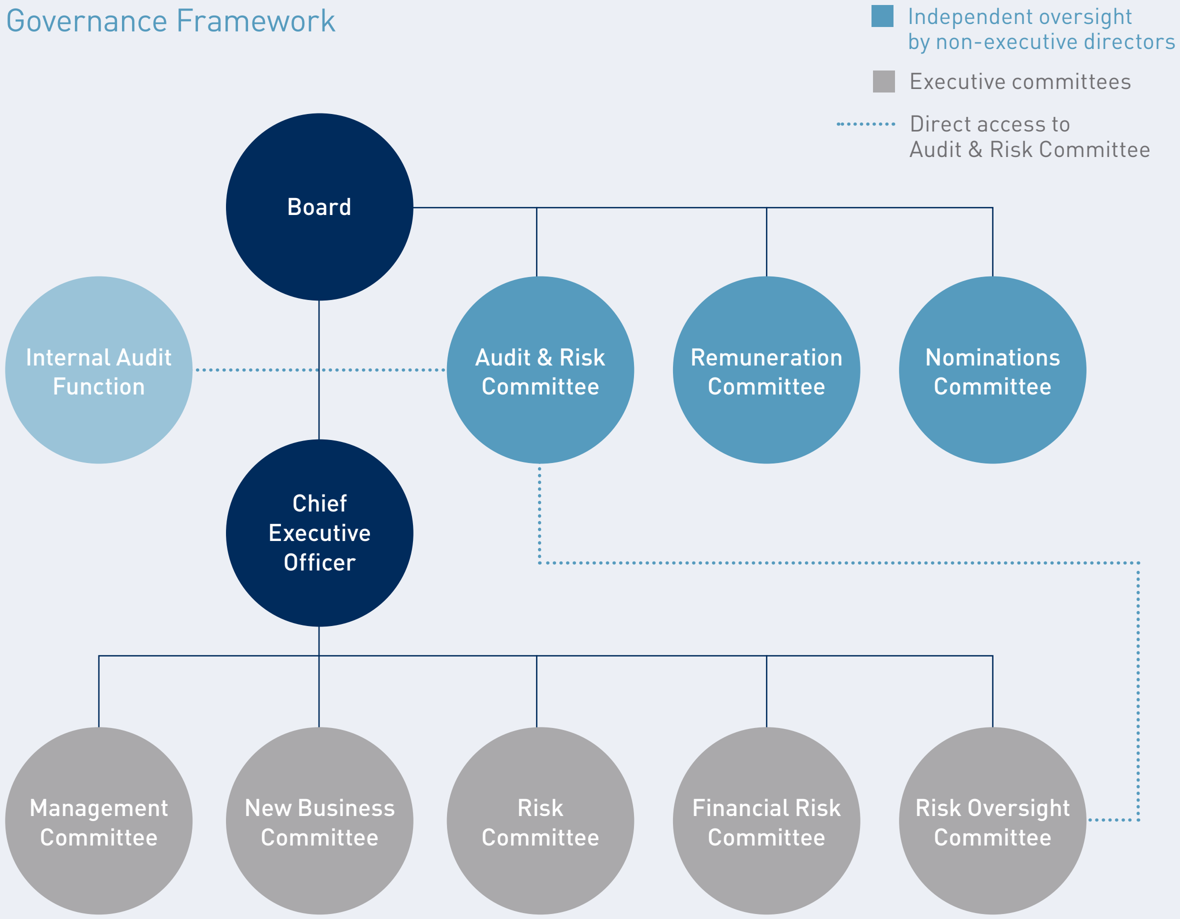
Composition of Board and Committees of the Board

Directors' Committee memberships, attendance at Board meetings and independence for the year ended 30 September 2013 is set out in the table opposite on page 17.

Non-executive directors also attend, by invitation and on a rotational basis, the board meetings of the main trading entity Numis Securities Limited. There were eight such meetings held during the year ended September 2013 of which each non-executive director attended at least two.

03 / CORPORATE GOVERNANCE

Governance Framework



Composition of Board and Committees of the Board

		Board		Committee membership			
	Position	Maximum possible attendance	Meetings attended	Nominations Committee	Audit & Risk Committee	Remuneration Committee	Considered Independent
Sir David Arculus	Chairman (non-executive)	8	7	√ - Chairman			√
Oliver Hemsley	Chief Executive Officer	8	8				
Lorna Tilbian	Executive Director	8	8				
Simon Denyer	Group Finance Director	8	7				
Tom Bartlam	Non-executive Director	8	8	√	√	√ - Chairman	√
Gerald Corbett	Non-executive Director	8	6	√	√	√	√
Geoffrey Vero	Non-executive Director	8	7	√	√ - Chairman	√	√

Corporate Governance Report – Continued

Balance and Independence

During the year ended 30 September 2013 the Board has comprised a balance of executive and non-executive directors, including independent non-executive directors. This balance is designed to ensure that no one individual or small group of individuals can dominate the Board's decision making.

The UK Corporate Governance Code (The Code) requires that at least half the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent. As at 30 September 2013 there were seven directors: the Chairman, three executive directors, two independent non-executive directors and one non-executive director (Geoffrey Vero) who does not meet the test of independence under the UK Corporate Governance Code by virtue of the fact that he has served on the Board for more than 9 years.

The Board considers that Geoffrey Vero brings valuable and relevant experience to the Board and that he acts in the best interests of the Company and the Group, free of any conflicts or undue influence. The Board is therefore satisfied that he remains independent.

Senior Independent Director

The Board has determined that the formal appointment of a senior independent Director is not necessary given the current structure and composition of the Board. Furthermore, given the size of the Company, the shareholdings in the Company that the current Board members hold and the active dialogue with institutional shareholders that takes place throughout the year, the Board is of the view that an appointment of a senior independent Director would not currently provide any further benefit in assisting with communication with shareholders.

Committees of the Board

Audit and Risk Committee

The Audit and Risk Committee comprises Geoffrey Vero (Chairman), Gerald Corbett and Tom Bartlam who are all non-executive Directors and meets at least four times each year. Internal and external audit team representation is invited to attend every meeting of the Committee. Other members of the Board, and the Head of Legal, Compliance and Risk may also attend by invitation as may the chairman of the Board.

The Audit and Risk Committee is responsible for the overall risk framework, internal control environment and financial reporting of the Company and the Group. It receives reports from the Group's management relating to the Group's risk exposures and mitigating controls as well as detailed findings arising from internal and external audit reviews.

The committee reports to the Board on the Group's full and half year results, having examined the accounting policies on which they are based and ensured compliance with relevant accounting standards. In addition, it reviews the scope of internal and external audit, their effectiveness, independence and objectivity taking into account relevant regulatory and professional requirements.

The committee has direct and unrestricted access to the internal and external audit function.

The committee is also responsible for :

- Monitoring the content and integrity of financial reporting;
- Reviewing the appropriateness of accounting judgments;
- Reviewing the Group's risk policies and control frame work;
- Reviewing the Group's regulatory reporting procedures and relationship with regulators;
- Review and recommendation to the Board the Groups risk appetite;
- Review and approval of financial and other risk limits and adherence thereto; and
- Reviewing and challenging the Group's Internal Capital Adequacy Assessment Process and Individual Liquidity Adequacy Assessment.

The composition of the committee and attendance for the year ended 30 September 2013 is set out in the following table:

	Maximum possible attendance	Meetings attended
Geoffrey Vero	4	4
Tom Bartlam	4	4
Gerald Corbett	4	3

03 / CORPORATE GOVERNANCE

Remuneration Committee

The Remuneration Committee comprises Tom Bartlam (Chairman), Gerald Corbett and Geoffrey Vero who are all non-executive Directors and meets at least twice each year and at other times as necessary. Other members of the Board and the Head of Human Resources may attend by invitation. Its primary responsibility is to review salary levels, discretionary variable remuneration and the terms and conditions of service of the Executive Directors. The Remuneration Committee also reviews the compensation decisions made in respect of all other senior executives and those members of staff determined to be Code Staff under the FCA's Remuneration Code regulations.

Finally, the Committee is responsible for determining the overall Remuneration Policy applied to the Group and its subsidiaries, including the quantum of variable remuneration and the method of delivery taking into account relevant regulatory and corporate governance developments.

The Remuneration Committee is authorised to seek any information it requires in order to perform its duties and obtain external legal or other professional advice that it considers necessary form time to time.

The composition of the committee and attendance for the year ended 30 September 2013 is set out in the following table:

	Maximum possible attendance	Meetings attended
Tom Bartlam (Chairman)	4	4
Gerald Corbett	4	3
Geoffrey Vero	4	4

Nominations Committee

The Nominations Committee comprises Sir David Arculus (Chairman), Tom Bartlam, Gerald Corbett and Geoffrey Vero who are all non-executive Directors. Other members of the Board and the Head of Human Resources may attend by invitation. The committee considers appointments to the Board and meets as necessary. The committee is responsible for identifying and nominating candidates, for making recommendations on Board composition and for considering succession planning requirements.

The composition of the committee and attendance for the year ended 30 September 2013 is set out in the following table:

	Maximum possible attendance	Meetings attended
Sir David Arculus (Chairman)	1	1
Tom Bartlam	1	1
Gerald Corbett	1	1
Geoffrey Vero	1	1

Executive Operational Committees

Management Committee

The Management Committee, chaired by Oliver Hemsley, deals with the implementation of business strategy and day-to-day operational matters. It meets weekly to discuss the core activities of the Group, current performance, progress on management initiatives and corporate compliance matters.

Risk Oversight Committee

The Risk Oversight Committee, chaired by the Group's Head of Legal, Compliance and Risk, meets quarterly to consider and assess all significant risk exposures faced by the Group. The Committees remit encompasses both financial and non-financial risks and the methodology applied in order to identify, measure and report their impact. One of the key responsibilities of the committee is to manage the overall method and format of risk reporting into the Audit and Risk Committee and the Board.

Financial Risk Committee

The Financial Risk Committee, chaired by the Group's Head of Legal, Compliance and Risk, meets fortnightly (or more frequently as it determines necessary) to discuss and manage the market, credit, liquidity and related operational risks of the Group, including amongst other financial risks the market risk of the Group's trading book and investment portfolio. The Financial Risk Committee makes recommendations to the Audit and Risk Committee on Risk Policy which sets various limits at individual stock and overall trading book level as well as being responsible for the review and approval of counterparty limits.

Corporate Governance Report – Continued

New Business Committee

The New Business Committee, chaired by the Group's Head of Corporate Broking, is responsible for exercising senior management oversight across all issues in relation to Numis entering into new corporate client relationships, underlying transactions on behalf of corporate clients and reviewing or terminating relationships with corporate clients. It has responsibility for assessing the impact on Numis of all such matters and in doing so gives due consideration to the reputational, regulatory, execution and commercial risks attached.

Risk Committee

In addition to the New Business Committee, further approval is required by the Risk Committee prior to the launch of a fund raising, issue of a public document which contains Numis' name or in the case of a transaction giving rise to significant unusual concerns of significant financial or reputational risk to the firm.

Other

Internal Control

The Board is ultimately responsible for maintaining the Group's risk framework and system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives, as such it can provide only reasonable but not absolute assurance against material misstatement or loss.

The Group's system of internal control has been actively managed throughout the year. The Group has a number of committees with formal terms of reference and a Compliance department responsible for the Group's adherence to the rules of the Financial Conduct Authority and other relevant regulators.

In addition, the Group has a fully independent, outsourced Internal Audit function reporting to the Audit and Risk Committee in order to provide further assurances over the adequacy and effectiveness of the systems of internal control throughout the business and ensure that the Group's approach to continuous improvement is maintained.

Advisory Board

An Advisory Board was established during 2011 the purposes of which is to provide support to the Executive members of the Board and assist the Group enhance and develop its business and reach in the market place. The Advisory Board is an advisory only body and does not make decisions in its own right.

This report was approved by the Board on 13 December 2013 and signed on its behalf by

Sir David Arculus
Chairman

13 December 2013

Remuneration Report

The Board delegates to the Remuneration Committee the determination of the executive directors' remuneration and the overarching remuneration policy and principles applied to the Group.

The Remuneration Committee is responsible for setting the remuneration policy for executive directors and other senior executives in the business. Additionally the Remuneration Committee is responsible for determining the overall Remuneration Policy applied to the Group, including the quantum of variable remuneration and the method of delivery. In carrying out its delegated responsibilities the Committee receives advice, when they consider it to be appropriate, on remuneration, tax, accounting and regulatory issues from external advisers and internally from both the Human Resources and Finance departments.

Remuneration Policy

The Remuneration Committee believes strongly that total remuneration should take into account the competition for talent in an industry where successful people are rewarded and mobile. The Group compensates employees through both fixed and variable compensation.

Fixed compensation comprises principally base salaries and the Committee reviews these as part of their overall annual review taking into account the performance of the individual, comparisons with peer group companies within the industry, the experience of the individual and the level of responsibility. Other elements related to base salary include an employer contribution to a defined contribution pension saving scheme of 7% of base salary and an entitlement to insured death in service benefits of four times base salary.

The policy for variable compensation is to recognise corporate performance and individual achievement of objectives through a discretionary bonus. The discretionary bonus pool is determined by the Committee each financial year with specific reference to the Group's adjusted profit before tax and other capital considerations as appropriate. In this way, the Committee is able to establish clear targets when setting the aggregate pool available for variable compensation at the Group level, rather than at individual level, acknowledging that a certain degree of flexibility is required at different stages of the business cycle.

Discretionary bonus awards can be delivered in two main forms:

- An annual cash bonus; and
- A deferred bonus which is typically delivered via one of the Company's share schemes.

The executive directors and other senior executives assess individual performance through clearly defined objectives and a structured process of review and feedback. In particular, the aggregate fixed and variable remuneration by individual is determined with regard to the performance of the individual, performance of the area or function of the business in which the individual works or for which the individual is responsible, the profitability of the Group and levels of reward for comparable roles in the external market.

Executive directors and members of the senior management team do not participate in decisions concerning their own remuneration.

Remuneration for the year

The total amounts for executive directors' remuneration and other benefits during the year were as follows:

	2013 £'000	2012 £'000
Emoluments	1,970	922
Money purchase contributions	11	18
	1,981	**940**

One executive director (2012: Two) is a member of a money purchase scheme, a form of defined contribution scheme. Contributions paid by the Group in respect of that director are shown above.

Directors' Share Options

There are no outstanding, unexercised options to acquire ordinary shares in the Company granted to or held by the directors as at 30 September 2013 (2012: Nil).

Directors' Interests under Share Incentive Schemes

The Company has share incentive schemes through which discretionary share based awards may be made. The schemes fall into three categories; Long Term Incentive Plans (LTIP), Restricted Stock Units (RSU) and Option Awards the nature of which are described fully in Note 24 to the financial statements.

The number of LTIP matching shares to which directors are prospectively entitled under awards granted, but not yet vested, as at 30 September 2013 are as follows:

	2013 Number	2012 Number
Lorna Tilbian	157,006	157,006

The constituent parts of directors' emoluments during the year are detailed in Table 1 on page 23 (this table does not include awards made under any of the Company's share schemes or pension contributions, all of which are detailed elsewhere in this report).

Remuneration Report – Continued

Non-Executive Directors' Remuneration

Remuneration of non-executive directors is set by the Board on the recommendation of the executive directors taking into account comparisons with peer group companies within the industry, the experience of the individual and the level of responsibility.

Remuneration comprises an annual fee only. Non-executive directors are not eligible to participate in any form of variable compensation, be that discretionary cash bonuses or discretionary awards under the Group's share incentive schemes and are not eligible for pension benefits.

Non-executive directors do not participate in decisions concerning their individual fees.

Directors' Service Contracts

Executive Directors

The general policy is that executive directors should have a rolling contract of employment with mutual notice periods of at least six months. Service contracts do not contain any provision for compensation upon early termination as the parties are expected to rely on employment rights conferred by law.

Table 2 opposite provides details of service contracts of the executive directors who served during the year ended 30 September 2013.

Non-executive Directors

Non-executive directors' appointments are subject to the re-election requirements of the Company's Articles of Association and are without a fixed term but are subject to one months notice to terminate from either party. There are no contractual provisions for non-executive directors to receive compensation upon termination.

Table 3 opposite shows the date of appointment of the non-executive directors who served during the year ended 30 September 2013 together with their next re-election date.

Letters of appointment and service contracts are available for shareholders to view at the Company's registered office and will be available at the Annual General Meeting.

Directors' Emoluments (Table 1)

	Base salary/Fees	Annual performance award	Benefits	Total	Total
	2013	**2013**	**2013**	**2013**	2012
	£'000	£'000	£'000	£'000	£'000
Executive Directors					
Oliver Hemsley	250	575	36	861	285
Lorna Tilbian	225	300	20	545	236
Simon Denyer	163	150	1	314	151
Non-executive Directors					
Sir David Arculus	100	-	-	100	100
Gerald Corbett	50	-	-	50	50
Geoffrey Vero	50	-	-	50	50
Tom Bartlam	50	-	-	50	50
	888	**1,025**	**57**	**1,970**	**922**

Executive Directors' Service Contracts (Table 2)

	Date of appointment	Nature of contract	Notice period from Company	Notice period from Director	Next re-election
Oliver Hemsley	26 July 1989	Rolling	12 months	12 months	2014
Lorna Tilbian	1 December 2005	Rolling	6 months	6 months	2015
Simon Denyer	1 December 2010	Rolling	6 months	6 months	2014

Non-executive Directors' Appointment (Table 3)

	Date of appointment	Next re-election
Sir David Arculus	5 May 2009	2016
Tom Bartlam*	9 August 2005	Not applicable
Gerald Corbett	5 May 2009	2016
Geoffrey Vero	28 April 2003	2015

*Retiring from non-executive position with effect from 30 December 2013

04 / DIRECTORS' RESPONSIBILITIES & REPORT

04 / DIRECTORS' RESPONSIBILITIES & REPORT

Directors' Responsibilities

The directors are responsible for preparing the Annual 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 prepared the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 group and the company and of the profit of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' statement as to disclosure of information to auditors

The directors who were members of the Board at the time of approving the directors' report are listed on page 15. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' Report

The directors serving during the year ended 30 September 2013 and up to the date of signing the financial statements present their report on the affairs the Company (Numis Corporation Plc) and its subsidiaries (collectively the Group), together with the Company financial statements and consolidated financial statements of the Group and the associated independent auditors' report thereon, for the year ended 30 September 2013.

Parent Company

The Company acts as a holding company and details of its subsidiary undertakings are shown in Note 15 of the consolidated financial statements. The Company's standalone financial statements have been prepared in accordance with IFRS as adopted by the EU and form the basis of any future distribution.

Dividends

The Directors are recommending a final dividend of 5.00p per share (2012: 4.00p) which, together with the interim dividend of 4.00p per share already declared and paid, makes a total for the year ended 30 September 2013 of 9.00p per share (2012: 8.00p). Subject to approval at the annual general meeting, the final dividend will be paid on 14 February 2014 to shareholders on the register of members at the close of business on 13 December 2013.

Going Concern

The Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements presented in this Annual Report and Accounts.

Post Balance Sheet Events

Details of post balance sheet events are set out in Note 29 to the consolidated financial statements.

Directors and their Interests

The directors serving during the year ended 30 September 2013 together with their interests in the ordinary shares of 5p each (ordinary shares) of the Company, excluding share incentive scheme awards granted but not yet vested were as follows:

	30 September 2013 ordinary shares Number	30 September 2012 ordinary shares Number
Oliver Hemsley	12,347,784	12,299,865
Lorna Tilbian	5,282,929	4,985,528
Simon Denyer	22,279	21,025
Sir David Arculus*	73,338	73,338
Gerald Corbett*	nil	nil
Tom Bartlam*	25,000	25,000
Geoffrey Vero*	20,000	20,000

* Non-executive director

There have been no changes in the interests of the serving directors in ordinary shares or options over ordinary shares during the period 30 September 2013 to 13 December 2013.

Relations with Shareholders

The Chief Executive Officer communicates the Group's strategy and results to shareholders and analysts through meetings following the announcement of the Group's preliminary results and the announcement of the Group's half year results.

Shareholders may also attend the Annual General Meeting at which all members of the Board are available to answer questions.

The Group's website contains electronic versions of the latest and prior years' annual report and accounts, half year reports along with share price and other relevant information.

Substantial Shareholders

Except for the directors' interests previously noted, the directors have been notified of the following who are interested in 3% or more of the Company as at 30 September 2013:

	Registered holding No. of ordinary shares	% of issued share capital
EES Nominees International Limited	11,423,959	9.89%
BlackRock Investment Management (UK) Limited	11,006,672	9.53%
Aviva Plc	7,114,011	6.16%
Mr D Poutney	6,606,578	5.72%
Kabouter Management LLC	5,609,592	4.86%
Majedie Asset Management Limited	5,471,602	4.74%
Mr E Farquhar	4,722,824	4.09%

Independent Auditors

A resolution to reappoint PricewaterhouseCoopers LLP will be placed before the Annual General Meeting of the Company on 4 February 2014.

Employment Policy

The Group's employment policies are based on a commitment to equal opportunities from the selection and recruitment process through to training, development, appraisal and promotion.

The Group provides employees with information on matters of concern to them so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Group is encouraged as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in maintaining its competitive and entrepreneurial edge. The Group encourages the involvement of employees in its performance through the use of employee share schemes.

Change of Control

Directors' and employees' employment contacts do not normally provide for compensation for loss of office or employment as a result of a change of control. The provisions of the Company's share schemes may cause options and awards granted to employees under such schemes to vest on a change of control.

Indemnities and Insurance

Directors' and Officers' liability insurance is maintained by the Group for all directors and officers of the Company and the Group.

To the extent permitted by law, and in accordance with its Articles of Association, the Company indemnifies its Directors in respect of any loss, liability or expense they incur in relation to the Company or any associated company of the Company.

Share Capital

Details of the changes in authorised and issued share capital of the Company during the year are set out in Note 23 to the consolidated financial statements.

Purchase of Shares

The Company has an established employee benefit trust (the Trust) in respect of the Group share schemes which is funded by the Group and has the power to acquire ordinary shares from the Company or in the open market to meet the Group's future obligations under these schemes. During the year ended 30 September 2013 the Trust purchased an aggregate of 2,246,079 (2012: 4,519,491) ordinary shares of the Company having a nominal value of £112,304 (2012: £225,975). The shares were purchased to satisfy outstanding awards under the Group's shares scheme arrangements.

The number of shares purchased representing 1.9% of the Company's issued share capital as at 30 September 2013 (2012: 3.9%) was for an aggregate consideration of £2,321,000 (2012: £3,221,000).

In accordance with shareholder authority, during the year 1,751,681 ordinary shares with an aggregate nominal value of £87,584 were purchased (2012: Nil) and are held in treasury as at 30 September 2013 (2012: Nil). The aggregate consideration paid was £3,269,000 (2012: Nil).

This report was approved by the Board on 13 December 2013 and signed on its behalf by:

Simon Denyer
Company Secretary

13 December 2013

Numis Corporation Plc
10 Paternoster Square
London EC4M 7LT

05 / INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the Members of Numis Corporation Plc

We have audited the group and parent company financial statements (the "financial statements") of Numis Corporation Plc for the year ended 30 September 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Balance Sheet, the Company Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report & Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2013 and of the group's profit and group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

Duncan McNab
(Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London
13 December 2013

Consolidated Income Statement

for the year ended 30 September 2013

	Note	**2013** £'000	2012 £'000
Revenue	5	77,658	50,076
Other operating income	6	3,550	2,817
Total income		**81,208**	**52,893**
Administrative expenses		(59,150)	(48,925)
Operating profit	7	**22,058**	**3,968**
Finance income	9	566	363
Finance costs	10	(5)	(182)
Profit before tax		**22,619**	**4,149**
Taxation	11	(4,555)	(848)
Profit after tax		**18,064**	**3,301**
Attributable to:			
Equity holders of Numis Corporation Plc		18,064	3,301
Earnings per share			
Basic	25	16.9p	3.2p
Diluted	25	15.6p	3.0p

The notes on pages 37 to 71 form an integral part of these financial statements.

06 / FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2013

	2013 £'000	2012 £'000
Profit for the year	18,064	3,301
Exchange differences on translation of foreign operations	(52)	(15)
Other comprehensive expense for the year, net of tax	**(52)**	**(15)**
Total comprehensive income for the year, net of tax, attributable to equity holders of Numis Corporation Plc	**18,012**	**3,286**

The notes on pages 37 to 71 form an integral part of these financial statements

Consolidated Balance Sheet

as at 30 September 2013

	Note	2013 £'000	2012 £'000
Non current assets			
Property, plant and equipment	13	1,652	1,959
Intangible assets	14	124	82
Deferred tax	17	2,715	1,906
		4,491	**3,947**
Current assets			
Trade and other receivables	18	198,391	241,472
Trading investments	19	36,203	38,596
Stock borrowing collateral		292	4,511
Derivative financial instruments	16	779	72
Cash and cash equivalents	20	71,205	35,854
		306,870	**320,505**
Current liabilities			
Trade and other payables	21	(193,125)	(215,879)
Financial liabilities		(8,046)	(11,013)
Current income tax		(3,363)	(485)
		(204,534)	**(227,377)**
Net current assets		**102,336**	**93,128**
Net assets		**106,827**	**97,075**
Equity			
Share capital	23	5,865	5,736
Share premium		35,830	32,461
Other reserves	23	10,119	11,653
Retained earnings		55,013	47,225
Total equity		**106,827**	**97,075**

The notes on pages 37 to 71 form an integral part of these financial statements.

The financial statements on pages 30 to 71 were approved by the Board on 13 December 2013 and signed on its behalf by:

Oliver Hemsley
Chief Executive

Numis Corporation Plc
Registration No.2375296

Consolidated Statement of Changes in Equity

for the year ended 30 September 2013

	Share Capital £'000	Share Premium £'000	Other Reserves £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 October 2012	5,736	32,461	11,653	47,225	97,075
New shares issued	129	3,369	–	–	3,498
Dividends paid				(8,570)	(8,570)
Movement in respect of employee share plans			(1,482)	520	(962)
Deferred tax related to share based payments				1,043	1,043
Purchase of shares into Treasury				(3,269)	(3,269)
Total comprehensive (expense)/income for the year			(52)	18,064	18,012
Balance at 30 September 2013	**5,865**	**35,830**	**10,119**	**55,013**	**106,827**
Balance at 1 October 2011	5,622	30,767	12,809	50,393	99,591
New shares issued	114	1,694	–	–	1,808
Dividends paid				(8,397)	(8,397)
Movement in respect of employee share plans			(1,141)	1,924	783
Deferred tax related to share based payments				4	4
Total comprehensive (expense)/income for the year			(15)	3,301	3,286
Balance at 30 September 2012	**5,736**	**32,461**	**11,653**	**47,225**	**97,075**

The notes on pages 37 to 71 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 September 2013

	Note	**2013** £'000	2012 £'000
Cash from operating activities	26	46,338	4,781
Interest paid		(5)	(23)
Taxation paid		(1,442)	(640)
Net cash from operating activities		**44,891**	**4,118**
Investing activities			
Purchase of property, plant and equipment		(88)	(407)
Purchase of intangible assets		(104)	(26)
Interest received		369	326
Net cash from / (used in) investing activities		**177**	**(107)**
Financing activities			
Purchases of own shares – Employee Benefit Trust		(2,321)	(3,221)
Purchases of own shares – Treasury		(2,370)	–
Dividends paid		(5,072)	(6,589)
Net cash used in financing activities		**(9,763)**	**(9,810)**
Net movement in cash and cash equivalents		**35,305**	**(5,799)**
Opening cash and cash equivalents		35,854	41,778
Net movement in cash and cash equivalents		35,305	(5,799)
Exchange movements		46	(125)
Closing cash and cash equivalents		**71,205**	**35,854**

The notes on pages 37 to 71 form an integral part of these financial statements.

06 / FINANCIAL STATEMENTS

Company Balance Sheet

as at 30 September 2013

	Note	**2013** £'000	2012 £'000
Non current assets			
Investment in subsidiary undertakings	15	31,266	27,167
		31,266	**27,167**
Current assets			
Trade and other receivables	18	25,186	22,721
Trading investments	19	8,450	16,570
		33,636	**39,291**
Current liabilities			
Trade and other payables	21	(1,107)	(2,016)
Current income tax		(7)	(4)
		(1,114)	**(2,020)**
Net current assets		**32,522**	**37,271**
Net assets		**63,788**	**64,438**
Equity			
Share capital	23	5,865	5,736
Share premium		35,830	32,461
Other reserves		9,930	11,413
Retained earnings		12,163	14,828
Total equity		**63,788**	**64,438**

The notes on pages 37 to 71 form an integral part of these financial statements.

The financial statements on pages 30 to 71 were approved by the Board on 13 December 2013 and signed on its behalf by:

Oliver Hemsley
Chief Executive

Company Statement of Changes in Equity

for the year ended 30 September 2013

	Share Capital £'000	Share Premium £'000	Other Reserves £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 October 2012	5,736	32,461	11,413	14,828	64,438
New shares issued	129	3,369	–	–	3,498
Purchase of shares into Treasury				(3,269)	(3,269)
Dividends paid				(8,570)	(8,570)
Movement in respect of employee share plans			(1,483)	5,586	4,103
Total comprehensive income for the year				3,588	3,588
Balance at 30 September 2013	**5,865**	**35,830**	**9,930**	**12,163**	**63,788**
Balance at 1 October 2011	5,622	30,767	12,554	10,216	59,159
New shares issued	114	1,694	–	–	1,808
Dividends paid				(8,397)	(8,397)
Movement in respect of employee share plans			(1,141)	6,404	5,263
Total comprehensive income for the year				6,605	6,605
Balance at 30 September 2012	**5,736**	**32,461**	**11,413**	**14,828**	**64,438**

The notes on pages 37 to 71 form an integral part of these financial statements.

The Company had no cash or cash equivalent balances as at 30 September 2011, 30 September 2012 or 30 September 2013. Similarly there were no movements in cash or cash equivalents during the year ended 30 September 2012 or the year ended 30 September 2013. Therefore no cash flow statement is presented for the Company.

06 / FINANCIAL STATEMENTS

Notes to the financial statements

for the year ended 30 September 2013

1. Accounting policies

Numis Corporation Plc is a UK AIM listed company incorporated and domiciled in the United Kingdom. The address of its registered office is 10 Paternoster Square, London, EC4M 7LT.

The principal accounting policies applied in the preparation of the annual report and financial statements of the Group and the Company are described below. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Basis of preparation

The Group and the Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. These financial statements have been prepared under the historical cost convention as modified by revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss.

In publishing the Company financial statements together with those of the Group, the Company has taken advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes.

The financial statements of the Group and the Company have been prepared on a going concern basis as the Directors have satisfied themselves that, at the time of approving the financial statements and having taken into consideration the strength of the Group and Company balance sheet and the Group's cash balances, the Group and Company have adequate resources to continue in operational existence for at least the next 12 months.

There were no new standards or amendments to existing standards adopted by the Group or Company for the accounting period ended 30 September 2013.

The following new standards, amendments and interpretations are mandatory for the first time for the Group's accounting period ended 30 September 2013 but are not currently relevant to the Group:

Amendment to IAS 1 'Financial statement presentation', introduces a requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently through a reclassification adjustment. This amendment has been endorsed by the EU. This is not currently relevant to the Group or the Company as at present, and historically, neither the Group nor the Company have entered into material transactions that would be impacted by this amendment.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

IFRS 9 'Financial Instruments', introduces new requirements for classifying and measuring financial assets and is therefore likely to have some affect on the Group and Company's accounting for financial assets. However, the standard is not applicable until the Group's 2016 accounting year end and has not yet been endorsed by the EU. Consequently the Group has yet to fully assess the impact of IFRS 9 but initial indications are that the impact will not prove to be material.

IFRS 13 'Fair Value Measurement', aims to improve consistency and provide a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The standard is not applicable until the Group's 2014 accounting year end but has been endorsed by the EU. The Group has yet to fully assess its impact but initial indications are that the impact will not prove to be material.

Amendment to IAS 12 'Income Tax', introduces a presumption that deferred tax assets or liabilities arising on investment property measured at fair value will be recoverable through sale of the underlying asset rather than use. This amendment has been endorsed by the EU. This is not currently relevant to the Group or the Company as it has no such holdings or investments.

Notes to the financial statements

1. Accounting policies (continued)

(b) Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and all its subsidiary undertakings. Subsidiaries are all entities (including special purpose vehicles) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more the one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group control another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

All intra Group transactions and balances are eliminated on consolidation and consistent accounting policies are used throughout the Group for the purposes of consolidation.

The purchase method of accounting is used to account for the acquisition of businesses and subsidiaries.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the Group. Revenue comprises institutional commissions, net trading gains or losses, corporate broking retainers, deal fees and placing commissions. Institutional commissions due are recognised on trade dates or accrued over the period to which they relate if appropriate. Net trading gains or losses are the realised and unrealised profits and losses from market making long and short positions on a trade date basis and comprise all gains and losses from changes in the fair value of financial assets and liabilities held for trading, together with any related dividend on positions held. Net trading gains or losses also includes derivative contracts relating to equity options and warrants received in lieu of corporate finance fees. Corporate retainers are accrued over the period for which the service is provided. Deal fees and placing commissions are only recognised once there is a contractual entitlement for the Group to receive them.

(d) Segment reporting

The Group is managed as an integrated investment banking business and although there are different revenue types the nature of Group's activities is considered to be subject to the same and/or similar economic characteristics. Consequently the Group is managed as a single business unit, namely investment banking. The chief operating decision-maker, who is responsible for allocating resources and assessing performance has been identified as the Chief Executive Officer.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bring the asset to its working condition for its intended use. Depreciation is provided for on a straight line basis at the following rates:

Office and computer equipment	3 years
Motor vehicles	4 years
Furniture and fittings	5 years

Leasehold improvements are depreciated on a straight line basis over the term of the lease or estimated useful economic life whichever is the shorter.

(f) Intangible assets

Acquired computer software licences are capitalised where it is probable that future economic benefits that are attributable to the asset will flow to the Company or Group and the cost of the assets can be reliably measured. Software is stated at cost, including those costs incurred to bring to use the specific software, less amortisation and provisions for impairment, if any. Costs are amortised on a straight line basis over the estimated useful life of the software.

Costs associated with maintaining or developing the software are recognised as an expense when incurred.

(g) Impairment of assets

The carrying value of property, plant and equipment and intangibles is reviewed for impairment when events or changes in circumstance indicate the carrying value may be impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss.

1. Accounting policies (continued)

(h) Financial assets and liabilities

The Group's financial assets and liabilities comprise trading investments, financial liabilities, derivative financial instruments, trade and other receivables, stock borrowing and lending collateral, cash and cash equivalents, trade and other payables and provisions. The Group classifies its financial assets and liabilities depending on the purpose for which the assets and liabilities were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are recognised on trade date and are derecognised when they are extinguished.

Trading investments and financial liabilities represent market making positions and other investments held for resale in the near term and are classified as held for trading. Purchases and sales of investments are recognised on trade date. Gains and losses arising from changes in fair value are taken to the income statement. Financial liabilities comprise short market making positions and include shares listed on the LSE Main and AIM markets as well as overseas exchanges.

For trading investments and financial liabilities which are quoted in active markets, fair values are determined by reference to the current quoted bid/offer price, with financial assets marked at the bid price and financial liabilities marked at the offer price. Where independent prices are not available, fair values are determined using valuation techniques with reference to observable market data. These may include comparison to similar instruments where observable prices exist, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Financial assets included within trade and other receivables are classified as loans and receivables. Loans and receivables are non-derivative financial instruments which have a fixed or easily determinable value.

The Group makes an assessment at each balance sheet date as to whether there is any objective evidence of impairment, being any circumstance where an adverse impact on estimated future cash flows of the financial asset or group of assets can be reliably estimated.

(i) Derivative financial instruments

The Group utilises forward exchange contracts to manage the exchange risk on actual transactions related to amounts receivable, denominated in a currency other than the functional currency of the business. The Group has not sought to apply the hedging requirements of IAS 39.

The Group's forward exchange contracts do not subject the Group to risk from exchange rate movements because the gains and losses on such contracts offset losses and gains, respectively, on the underlying foreign currency transactions to which they relate. The forward contracts and related amounts receivable are recorded at fair value at each period end. Fair value is calculated using the settlement rates prevailing at the period end.

All gains and losses resulting from the settlement of the contracts are recorded within finance income/costs in the income statement.

The Group does not enter into forward exchange contracts for the purpose of hedging future anticipated transactions.

Equity options and warrants are initially accounted for and measured at fair value on the date the Company or Group becomes a party to the contractual provisions of the derivative contract and subsequently measured at fair value. The gain or loss on re-measurement is taken to the income statement within revenue, as part of net trading gains or losses. Fair values are obtained from quoted prices prevailing in active markets, including recent market transactions and valuation techniques including discounted cash flow models and option pricing models as appropriate. All derivatives are included in assets when their fair value is positive and liabilities when their fair value is negative.

Notes to the financial statements

1. Accounting policies (continued)

(j) Deferred tax

Deferred tax is provided in full, using the liability method, on all taxable and deductible temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

(k) Stock borrowing / lending collateral

The Group enters stock borrowing and lending arrangements with certain institutions which are entered into on a collateralised basis with securities or cash advanced or received as collateral. Under such arrangements a security is purchased or sold with a commitment to return it at a future date at an agreed price. The securities purchased are not recognised on the balance sheet whereas the securities sold remain on the balance sheet with the transaction treated as a secured loan made for the purchase or sale price. Where cash has been used to effect the purchase or sale, an asset or liability is recorded on the balance sheet as stock borrowing or lending collateral at the amount of cash collateral advanced or received.

Where trading investments have been pledged as security these remain within trading investments and the value of security pledged disclosed separately except in the case of short-term highly liquid assets with an original maturity of 3 months or less, which are reported within cash and cash equivalents with the value of security pledged disclosed separately.

(l) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due. Such evidence includes ageing of the debt, persistent lack of communication and internal awareness of third party trading difficulties.

The amount of any provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the income statement within administrative expenses.

Included within trade and other receivables are client, broker and other counterparty balances representing unsettled sold securities transactions which are recognised on a trade date basis.

(m) Trade and other payables

Trade and other payables are recognised initially at fair value, which is the agreed market price at the time goods or services are provided and are subsequently recorded at amortised cost using the effective interest method. The Group accrues for all goods and services consumed but as yet unbilled at amounts representing management's best estimate of fair value. Client, broker and other counterparty balances represent unsettled purchased securities transactions and are recognised on a trade date basis.

(n) Cash and cash equivalents

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

(o) Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation and it can be reliably estimated. Provisions believed to relate to periods greater than 12 months are discounted to the net present value using an effective discount rate that reliably calculates the present value of the future obligation.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised in the financial statements; however they are disclosed unless their likely occurrence is remote.

1. Accounting policies (continued)

(p) Clients' deposits

All money held on behalf of clients has been excluded from the balances of cash and cash equivalents and amounts due to clients, brokers and other counterparties. Client money is not held directly, but is placed on deposit in segregated bank accounts with a financial institution. The amounts held on behalf of clients at the balance sheet date are included in Note 20.

(q) Pension costs

The Group has a Group Personal Pension Plan and death in service benefits that are available to eligible employees of the Group. The plan is a defined contribution scheme and costs of the scheme are charged to the income statement in the year in which they arise.

(r) Operating leases

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term even if the payments are not made on such a basis. Lease incentive received are recognised in the income statement as an integral part of the total lease expense.

(s) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements of the Group are presented in Sterling which is the Company's functional currency and the Group's presentation currency.

In individual entities, transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at rates prevailing on the balance sheet date. Exchange differences are taken to the income statement, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are taken to other comprehensive income. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

On consolidation, the results of overseas businesses are translated into the presentation currency of the Group at the average exchange rates for the period where these approximate to the rate at the date of transaction. If the average exchange rates for the period do not approximate to the rate at the date of transaction, income and expenses are translated at the rate on the dates of the transactions. Assets and liabilities of overseas businesses are translated into the presentation currency of the Group at the exchange rate prevailing at the balance sheet date. Exchange differences arising are classified as other reserves. Cumulative translation differences arising after the transition to IFRS are taken to the income statement on disposal of the net investment.

(t) Taxation

Taxation on the profit for the year comprises both current and deferred tax as well as adjustments in respect of prior years. Taxation is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is also included within equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted, or substantially enacted by the balance sheet date.

(u) Employee share ownership plans

The Group has a number of Employee Share Ownership Plans (ESOP), as set out in Note 24, which provide a mechanism for the Board to reward employees of the Group share-based payments on a discretionary basis. Employee Benefit Trusts established by the Company acquire ordinary shares in the Company to be held on trust for the benefit of, and ultimately distributed to, employees either on the exercise of share options or other remuneration arrangements.

In the case of equity settled awards, the cost of share awards made under employee share ownership plans, as measured by the fair value of awards at the date of granting, are taken to the income statement over the vesting period (if any), and disclosed under staff costs with a corresponding increase in equity. Fair value is based on the market value of the shares on the grant date. Where awards provide no entitlement to dividends over the vesting period the market value of the shares on grant date is discounted by the dividend yield over the expected life of the award.

Notes to the financial statements

1. Accounting policies (continued)

In the case of cash settled awards, the cost of share awards made under employee share ownership plans, as measured by the fair value of awards at the date of granting, are taken to the income statement over the vesting period with a corresponding increase in provisions representing the cash obligation. Fair value is based on the market value of the shares on the grant date. At each subsequent accounting date the fair value of the obligation is re-assessed with reference to the underlying share price and the provision adjusted accordingly.

On consolidation, the cost of shares acquired by the Employee Benefit Trusts is deducted as an adjustment to equity. Gains and losses arising on Employee Benefit Trust related transactions are taken directly to equity. No expense is recognised in respect of option awards granted before 7 November 2002 or which have vested before 1 October 2005.

(v) Dividends

Dividend distribution is recognised in equity in the financial statements in the period in which dividends are paid. Final dividends are recognised at the date they are approved by shareholders at the Annual General Meeting.

(w) Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those of estimates. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are set out below:

Valuation of financial assets where there is no quoted price
Such assets principally comprise minority holdings in unquoted securities and are valued with reference to financial information available at the time of original investment updated to reflect all relevant changes to that information as at the reporting date. This determination may require significant judgement in determining changes in fair value since the last valuation date. In making this judgement the Group evaluates among other factors recent offerings or transaction prices, changes in the business outlook affecting a particular investment since purchase, performance of the underlying business against original projections, valuations of similar quoted companies and relevant industry valuation techniques, for example, discounted cashflow or market approach.

Valuation of quoted financial assets where there is no active market
Quoted investments held by the Group may not always be actively traded in financial markets. In such cases the Group applies appropriate valuation techniques to determine fair value.

Income taxes
The Group is subject to income taxes. Judgement is required in determining the extent to which it is probable that taxable profits will be available in the future against which deferred tax assets can be utilised. Based on forecasts the Group expects to materially recover its deferred tax assets within the next six years. If the Group forecasts were 10% higher or lower the Group would still expect to recover its deferred tax assets within the next six years.

Provisions
Estimate for provisions arising as a consequence of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation are based on management's best knowledge of the amount, event or actions. Currently neither the Group nor the Company has a requirement to hold provisions.

(x) Exceptional Items

Exceptional items are those significant items which are separately disclosed by virtue of their amount and incidence to enable a full understanding of the Company's and/or Group's financial performance.

In addition to the above accounting policies the following relate specifically to the Company:

(y) Investment in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment. Where the Company makes equity settled awards for the benefit of its subsidiaries, the value of such awards is treated as an additional cost of investment in these subsidiaries.

2. Adjusted profit measures

The following table reconciles the statutory measures of profit before tax, profit after tax and earnings per share to the adjusted measures used by management in their assessment of the underlying performance of the business:

	2013 £'000	2012 £'000
Statutory group profit before tax	22,619	4,149
Items not included within adjusted profit before tax:		
Other operating income	(3,550)	(2,817)
Share scheme charge	4,494	5,591
National Insurance provisions related to share scheme awards	1,474	733
Adjusted group profit before tax	25,037	7,656
Statutory group taxation	(4,555)	(848)
Tax impact of adjustments	106	(104)
Adjusted group taxation	(4,449)	(952)
Adjusted group profit after tax	20,588	6,704

	2013	2012
Basic weighted average number of shares, number	106,924,245	104,184,235
Adjusted basic earnings per share, pence	19.3p	6.4p
Adjusted diluted earnings per share, pence	17.8p	6.0p

3. Profit of the Company

As provided by Section 408 Companies Act 2006, the income statement and statement of comprehensive income of the Company is not presented as part of these financial statements. The Company's profit after tax for the financial year amounted to £3,588,000 (2012: £6,605,000).

4. Segmental information

Geographical information

The Group is managed as an integrated investment banking business and although there are different revenue types (which are separately disclosed in note 5) the nature of Group's activities is considered to be subject to the same and/or similar economic characteristics. Consequently the Group is managed as a single business unit, namely investment banking.

The Group earns its revenue in the following geographical locations:

	2013 £'000	2012 £'000
United Kingdom	70,252	45,101
United States	7,406	4,975
	77,658	50,076

Notes to the financial statements

4. Segmental information (continued)

The following is an analysis of the carrying amount of non-current assets (excluding financial instruments and deferred tax assets) by the geographical area in which the assets are located

	2013 £'000	2012 £'000
United Kingdom	1,567	1,769
United States	209	272
	1,776	2,041

Other information

In addition, the analysis below sets out the revenue performance and net asset split between our core investment banking & broking business and the small number of equity holdings which constitute our investment portfolio.

	2013 £'000	2012 £'000
Net institutional income	37,218	24,809
Total corporate transaction revenues	33,507	19,128
Corporate retainers	6,933	6,139
Revenue from Investment Banking & Broking (see note 5)	77,658	50,076
Investment activity net gains	3,550	2,817
Contribution from Investing Activities	3,550	2,817
Total	81,208	52,893
Net assets		
Investment banking & broking	25,077	43,446
Investing activities	10,545	17,775
Cash and cash equivalents	71,205	35,854
Total net assets	106,827	97,075

5. Revenue

	2013 £'000	2012 £'000
Net trading gains	8,459	3,430
Institutional commissions	28,759	21,379
Net institutional income	37,218	24,809
Corporate retainers	6,933	6,139
Deal fees	6,015	8,275
Placing commissions	27,492	10,853
	77,658	50,076

6. Other operating income

	2013 £'000	2012 £'000
Investment income	3,550	2,817

Investment income represents gains made on trading investments which are held outside of the market making portfolio. These are referred to as the Group's investment portfolio.

7. Operating profit

Operating profit is stated after charging:

	2013 £'000	2012 £'000
Depreciation of property, plant and equipment	397	373
Amortisation of intangible assets	62	49
Operating lease costs	1,700	1,751
Staff costs (see note 8)	41,172	30,583
Auditors' remuneration		
Audit services		
Audit fee for parent company and consolidated accounts	35	48
Year end audit services to the Subsidiaries of the Company	182	276
Other services		
Tax services	60	49
Regulatory and other services	63	62

All the above items are reflected in the administrative expenses line of the income statement.

8. Staff costs

Particulars of employees (including executive directors) are as shown below.

Employee costs during the year amounted to:

	2013 £'000	2012 £'000
Wages and salaries	29,645	20,122
Social security costs	5,396	3,425
Compensation for loss of office	251	296
Other pension costs (see note 27d)	1,386	1,149
Share based payments	4,494	5,591
	41,172	30,583

The share based payment award costs shown above include an amount of £4,099,000 (2012: £5,205,000) in respect of share-based payment transactions which are accounted for as equity-settled awards. The share based payment charge arises from the combined impact of all historic unvested awards.

Notes to the financial statements

8. Staff Costs (continued)

Number of staff employed:

	2013 Number	2012 Number
Average for the year		
Professional	133	139
Administration	40	41
	173	180
At the year end	175	173

Details of directors' emoluments are presented in the Remuneration Report on page 23.

9. Finance income

	2013 £'000	2012 £'000
Interest income	514	363
Net foreign exchange gains	52	–
	566	363

Interest income comprises interest on surplus cash balances placed on call deposit and interest receivable on certain staff loans.

10. Finance costs

	2013 £'000	2012 £'000
Interest expense	5	16
Net foreign exchange losses	–	166
	5	182

Interest expense comprises amounts paid on overdrawn balances with clearing institutions.

11. Taxation

The tax charge is based on the profit for the year and comprises:

	2013 £'000	2012 £'000
Current tax		
Corporation tax at 23.5% (2012: 25%)	4,364	557
Corporation tax over provided in previous year	(43)	–
Total current tax	4,321	557
Deferred tax		
Origination and reversal of temporary differences (see note 17)	209	158
Changes in tax rate	25	133
Total tax charge	4,555	848

Factors affecting the tax charge for the year:

	2013 £'000	2012 £'000
Profit before tax	22,619	4,149
Profit before tax multiplied by the standard rate of UK corporation tax	5,316	1,037
Effects of:		
Expenses not deductible for tax purposes	100	149
Non taxable income	(327)	(619)
Losses (available for utilisation) / not recognised	(763)	144
Permanent differences in respect of share based payments	65	(362)
Corporation tax over provided in previous year	(43)	–
Changes in tax rate and other temporary differences	207	499
Total tax charge	4,555	848

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Group's UK profits for this accounting period are taxed at an effective rate of 23.5%. Future UK corporation tax rates are applicable at 21% from 1 April 2014 and 20% from 1 April 2015.

12. Dividends

	2013 £'000	2012 £'000
Final dividend for year ended 30 September 2012 (4.00p)	4,243	
Interim dividend for year ended 30 September 2013 (4.00p)	4,327	
Final dividend for year ended 30 September 2011 (4.00p)		4,112
Interim dividend for year ended 30 September 2012 (4.00p)		4,285
Distribution to equity holders of Numis Corporation Plc	8,570	8,397

Dividends declared on shares held by the Employee Benefit Trust that have not been purchased by or vested in employees are waived under the terms of the employee share ownership plan arrangements.

On 2 December 2013 the Board proposed a final dividend of 5.00p per share for the year ended 30 September 2013. This has not been recognised as a liability of the Group at the year end as it has not yet been approved by the shareholders. Based on the number of shares in issue at the year end the total amount payable would be £5,355,250.

Notes to the financial statements

13. Property, plant and equipment

Group

The movement during the year and the prior year was as follows:

	Furniture and fittings £'000	Leasehold improvements £'000	Office and computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 October 2012	738	2,437	2,130	29	5,334
Additions	–	26	62	–	88
Disposals	(227)	–	(149)	(29)	(405)
Exchange adjustment	1	2	2	–	5
At 30 September 2013	512	2,465	2,045	–	5,022
Accumulated depreciation					
At 1 October 2012	649	867	1,830	29	3,375
Charge for the year	29	199	169	–	397
Disposals	(227)	–	(149)	(29)	(405)
Exchange adjustment	–	1	2	–	3
At 30 September 2013	451	1,067	1,852	–	3,370
Net book value					
At 1 October 2012	89	1,570	300	–	1,959
At 30 September 2013	61	1,398	193	–	1,652

	Furniture and fittings £'000	Leasehold improvements £'000	Office and computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 October 2011	829	2,276	2,168	29	5,302
Additions	25	172	210	–	407
Disposals	(112)	–	(240)	–	(352)
Exchange adjustment	(4)	(11)	(8)	–	(23)
At 30 September 2012	738	2,437	2,130	29	5,334
Accumulated depreciation					
At 1 October 2011	714	699	1,930	23	3,366
Charge for the year	48	171	148	6	373
Disposals	(112)	–	(240)	–	(352)
Exchange adjustment	(1)	(3)	(8)	–	(12)
At 30 September 2012	649	867	1,830	29	3,375
Net book value					
At 1 October 2011	115	1,577	238	6	1,936
At 30 September 2012	89	1,570	300	–	1,959

14. Intangible assets

Group

The movement during the year and the prior year was as follows:

	2013 Purchased Software £'000	2012 Purchased Software £'000
Cost		
At 1 October	827	873
Additions	104	26
Disposals	(208)	(72)
At 30 September	723	827
Accumulated amortisation		
At 1 October	745	768
Charge for the year	62	49
Disposals	(208)	(72)
At 30 September	599	745
Net book value		
At 1 October	82	105
At 30 September	124	82

15. Investment in subsidiary undertakings

Company

a) Company investment in subsidiaries

	2013 £'000	2012 £'000
As at 1 October	27,167	21,962
Additions (see below)	4,099	5,205
As at 30 September	31,266	27,167

Additions reflect the accounting treatment required by IFRS 2 in relation to awards made under the Group's share plans which are accounted for as equity-settled share transactions and relate to employees in subsidiaries.

b) Subsidiaries

The Company beneficially owns the issued ordinary share capital of the following companies:

Subsidiary	Country of incorporation	Principal activity	Group shareholding
Numis Securities Limited	United Kingdom	Financial services	100%
Numis Securities Inc*	United States of America	Financial services	100%
Numis Nominees (Client) Limited	United Kingdom	Dormant	100%
Numis Nominees (NSI) Limited*	United Kingdom	Dormant	100%
Numis Nominees Limited*	United Kingdom	Dormant	100%
Numis NewCo Limited	United Kingdom	Dormant	100%

* Held through a subsidiary of the Group

Notes to the financial statements

16. Derivative financial instruments

Group

	2013 **£'000**	2012 £'000
At 1 October	72	28
Additions	–	–
Exercise	(273)	–
Revaluation to fair value in the year recognised in the income statement	980	44
At 30 September	779	72

	2013 **£'000**	2012 £'000
Included in current assets – listed	777	65
Included in current assets – unlisted	2	7
Included in non-current assets – unlisted	–	–
	779	72

The Group holds equity options and warrants over certain securities. Although the options and warrants themselves are not listed the underlying securities may be listed or otherwise. In the information presented above the listed and unlisted distinction relates to the underlying security. As at 30 September 2013 the fair value of outstanding foreign exchange contracts was £2,000 (2012: £7,000).

17. Deferred tax

Group

The movement in the deferred tax balance is as follows:

	2013 **£000**	2012 £000
At 1 October	1,906	2,192
Amounts charged to the income statement	(234)	(290)
Amounts recognised on share based payments – equity	1,043	4
At 30 September	2,715	1,906

	Capital allowances £'000	Share scheme arrangements £'000	Other £'000	Total £'000
1 October 2012	279	1,580	47	1,906
(Charged)/credited to income statement	(109)	(106)	(19)	(234)
Recognised in equity		1,043		1,043
30 September 2013	170	2,517	28	2,715

As at 30 September 2013 deferred tax assets totalling £2,715,000 (2012: £1,906,000) have been recognised reflecting managements' confidence that there will be sufficient levels of future taxable gains against which the deferred tax asset can be utilised. Of this balance £1,050,000 (2012: £812,000) is expected to be recovered within 12 months.

A deferred tax asset totalling £1,640,000 (2012: £1,334,000) relating to unrelieved trading losses has not been recognised as there is insufficient supportable evidence that there will be taxable gains in the future against which the deferred tax asset could be utilised.

17. Deferred tax (continued)

Company

A deferred tax asset of £630,000 (2012: £1,134,000) relating to unrelieved trading losses incurred by the Company has not been recognised as there is insufficient supportable evidence that there will be taxable gains in the future against which the deferred tax asset could be utilised.

18. Trade and other receivables

The following amounts are included within trade and other receivables:

	2013 £'000	2012 £'000
Group		
Due from clients, brokers and other counterparties (excluding corporate finance receivables)	179,584	217,056
Loans to employees	11,146	15,173
Other receivables, including corporate finance receivables	4,515	6,386
Prepayments and accrued income	3,146	2,857
	198,391	241,472

Trade and other receivables are stated net of impairment adjustments totalling £178,000 (2012: £216,000). The movement in impairment provision during the year comprised £4,000 for utilisation of provisions and £34,000 release to the income statement through administrative expenses. Loans to employees principally arise from arrangements under the Group's share schemes.

	2013 £'000	2012 £'000
Company		
Amounts due from subsidiaries	24,068	20,353
Other receivables	1,118	2,368
	25,186	22,721

19. Trading investments

	2013 £'000	2012 £'000
Group		
Listed on the LSE main market	14,818	9,233
Listed on AIM	12,755	26,862
Listed overseas	4,448	1,518
Listed on the LSE ORB market	1,799	–
Unlisted UK investments	2,383	983
	36,203	38,596

	2013 £'000	2012 £'000
Company		
Listed on AIM	7,950	16,570
Unlisted UK investments	500	–
	8,450	16,570

Notes to the financial statements

20. Cash and cash equivalents

	2013 £000	2012 £000
Group		
Cash and cash equivalents included in current assets	71,205	35,854

Cash and cash equivalents comprise cash in hand and deposits held at call with banks and other institutions.

The balances exclude interest-bearing deposits of clients' monies placed by the Group with banks on an agency basis. All such deposits are designated by the banks as clients' funds and are not available to the banks to satisfy any liability the Group may have with them at that time. The balance at 30 September 2013 held on deposit for private clients was £98,495 (2012: £95,391). Similarly cash held in segregated bank accounts in respect of other client monies amounted to £198,075 (2012: £7,362,533).

21. Trade and other payables

	2013 £'000	2012 £'000
Group		
Amounts due to clients, brokers and other counterparties	169,875	204,252
VAT payable	333	194
Social security and PAYE	1,029	1,133
Sundry payables	1,779	2,176
Accruals	20,109	8,124
	193,125	215,879

	2013 £'000	2012 £'000
Company		
Amounts due to subsidiaries	1,107	2,016

22. Provisions

There were no provisions at the beginning of the year or movements in provisions during the year. The movements in provisions during the prior year were as follows:

	Share scheme arrangements £'000
Group	
At 1 October 2011	298
Recognised in the income statement	69
Recognised in equity in respect of vested share awards	(367)
At 30 September 2012	–

Provisions related to the cash settled element of the Groups' share scheme arrangements, and were determined with reference to all the unvested awards that were expected to vest (taking into account management's estimates regarding fulfilment of vesting conditions) and the year end share price. During the prior year, amounts recognised in equity relate to awards which vested in that year. As at 30 September 2013 there are no unvested cash settled awards.

23. Share capital and Other reserves

Share capital

Group and Company

	2013 £'000	2012 £'000
Authorised		
140,000,000 (2012: 140,000,000) 5p ordinary shares	7,000	7,000
Allotted, issued and fully paid		
117,291,911 (2012: 114,728,057) 5p ordinary shares	5,865	5,736

During the year 2,563,854 (2012: 2,284,755) ordinary shares were issued for a total consideration £3,498,000 (2012: £1,808,000) of which £3,369,000 (2012: £1,694,000) has been included as share premium. Shares issued during the year were in respect of scrip dividend elections. Share issuances made during the year in respect of the ESOP totalled nil (2012: nil).

During the year 1,751,681 ordinary shares of 5p with an aggregate nominal value of £87,584 were purchased (2012: nil) and are held in treasury as at 30 September 2013 (2012: nil). Distributable reserves have been reduced by £3,269,000 being the consideration paid for these shares.

Other reserves

Group

	Foreign exchange translation £'000	Equity settled share plans £'000	Total other reserves £'000
Balance at 1 October 2012	240	11,413	11,653
Exchange difference on translation of foreign operations	(52)	–	(52)
Employee share plans: value of employee service		4,099	4,099
Employee share plans: transfer to retained earnings on vesting of awards		(5,581)	(5,581)
Balance at 30 September 2013	188	9,931	10,119
Balance at 1 October 2011	255	12,554	12,809
Exchange difference on translation of foreign operations	(15)	–	(15)
Employee share plans: value of employee service		5,205	5,205
Employee share plans: transfer to retained earnings on vesting of awards		(6,346)	(6,346)
Balance at 30 September 2012	240	11,413	11,653

Other reserves

Company

	Equity settled share plans £'000
Balance at 1 October 2012	11,413
Employee share plans: value of employee service	4,099
Employee share plans: transfer to retained earnings on vesting of awards	(5,581)
Other	(1)
Balance at 30 September 2013	9,930
Balance at 1 October 2011	12,554
Employee share plans: value of employee service	5,205
Employee share plans: transfer to retained earnings on vesting of awards	(6,346)
Balance at 30 September 2012	11,413

Notes to the financial statements

24. Employee Share Schemes

The Company has established an employee benefit trust in respect of the Group share schemes which is funded by the Group and has the power to acquire shares from the Company or in the open market to meet the Group's future obligations under these schemes. As at 30 September 2013 the trust owned 6,683,549 ordinary 5p shares in the Company (2012: 8,651,848) with a market value of £16.4m as at 30 September 2013 (2012: £8.6m).

	2013 Number of shares	2012 Number of shares
At 1 October	8,651,848	10,667,733
Acquired during the year	2,246,079	4,519,491
Shares vested in employees	(4,164,127)	(6,265,113)
Shares used to satisfy issuances during the year	(50,251)	(145,263)
Shares used to satisfy option exercises	–	(125,000)
At 30 September	6,683,549	8,651,848

The figures in the above table are presented on a trade date basis.

At 30 September 2013 the number of shares held by the trust in respect of awards made to, but not yet vested in, employees totalled 4,661,554 (2012: 7,166,074).

A description of the Groups' share schemes and their operation is set out below:

Long Term Incentive Plan (LTIP) 2003 Scheme

The Board approved this plan on 28 April 2003 and it was approved by shareholders on 5 June 2003.

Eligibility

Any Director of the Company, or a Group company, and any employee of the Company, or a Group company, may be invited to participate in the plan.

Nature of plan

The scheme provides a framework by which employees are awarded a free share in exchange for their purchasing a stake in the Company.

The free, or "matching", shares replicate the number of shares purchased by the participant. Both the purchased and matching shares are held in trust for five years, after which time the participant has full entitlement if they continue to be employed by the Group at that date.

On vesting, the matching shares are sold by the Trustee and the proceeds passed to the participant. The purchased shares are transferred into the personal ownership of the participant. Awards granted under this scheme are cash settled.

US Restrictive Stock Plan (USRSP) 2003 Scheme

The Board approved this plan on 28 April 2003 and it was approved by shareholders on 5 June 2003.

Eligibility

Any Director or employee of Numis Securities Incorporated (NSI), the wholly owned subsidiary of Numis Securities Limited (NSL), itself a wholly owned subsidiary of Numis Corporation Plc, may be invited to participate in the plan.

Nature of plan

The mechanics of the scheme are the same as the LTIP 2003 scheme. Differences arise in treatment of awards under differing tax jurisdictions. Awards granted under this scheme are cash settled.

24. Employee Share Schemes (continued)

Long Term Incentive Plan (LTIP) 2008 Scheme

The Board approved this plan on 4 December 2007 and it was approved by shareholders on 29 January 2008.

Eligibility

Any Director of the Company, or a Group company, and any employee of the Company, or a Group company, may be invited to participate in the plan.

Nature of plan

The scheme is similar to the 2003 LTIP scheme. The concept of the Company awarding free shares to match the shares purchased by the participant at the award date remains the same. However, this scheme is maintained within a separate Trust company. The vesting conditions too are different; under this scheme, shares vest in three equal tranches at the end of the third, fourth and fifth anniversaries of the award date if the participant continues to be employed by the Group at these dates.

On vesting, the matching and purchased shares are transferred into the personal ownership of the participant. Awards granted under this scheme are equity settled.

US Restrictive Stock Plan (USRSP) 2008 Scheme

The Board approved this plan on 4 December 2007 and it was approved by shareholders on 29 January 2008.

Eligibility

Any Director or employee of Numis Securities Incorporated (NSI), the wholly owned subsidiary of Numis Securities Limited (NSL), itself a wholly owned subsidiary of Numis Corporation Plc, may be invited to participate in the plan.

Nature of plan

The scheme operates in the same way of the LTIP 2008 scheme. Differences arise in treatment of awards under differing tax jurisdictions. Awards granted under this scheme are equity settled.

Restricted Stock Unit (RSU) 2008 Plan

The Board approved this plan on 4 December 2007 and it was approved by shareholders on 29 January 2008.

Eligibility

Any Director of the Company, or a Group company, and any employee of the Company, or a Group company, may be invited to participate in the plan.

Nature of plan

This scheme is open to both UK and US directors and employees and operates as a deferred bonus payment in the form of shares. Awards vest in the hands of the participant in three equal tranches at the end of the first, second and third anniversaries following the award date if they continue to be employed by the Group on those dates. Awards granted under this scheme are equity settled.

Notes to the financial statements

24. Employee Share Schemes (continued)

The movement in award shares for each share incentive award scheme is detailed in the tables below:

	LTIP 2008 Number of shares	USRSP 2008 Number of shares	RSU 2008 Number of shares	Total Number of shares
Award shares at 1 October 2012	6,380,840	785,234	3,358,952	10,525,026
New awards	50,251	37,678	3,868,251	3,956,180
Vesting of awards	(1,841,222)	(740,282)	(1,582,623)	(4,164,127)
Forfeiture of awards	(10,945)	–	(44,546)	(55,491)
Award shares at 30 September 2013	4,578,924	82,630	5,600,034	10,261,588

	LTIP 2003 Number of shares	USRSP 2003 Number of shares	LTIP 2008 Number of shares	USRSP 2008 Number of shares	RSU 2008 Number of shares	Total Number of shares
Award shares at 1 October 2011	374,460	23,336	7,441,739	1,365,882	6,430,165	15,635,582
New awards	–	978	145,263	117,130	1,187,063	1,450,434
Vesting of awards	(374,353)	(24,314)	(1,047,315)	(680,913)	(4,138,218)	(6,265,113)
Forfeiture of awards	(107)	–	(158,847)	(16,865)	(120,058)	(295,877)
Award shares at 30 September 2012	–	–	6,380,840	785,234	3,358,952	10,525,026

Under the share schemes shown above, awards of 3,956,180 shares (2012: 1,450,434 shares) were granted during the year at a weighted average share price of 138.1p (2012: 83.9p). The weighted average market price on grant date for all awards made during the year was 160.9p (2012: 93.8p).

Option Scheme

The Group operates an employee option scheme which was originally formulated and approved in 2001. Under this scheme an option cannot be exercised later than the tenth anniversary after the grant date. The earliest date of exercise is usually three years after the date of grant. As at 30 September 2013 there were 4,363,303 unexercised options outstanding (2012: 3,536,025) details of which are shown below.

Movements in the number of outstanding share options during the year and their weighted average exercise prices are as follows:

	2013		2012	
	Average exercise price (pence per share)	Outstanding options	Average exercise price (pence per share)	Outstanding options
At 1 October	20.38	3,536,025	31.61	1,261,025
Granted	48.35	827,278	15.83	2,400,000
Exercised	–	–	46.20	(125,000)
At 30 September	25.69	4,363,303	20.38	3,536,025

The date range over which the above options may be exercised is set out in the table below. The overall weighted average life of the remaining options is 7.05 years (2012: 7.44 years).

The weighted average share price, at exercise date, of options exercised during the year was Nil (2012: 93.0p).
The weighted average fair value of options granted during the year was £1.02 (2012: 60p).

24. Employee Share Schemes (continued)

At 30 September 2013 the following options granted to employees to acquire ordinary shares in the Company were outstanding:

Grant date	Number of options outstanding	Exercise price	Earliest exercise date	Latest exercise date
15 May 2001	1,136,025	30.0p	15 May 2005	15 May 2015
15 June 2012	1,800,000	0.0p	15 June 2015	15 June 2022
2 July 2012	200,000	0.0p	2 July 2015	2 July 2022
2 July 2012	400,000	95.0p	2 July 2015	2 July 2022
6 March 2013	114,942	0.0p	6 March 2016	6 March 2023
13 May 2013	162,336	154.0p	13 May 2016	13 May 2023
13 May 2013	125,000	120.0p	13 May 2016	13 May 2023
4 June 2013	141,667	0.0p	4 June 2015	4 June 2023
4 June 2013	141,667	0.0p	2 June 2016	4 June 2023
4 June 2013	141,666	0.0p	2 June 2017	4 June 2023

In accordance with IFRS 1 'First-time adoption of International Financial Reporting Standards', the Company and Group has chosen not to apply IFRS 2 'Share Based Payments' ("IFRS 2") to share options granted before 7 November 2002 that had not vested by 1 October 2005. Consequently there is no requirement to provide fair values for those outstanding options.

Options granted after 7 November 2002 were measured at fair values at the date of grant. The fair value determined is expensed on a straight line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. Fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model has been adjusted, based on management's best estimate and behavioural considerations. Expected volatility has been estimated with reference to the share price of the Company over a period commensurate with the expected life of the option.

25. Earnings per share

Basic earnings per share is calculated on a profit after tax of £18,064,000 (2012: 3,301,000) and 106,924,245 (2012: 104,184,235) ordinary shares being the weighted average number of ordinary shares in issue during the year. Diluted earnings per share takes account of contingently issuable shares arising from share scheme award arrangements where their impact would be dilutive. In accordance with IAS 33, potential ordinary shares are only considered dilutive when their conversion would decrease the profit per share or increase the loss per share from continuing operations attributable to the equity holders. Therefore shares that may be considered dilutive while positive earnings are being reported may not be dilutive while losses are incurred.

The calculations exclude shares held by the Employee Benefit Trust on behalf of the Group.

	2013 Number Thousands	2012 Number Thousands
Weighted average number of ordinary shares in issued during the year – basic	106,924	104,184
Dilutive effect of share awards	8,718	7,444
Diluted number of ordinary shares	115,642	111,628

Notes to the financial statements

26. Consolidated statement of cash flows

Group

Reconciliation of profit before tax to cash from operating activities:

	2013 £000	2012 £000
Profit before tax	22,619	4,149
Net finance income	(561)	(181)
Depreciation charges on property, plant and equipment	397	373
Amortisation charges on intangible assets	62	49
Share scheme charges	4,494	5,591
Decrease/(increase) in current asset trading investments	2,393	(7,862)
Decrease/(increase) in trade and other receivables	39,584	(21,699)
Net movement in stock borrowing /lending collateral	4,219	(3,181)
(Decrease)/increase in trade and other payables	(26,162)	27,586
Increase in derivatives	(707)	(44)
Cash flows from operating activities	46,338	4,781

Company

The Company does not hold any cash balances, and cash based transactions are effected on its behalf by Numis Securities Limited, a wholly owned subsidiary. The operating profit of the Company includes fair value gains on investments of £3,227,000 (2012: £1,674,000) and investing activity related dividend income of £332,000 (2012: £915,000) that passed through intercompany accounts. The issuance of shares during the year did not involve any cash flows.

27. Guarantees and other financial commitments

a) Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £nil for the Group (2012: £nil).

b) Contingent liabilities

In the ordinary course of business, the Group has given letters of indemnity in respect of lost certified stock transfers and share certificates. No claims have been received in relation to the year ended 30 September 2013 (2012: nil). The contingent liability arising thereon cannot be quantified, although the directors do not believe that any material liability will arise under these indemnities.

The Company currently has in place unlimited guarantees to the Company's bankers, Barclays Bank plc for the debts of Numis Securities Limited and Numis Securities Inc., an indirect wholly owned subsidiary of the Company. As at 30 September 2013 the company did not have any indebtedness to Barclays Bank plc (2012: nil).

The Company has given a guarantee to Pershing LLC for any indebtedness of Numis Securities Inc. Pershing LLC provides securities clearing and settlement services to Numis Securities Inc. for some of its broker activities. As at 30 September 2013 that company did not have any indebtedness to Pershing LLC (2012: nil).

27. Guarantees and other financial commitments (continued)

c) Operating leases

At 30 September 2013 the Group had annual commitments under non-cancellable operating leases in respect of land and buildings of £1,701,000 (2012: £1,751,000). The total future aggregate minimum lease payments are as follows:

	Property **2013** £'000	Property 2012 £'000
Within one year	1,911	1,962
In two to five years	7,646	7,850
After five years	4,748	6,710
	14,305	16,522

The annual property rental on the principal property leased by the Group was subject to review in September 2011 and remains unchanged. The next review date is September 2016 with the end of the lease period being September 2021.

d) Pension arrangements

The pension cost charge for the year was £1,386,000 (2012: £1,149,000).

A defined contribution Group Personal Pension Plan has been in operation since 6 April 1997 for all eligible employees of the Group. The Group Personal Pension Plan is funded through monthly contributions. The Group contributes 7% of members' salaries with members contributing at least 2.5% of their salary. Employees are also eligible for death-in-service benefits.

28. Financial risk management

Group

Risk Management

The Group places great weight on the effective management of exposures to market, credit, liquidity and operational risk and our risk management policies and framework are designed to identify, monitor and manage such exposures to ensure that the operating activities of the Group are managed within the risk parameters set out by the Plc Board (the Board).

The Group's risk management framework is designed to incorporate all material risks to which the Group is or may be exposed. The Board is responsible for supervision of the risk management framework, approval of risk management policies and setting the overall risk appetite of the Group. All risk management functions ultimately report to the Board. The Board receives regular risk management reporting which provides an assessment of the exposures across the Group together with more detailed reports on market, credit and liquidity risk amongst others.

Risk exposures are monitored, controlled and overseen by separate but complementary committees which consist of senior management from revenue generating areas, compliance and finance. Management oversight and segregation of duties are fundamental to the risk management framework.

The Audit & Risk Committee is responsible for the evaluation and maintenance of the Group's control framework and ensuring that policies are in place and operating effectively to identify, assess, monitor and control risk throughout the Group. The Audit & Risk Committee receives risk updates which detail the Group's exposure to market, credit, liquidity, and operational risks. Controls and polices are reviewed and challenged to ensure their effectiveness and to reflect changes in requirements and best practice.

Notes to the financial statements

28. Financial risk management (continued)

The Risk Oversight Committee is responsible for exercising senior level oversight of all risk-related issues (both financial and non-financial). It has specific responsibility for the in-depth assessment and reporting of all material risks faced by the Group including the selection and scoring of the risks, the implementation of appropriate key risk indicators and controls designed to provide risk mitigation.

The Financial Risk Committee is responsible for ensuring that the day-to-day operating activities are managed within the financial risk appetite and controls framework approved by the Board and the Audit & Risk Committee, The Financial Risk Committee has delegated responsibility for preparing the financial risk management policies for review and approval by the Board and the Audit & Risk Committee. It also reviews the detailed components of market, credit and liquidity risk exposures of the business to ensure that such risks are monitored and assessed appropriately. The Committee met 16 times during the year. As a minimum, the Financial Risk Committee reviews:

- market risk exposures associated with our equity and derivative positions
- trading book and individual stock Value-at-Risk (VaR) with comparison to limits resulting excesses
- performance of the trading book overall and at individual stock level
- credit risk exposures to trading counterparties and deposit-taking counterparties
- liquidity and concentration risk of the cash and cash equivalent assets
- currency risk exposures of foreign currency denominated deposits
- capital resources of the Group compared to the Capital Requirements Directive Pillar I capital requirement and additional internal economic capital measures
- client asset requirements and resources

The Finance department has day-to-day responsibility for monitoring and reporting financial risk exposures within the Group and escalation of issues to senior management. In addition to daily reporting of market, credit and liquidity risk key indicators to senior management, the trading system has real-time trading book, stock and VaR limit alerts to flag individual stock holdings and trading book positions which are approaching their predefined limit. Margin requirement at Central Counterparties is also monitored continuously and automated intraday reporting is in place for credit exposures and associated credit limit breaches (hourly).

Independent assurance of the suitability and effectiveness of the Group's risk management framework and controls is provided to the Audit & Risk Committee by the utilisation of an outsourced, independent Internal Audit function.

Market Risk-Equity Risk

The Group is affected by conditions in the financial markets and the wider economy through its holdings of equity investments arising through the normal course of its market making, trading and investing activities. Equity risk arises from the exposures of these holdings to changes in prices and volatilities of equity prices. An adverse movement in the fair value of our holdings has consequences for the capital resources of the Group and therefore it is important for management to understand the potential impact of such movements.

The Group utilises a VaR model to measure market risk. The model uses a "Historical Simulation" approach which shocks market risk positions by the actual daily market moves observed during a rolling 256 business day window. The sum of the simulated returns for each of the 256 days is calculated and the VaR is defined as being the 3rd worst loss during this period. This approach is an accepted industry standard and gives the Group an understanding of the market risks being taken.

28. Financial risk management (continued)

VaR limits are set at both individual stock level and portfolio level and are approved by the Board. Such limits are incorporated into the Group's front office trading system so that real time monitoring of VaR exposures is available to both front office staff and relevant risk management staff. On a daily basis the Finance department computes the Historical Simulation VaR risk measure based on the end of day portfolio of holdings. The results are reported to senior management at the end of each day against limits with all resulting excesses highlighted. Similarly the risk measures are also compared to the daily revenue performance and our capital resources. Alongside the use of VaR limits, there are absolute monetary trading book limits at gross and net position level.

The table below shows the highest, lowest, and average total long, short, gross, and net position in listed securities during the year, together with positions at year end.

				2013
	Long £'000	Short £'000	Gross £'000	Net £'000
Highest position	43,130	(14,732)	57,239	29,021
Lowest position	28,277	(5,660)	38,920	14,904
Average position	33,997	(12,102)	46,099	21,895
As at 30 September 2013	34,597	(8,046)	42,642	26,551

				2012
	Long £'000	Short £'000	Gross £'000	Net £'000
Highest position	39,938	(15,610)	55,072	33,650
Lowest position	28,094	(3,743)	34,286	20,914
Average position	35,606	(9,920)	45,526	25,686
As at 30 September 2012	37,678	(11,013)	48,691	26,665

The table below shows the highest, lowest, average, and year end equity VaR.

	2013 £'000	2012 £'000
Highest VaR	508	456
Lowest VaR	172	202
Average VaR	301	295
As at 30 September	425	240

In addition the Group holds positions totalling £2,383,000 (2012: £983,000) in unlisted securities. These are reported to senior management together with positions in listed securities on a daily basis.

Notes to the financial statements

28. Financial risk management (continued)

Trading investments

Equity risk on the trading investments held within the market making book is the day to day responsibility of the Head of Trading, whose decision making is independently monitored. Trading investments held outside the market making activities are monitored by the CEO, Finance Director and senior management.

Equity risk is managed through a combination of cash investment limits applied to the entire trading book coupled with VaR limits set at individual stock level and portfolio level. These limits are approved by the Board, the Audit & Risk Committee, and the Financial Risk Committee, and monitored and reported by the Finance department daily. Breaches of the stock and portfolio limits are initially flagged in real time on the trading platform and monitored by the traders and the Finance department. Breaches are either addressed by the traders or, if they are unable to take corrective action, will be discussed with the Finance department and reported to senior management as part of the routine end of day reporting mechanism. Breaches are also summarised weekly and presented to the Financial Risk Committee along with reasons for the breaches and corrective action required to bring them within limits.

An annual sensitivity analysis based on a 10% increase/decrease in underlying equity prices on the trading investments held at the year end indicates that the impact of such a movement would be to increase/decrease respectively profit in the income statement by £3,620,000 (2012: £3,860,000).

Financial liabilities

Financial liabilities comprise short positions in quoted stocks arising through the normal course of business in facilitating client order flow. Equity risk on financial liabilities is the day to day responsibility of the Head of Trading. Exposures of this nature are monitored in exactly the same way as trading investments above as these positions form part of the trading book.

A sensitivity analysis based on a 10% increase/decrease in underlying equity prices on the financial liabilities held at the year end indicates that the impact of such a movement would be to decrease/increase respectively profit in the income statement by £805,000 (2012: £1,101,000).

Derivatives financial instruments

Derivative financial instruments comprise equity options and warrants over listed and unlisted securities and are predominantly received by the Group as non-cash consideration for advisory and other services. This category may also include foreign exchange contracts used to hedge known transactional exposures arising from normal operational activities.

Equity risk arising on derivatives is the day to day responsibility of the Head of Trading. Exposures are measured using the Group's VaR methodology and reported to senior management daily along with a detailed inventory of options and warrant holdings which are either in-the-money or close to being in-the-money.

A 10% increase/decrease in underlying equity prices of the derivative financial instruments held at the year end indicates that the impact of such a movement on the profit in the income statement would be an increase of £118,000 (2012: £38,000) and decrease of £111,000 (2012: £30,000) respectively.

Market Risk-Currency Risk

Currency risk arises from the exposure to changes in foreign exchange spot and forward prices and volatilities of foreign exchange rates. The Group is exposed to the risk that the Sterling value of the assets, liabilities or profit and loss could change as a result of foreign exchange rate movements.

28. Financial risk management (continued)

There are three sources of currency risk to which the Group may be exposed. Firstly, foreign currency denominated financial assets and liabilities arising as a result of trading in foreign securities, secondly, foreign currency financial assets and liabilities as a result of foreign currency denominated corporate finance fees, supplier payments or Treasury activities and finally foreign currency denominated investments in subsidiaries of the Group. The Finance Department is responsible for monitoring the Group's currency exposures which are reported to senior management daily.

Currency risk is measured using a similar VaR methodology as that used for the Group's measurement of equity risk. The table below shows the highest, lowest and average foreign currency VaR.

	2013 £'000	2012 £'000
Highest VaR	69	99
Lowest VaR	17	35
Average VaR	53	52
As at 30 September	48	50

The Group's net assets by currency as at 30 September 2013 were as follows:

	Sterling £'000	Euro £'000	Canadian $ £'000	US $ £'000	Other £'000	Total £'000
2013						
Sterling equivalent	97,080	(950)	67	10,336	294	106,827
2012						
Sterling equivalent	85,708	(533)	703	10,950	247	97,075

The Group hedges all significant transactional currency exposures arising from trading activities using spot or forward foreign exchange contracts. Derivative financial instruments held to manage such currency exposure as at 30 September 2013 had a fair value of £2,000 (2012: £7,000). The Group does not hedge future anticipated transactions. Currency exposure to foreign currency denominated corporate finance receivables and supplier payables is not considered material.

The table below shows the impact on the Group's results of a 10 cent movement in the US$ and Euro in terms of transactional and translational exposures.

10 cent increase (strengthening £):

	US $ £'000	Euro £'000	Total £'000
Profit before tax	(298)	74	(224)
Equity	(154)	74	(80)

10 cent decrease (weakening £):

	US $ £'000	Euro £'000	Total £'000
Profit before tax	338	(46)	292
Equity	174	(46)	128

Notes to the financial statements

28. Financial risk management (continued)

Market Risk-Interest Rate Risk

Interest rate risk arises as a result of changes to the yield curve and the volatilities of interest rates.

The Group's interest bearing assets are predominantly held in cash or cash equivalents. Excess cash funds may be invested in Gilts, held on short term floating rate terms or placed on overnight or short-term deposit. Investment of excess funds into cash equivalent instruments may occur from time-to-time depending on the management's view of yields on offer, liquidity requirements, and credit risk considerations. As the Group has limited exposure to interest rate risk and has no external debt (2012: £nil) it does not use derivative instruments to hedge interest rate risk.

The table below shows the interest rate profile of the Group's cash and cash equivalent investments and, while not interest bearing, also shows the Group's exposure to listed investments as these have an indirect sensitivity to significant changes and volatility of interest rates.

			2013			2012
Currency	Cash cash and equivalents £'000	Listed investments £'000	Total £'000	Cash and cash equivalents £'000	Listed investments £'000	Total £'000
Sterling	61,359	23,411	84,770	30,011	23,616	53,627
US Dollars	1,624	2,076	3,700	4,714	2,578	7,292
Euro	592	1,064	1,656	240	471	711
Canadian Dollars	2,245	–	2,245	647	–	647
Other	5,385	–	5,385	242	–	242
At 30 September	71,205	26,551	97,756	35,854	26,665	62,519
Fixed Rate	–			–		
Floating Rate	71,205			35,854		

In addition to the above, cash collateral balances of £3,111,000 (2012: £5,131,000) and net stock borrowing/(lending) balances of £292,000 (2012: £4,511,000) are subject to daily floating rate interest.

A sensitivity analysis based on a 100 basis point increase/decrease to prevailing market rates of interest as at 30 September 2013 indicates that the impact of such a movement on the profit in the income statement and equity would be a decrease of £nil (2012: £nil) and increase of £nil (2012: £nil) respectively. This reflects the fact that the Group has no material exposures to fair value movements arising from changes in the market rate of interest as at 30 September 2013 or 2012.

Fair value estimation

Disclosure of financial instruments that are measured on the balance sheet at fair value is based on the following fair value measurement hierarchy:

- Level 1: Quoted prices unadjusted in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly as prices or indirectly derived from prices; and
- Level 3: Inputs for the asset or liability which are not based on observable market data.

28. Financial risk management (continued)

As at 30 September 2013:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Current assets				
Trading investments	33,820	–	2,383	36,203
Derivative financial instruments	779	–	–	779
	34,599	–	2,383	36,982
Total assets	34,599	–	2,383	36,982
Current liabilities				
Financial liabilities	(8,046)	–	–	(8,046)
Total liabilities	(8,046)	–	–	(8,046)

As at 30 September 2012:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Current assets				
Trading investments	37,613	–	983	38,596
Derivative financial instruments	72	–	–	72
	37,685	–	983	38,668
Total assets	37,685	–	983	38,668
Current liabilities				
Financial liabilities	(11,013)	–	–	(11,013)
Total liabilities	(11,013)	–	–	(11,013)

There were no transfers between Level 1, Level 2 and Level 3 during the year (2012: nil).

Movements in financial assets categorised as Level 3 during the year were:

	2013 £'000	2012 £'000
At 1 October	983	761
Total gains included in other operating income in the income statement	–	26
Additions	1,400	196
At 30 September	2,383	983

The carrying value of assets and liabilities not held at fair value (cash and cash equivalents, trade and other receivables, trade and other payables, provisions and stock borrowing and lending collateral) are not significantly different from fair value.

Credit Risk-Counterparty Risk

Credit risk is the potential loss that the Group would incur if a counterparty fails to settle its contractual obligations or there is a failure of a deposit taking institution. Credit risk exposure therefore arises as a result of trading, investing, and financing activities. The primary source of credit risk faced by the Group is that arising from the settlement of equity trades carried out in the normal course of business.

Notes to the financial statements

28. Financial risk management (continued)

The credit risk on a particular equity trade receivable is measured by reference to the original amount owed to the Group less any partial payments less any collateral to which the Group is entitled. For example, in accordance with the delivery versus payment principle, the potential exposure at default sustained by the Group would not be the amount of the outstanding receivable balance, but rather the amount representing commission due to the Group and any residual exposure from market risk on the underlying equity after a sell-out (or buy-in) has been carried out.

An internal stress test is employed in order to measure the credit risk exposure faced by the Group. This is a historical 20-day VaR methodology based on both the severe stock market movements during 2008-09 and a conservative judgment of the likelihood of counterparty default. This assessment is applied to the end of day equity trade receivable and payable balances and the results are reported to senior management on a daily basis.

Credit risk exposures are also managed by the use of individual counterparty limits applied initially on the categorisation of the counterparty (for example, hedge fund, long only fund, broker, etc.) and assessed further according to the results of an external credit rating and/or relevant financial indicators and/or news flow. From time to time certain counterparties may be placed on an internal watch list in reaction to adverse news flow or market sentiment. The Finance department prepares a summary daily report for senior management which indentifies the top 40 individual counterparty exposures measured against their limits, the major stock positions which make up the exposure and a list of the largest failing trades. This reporting incorporates the Sterling equivalent gross inward, outward and net cash flow exposure. Finally, automated hourly intra-day reporting of all gross inward, outward and net cash flow exposures by individual counterparty against assigned limits is monitored by the Finance department to ensure appropriate escalation and mitigation action is taken.

Trade receivables relating to fees due on the Group's corporate finance and advisory activities are monitored on a weekly basis.

Cash and cash equivalents are with large UK based commercial clearing banks all of whom have had credit ratings at or above A Fitch investment grade throughout the year. Credit exposures may be further reduced by diversification of deposits across a number of institutions.

The Group's financial assets are analysed by their ageing in the table below and represent the maximum exposure to credit risk as at 30 September 2013 of balance sheet financial instruments before taking account of any collateral held or other credit enhancements. As at 30 September 2013 there were no collateral amounts held by the Group as security against amounts receivable (2012: £nil).

		Overdue not impaired						
As at 30 September 2013 (£'000):	Not Overdue	0 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Over 1 year	Impaired	Total
Derivative financial instruments	779	–	–	–	–	–	–	779
Trade and other receivables	181,715	13,476	972	19	–	19	178	196,379
Trading investments	36,203	–	–	–	–	–	–	36,203
Stock borrowing collateral	292	–	–	–	–	–	–	292
Cash and cash equivalents	71,205	–	–	–	–	–	–	71,205
	290,194	13,476	972	19	–	19	178	304,858

28. Financial risk management (continued)

As at 30 September 2012 (£'000):	Not Overdue	Overdue not impaired 0 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Over 1 year	Impaired	Total
Derivative financial instruments	72	–	–	–	–	–	–	72
Trade and other receivables	213,565	26,290	21	15	–	23	216	240,130
Trading investments	38,596	–	–	–	–	–	–	38,596
Stock borrowing collateral	4,511	–	–	–	–	–	–	4,511
Cash and cash equivalents	35,854	–	–	–	–	–	–	35,854
	292,598	26,290	21	15	–	23	216	319,163

Credit Risk-Concentration Risk

Concentration risk is the risk arising from exposures to groups of connected parties, counterparties in the same sector, or counterparties undertaking the same activity. Concentration risk arises, in particular, with respect to the Group's exposures to unsettled securities trades. These exposures are monitored intra day on an hourly basis using the credit risk exposure reports and process outlined above. In addition, as orders are taken, system-generated warnings are given of any counterparties whose order is likely to grow above £5m in size.

As at 30 September 2013 the exposure to the following categories of counterparty was as follows: brokers £86m (2012: £117m), long only funds £47m (2012: £45m), hedge funds £1m (2012: £7m) and other £46m (2012: £48m).

Concentration of credit risk to a particular counterparty or issuer may also arise from deposits placed with commercial banks, investments in cash equivalents and as a result of normal trading activity through Central Counterparties, such as the London Clearing House. The credit quality of these counterparties is kept under review by management. Concentration of trading investments by market is disclosed in note 19. There are no significant concentration risks arising in any other class of financial asset as at 30 September 2013 (2012: £nil).

Liquidity Risk

Liquidity risk is the risk that funds are either not available to service day-to-day funding requirements or are only available at a high cost or need to be arranged at a time when market conditions are unfavourable and consequently the terms are onerous. Liquidity is of vital importance to the Group to enable it to continue operating in even the most adverse circumstances.

The Group assesses its liquidity position on a daily basis and computes the impact of various stress tests to determine how liquidity could be impacted under a range of different scenarios. The Group currently maintains substantial excess liquidity so that it can be confident of being able to settle transactions and continue operations even in the most difficult foreseeable circumstances.

Notes to the financial statements

28. Financial risk management (continued)

The Group's financial liabilities are expected to mature in the following periods:

As at 30 September 2013 (£'000):

	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	188,842	3,901	559	355	193,657
Financial liabilities	8,046	–	–	–	8,046
	196,888	3,901	559	355	201,703

As at 30 September 2012 (£'000):

	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	212,517	720	254	11	213,502
Financial liabilities	11,013	–	–	–	11,013
	223,530	720	254	11	224,515

Capital Risk

The Group manages its capital resources on the basis of regulatory capital requirements under Pillar 1 and its own assessment of capital required to support all material risks throughout the business (Pillar 2). The Group manages its regulatory capital through an Internal Capital Adequacy Assessment Process (known as the ICAAP) in accordance with guidelines and rules governed by the Financial Conduct Authority (FCA). Under this process the Group is satisfied that there is either sufficient capital to absorb potential losses or that there are mitigating controls in place which make the likelihood of the risk occurring remote.

Both the minimum regulatory capital requirement and the Pillar 2 assessment are compared with total available regulatory capital on a daily basis and monitored by the Finance department. The excess capital resources, under both measurements, are reported to the Financial Risk Committee daily and to the Audit & Risk Committee and the Board at each time they meet.

As at 30 September 2013, the UK regulated entity had £86m (2012: £73m) of regulatory capital resources, which is significantly in excess of both its regulatory capital requirement (Pillar 1) and the internally measured capital requirement (Pillar 2).

For Pillar 1 capital, the Group has adopted the standardised approach to credit risk and market risk and the basic indicator approach for operational risk. Compliance with FCA capital related regulatory requirements was maintained throughout the year.

Operational Risk

Operational risk is the risk of loss arising from short-comings or failures in internal processes, people or systems, or from external events. Operational risk can also be impacted by factors such as the loss of key staff, the quality of execution of client business, the maintenance of performance management controls, and a major infrastructural failure and/or terrorist event.

The Group takes steps to identify and avoid or mitigate operational risk wherever possible. Continuously evolving control standards are applied by suitably trained and supervised individuals and senior management is actively involved in identifying and analysing operational risks to find the most effective and efficient means to mitigate and manage them. Enhancements to staff training programmes and Internal Audits occur throughout the year.

28. Financial risk management (continued)

Company

The risk management processes for the Company are aligned with those of the Group as a whole and fully integrated into the risk management framework, processes and reporting outlined in the Corporate Governance Report on pages 16 to 20 and in the Group section of this note starting on page 59. The Company's specific risk exposures are explained below:

Equity risk

The Company is exposed to equity risk on its trading investments, derivative financial instruments and investments in subsidiaries. Trading investments comprise holdings in quoted and unquoted securities whereas derivative financial instruments have historically comprised warrants over unquoted securities.

In addition to risk measures reported on the Group's equity-based holdings as a whole, a sensitivity analysis based on a 10% increase/decrease in the underlying equity prices on the aggregate trading investments and derivative financial instruments held at the year end has been performed and indicates that the impact of such a movement would be to increase/decrease respectively profit in the income statement by £845,000 (2012: £1,657,000).

Currency risk

The Company has no material exposure to transactional or translational foreign currency risk as it rarely undertakes transactions in currencies other than Sterling and consequently rarely has financial assets or liabilities denominated in currencies other than Sterling.

Interest rate risk

The Company has no material exposure to interest rate risk as it has limited interest bearing assets and liabilities.

Credit risk

The Company has exposure to credit risk from its normal activities where there is a risk that a counterparty will be unable to pay in full amounts when due. The Company's counterparties are primarily its subsidiaries or employees of the Group and therefore it has limited external credit risk exposure.

Liquidity risk

The Company has no cash and cash equivalent balances. The management of the Group's ability to meet its obligations as they fall due is set out in the Group section of this note. The Company manages its liquidity risk by utilising surplus liquidity within the Group through transactions which pass through intercompany accounts when it is required to meet current liabilities.

Fair value estimation

Disclosure of financial instruments that are measured on the balance sheet at fair value is based on the following fair value measurement hierarchy:

- Level 1: Quoted prices unadjusted in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly as prices or indirectly derived from prices; and
- Level 3: Inputs for the asset or liability which are not based on observable market data.

Notes to the financial statements

28. Financial risk management (continued)

As at 30 September 2013:	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Current assets				
Trading investments	7,950	–	500	8,450
Total assets	7,950	–	500	8,450

As at 30 September 2012:	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Current assets				
Trading investments	16,570	–	–	16,570
Total assets	16,570	–	–	16,570

Movements in financial assets categorised as Level 3 during the year were:

	2013 £'000	2012 £'000
At 1 October	–	211
Additions	500	–
Total losses included in other operating income in the income statement	–	(211)
At 30 September	500	–

There is no material difference between the book values and fair values of the Company's financial assets and liabilities.

29. Post Balance Sheet Events

Final dividend

A final dividend of 5.00p per share (2012: 4.00p) was proposed by the directors at their meeting on 2 December 2013. These financial statements do not reflect this dividend payable.

30. Related Party Transactions

Group

a) Intra-group trading

Transactions or balances between Group entities have been eliminated on consolidation and, in accordance with IAS 24, are not disclosed in this note.

b) Key management compensation

The compensation paid to key management is set out below. Key management has been determined as the executive management teams of the Group operating subsidiaries, who are also directors of those subsidiaries:

	2013 £'000	2012 £'000
Short term employment benefits	5,625	2,127
Post-employment benefits	85	77
Share based payments	1,351	1,296
	7,061	3,500

The above amounts include those amounts paid to directors of the Company.

30. Related Party Transactions (continued)

c) Share scheme loans

Under the terms of the Group's share scheme arrangements, participants may be offered a loan in order to fund their purchased shares. The loans outstanding to key management as at 30 September 2013 amounted to £1,362,000 (2012: £2,030,000). Such loans are made at market rates and the amounts outstanding are secured by shares held within the Employee Benefit Trust and will be settled in cash. No guarantees have been given or received and no expense for bad or doubtful debts has been recognised in the year in respect of amounts owed (2012: £nil).

d) Dealings with Directors

During the year, Urless Farm, a company controlled by Mr and Mrs O Hemsley charge the Group £nil (2012: £34,560) in respect of services provided.

Company

a) Transactions between related parties

Details of transactions between the Company and its subsidiaries, which are related parties of the Company, are set out as follows: amounts owed to the Company from subsidiaries are disclosed in note 18 and amounts owed by the Company to subsidiaries are disclosed in note 21.

b) Key management compensation

The compensation paid to key management is set out below.

	2013 £'000	2012 £'000
Short term employment benefits	1,970	922
Post-employment benefits	11	18
Share based payments	36	46
	2,017	986

Details of the remuneration of each director, including the highest paid director, can be found within the Remuneration report on page 23. The compensation in the above table has been paid and recognised by a subsidiary of the Company.

Notice of Annual General Meeting

Please see the explanatory notes attached to this notice.

NOTICE is hereby given that the Annual General Meeting of Numis Corporation Plc (the "Company") will be held at The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT on Tuesday 4 February 2014, at 11.00 a.m. to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 6 will be proposed as ordinary resolutions and resolutions 7 and 8 will be proposed as special resolutions:

1. To receive and adopt the Company's annual accounts for the financial year ended 30 September 2013, together with the directors' report and auditors' report for such year.

2. To declare a final dividend for the year ended 30 September 2013 of 5.0p per ordinary share payable on 14 February 2014 to shareholders on the register at the close of business on 13 December 2013.

3. To reappoint as a director Mr Oliver Hemsley, who is retiring by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for election.

4. To reappoint as a director Mr Simon Denyer, who is retiring by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for election.

5. To reappoint PricewaterhouseCoopers LLP as auditors, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at which accounts are laid and to authorise the directors to fix their remuneration.

Ordinary resolution – authority to allot relevant securities

6. That:

(i) The directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Relevant Securities"), up to a maximum aggregate nominal amount equal to £1,952,910.00 (equivalent to 39,058,206), provided that:

a) this authority shall expire at the conclusion of the next Annual General Meeting of the Company or (if earlier) unless previously revoked, varied or renewed by the Company in a general meeting;

b) the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require Relevant Securities to be allotted after the expiry of this authority and the directors may allot Relevant Securities pursuant to such offer or agreement as if this authority had not expired; and

c) all prior authorities to allot Relevant Securities be revoked but without prejudice to any allotment of Relevant Securities already made thereunder.

Special resolution – disapplication of statutory pre-emption rights

7. That, subject to and conditional upon the passing of resolution 6 set out in the notice of this meeting, the directors be generally empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by the said resolution 6, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

a) the allotment of equity securities in connection with an issue by way of rights (including, without limitation, under a rights issue, open offer or similar arrangement) in favor of ordinary shareholders on the register on a date fixed by the directors in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on that date, but subject to such exclusions and/or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or any legal, regulatory or practical difficulties under the laws of any territory, or the requirements of any regulatory body or stock exchange, or as regards shares in uncertificated form; and,

b) the allotment (otherwise than pursuant to sub-paragraph a) above) of equity securities having an aggregate nominal amount not exceeding £293,230.00 (equivalent to 5,864,596 shares), and this power shall expire at the conclusion of the next Annual General Meeting of the Company or (if earlier), unless previously revoked, varied or renewed, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Special resolution – authority to purchase Company's own shares

8. That the Company be generally authorised pursuant to section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 5p each in the capital of the Company on such terms and in such manner as the directors shall determine, provided that:

a) the maximum number of ordinary shares hereby authorised to be purchased is limited to an aggregate of 11,729,191 shares (equivalent to £586,460.00 nominal value);

b) the minimum price, exclusive of any expenses, which may be paid for each ordinary share is 5p;

c) the maximum price, exclusive of any expenses, which may be paid for each ordinary share is an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased;

d) this authority shall expire at the conclusion of the next Annual General Meeting of the Company or (if earlier), unless previously revoked, varied or renewed; and,

e) the Company may make a contract to purchase ordinary shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares pursuant to any such contract as if such authority had not expired.

By order of the Board

Simon Denyer
Group Finance Director & Company Secretary
13 December 2013

Registered Office
10 Paternoster Square
London
EC4M 7LT

Notice of Annual General Meeting

Notes:

Right to appoint a proxy

Members of the Company are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company. A proxy does not need to be a member of the Company. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.

A proxy form which may be used to make such appointment and give proxy directions accompanies this notice. If you do not receive a proxy form and believe that you should have one, or if you require additional proxy forms in order to appoint more than one proxy, please contact the Company's Registrar, Computershare Investor Services PLC, on 0870 707 1203.

Procedure for appointing a proxy

To be valid, the proxy form must be received by post or (during normal business hours only) by hand at the office of the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, no later than 2 February 2014 at 11.00 a.m. (or, in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned meeting). It should be accompanied by the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority.

The return of a completed proxy form will not preclude a member from attending the Annual General Meeting and voting in person if he or she wishes to do so.

Record date

To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company as at 11.00 a.m. on 2 February 2014 or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the right of any person to attend and vote at the meeting.

Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Communications

Members who have general enquiries about the meeting should use the following means of communication.
No other means of communication will be accepted. You may:

- call our members' helpline on 0870 707 1203 or
- write to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ

Explanatory Notes to the Notice of 2014 Annual General Meeting

In the following notes, references to the "current" issued share capital of the Company are to the 117,291,911 issued ordinary shares of 5p each in the capital of the Company in issue as at the close of business on 6 January 2014 (being the latest practicable date before the publication of this document).

Resolution 1 – Report and accounts

The directors are required to present the accounts for the year ended 30 September 2013 to the meeting.

Resolution 2 – Declaration of final dividend

A final dividend can only be paid if it is recommended by the directors and approved by the shareholders at a general meeting. The directors propose that a final dividend of 5.0p per ordinary share be paid on 14 February 2014 to ordinary shareholders who are on the Register of Members at the close of business on 13 December 2013. Shareholders are being offered the option to receive new ordinary shares as an alternative to cash in respect of this dividend.

Resolutions 3 and 4 – Reappointment of directors

The Articles of Association of the Company require the nearest number to one third of the directors to retire at each Annual General Meeting. In addition, any director who has been appointed since the last Annual General Meeting must retire and may offer him or herself for re-election and such directors are not counted in calculating the number of directors to retire by rotation. There were no new director appointments made during the year and consequently, Mr Hemsley and Mr Denyer are the only directors subject to rotation and re-election.

Resolution 5 – Reappointment of auditors

The Company is required to appoint auditors at each Annual General Meeting to hold office until the next such meeting at which accounts are presented. The resolution proposes the reappointment of the Company's existing auditors, PricewaterhouseCoopers LLP, and authorises the directors to agree their remuneration.

Resolution 6 – Authority to allot relevant securities

The Company requires the flexibility to allot shares from time to time and with effective from October 2009, the Companies Act 2006 (the "Act") abolished the requirement for a company to have an authorised share capital. The directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

The directors' existing authority to allot "relevant securities" (including ordinary shares and/or rights to subscribe for or convert into ordinary shares), which was granted (pursuant to section 551 of the Companies Act 2006) at the Annual General Meeting held on 5 February 2013, will expire at the end of this year's Annual General Meeting. Accordingly, paragraph (i) of resolution 6 would renew and increase this authority (until the next Annual General Meeting or unless such authority is revoked or renewed prior to such time) by authorising the directors (pursuant to section 551 of the Act) to allot relevant securities up to an aggregate nominal amount equal to approximately one third of the current issued share capital of the Company. Save in respect of the issue of new ordinary shares pursuant to the Company's share incentive schemes or as a result of scrip dividends, the directors currently have no plans to allot relevant securities, but the directors believe it to be in the interests of the Company for the Board to be granted this authority, to enable the Board to take advantage of appropriate opportunities which may arise in the future.

Explanatory Notes to the Notice of 2014 Annual General Meeting

Resolution 7 – Disapplication of statutory pre-emption rights

This resolution seeks to disapply the pre-emption rights provisions of section 561 of the Act in respect of the allotment of equity securities for cash pursuant to rights issues and other pre-emptive issues, and in respect of other issues of equity securities for cash up to an aggregate nominal value of £293,230.00 (5,864,596 shares), being an amount equal to approximately 5 per cent. of the current issued share capital of the Company. If given, this power will expire at the same time as the authority referred to in resolution 6. The directors consider this power desirable due to the flexibility afforded by it. Save in respect of the issue of new ordinary shares pursuant to the Company's share incentive schemes, the directors have no present intention of issuing any equity securities for cash pursuant to this disapplication.

Resolution 8 – Authority to purchase Company's own shares

The Articles of Association of the Company provide that the Company may from time to time purchase its own shares subject to statutory requirements. Such purchases must be authorised by the shareholders at a general meeting. This resolution seeks to grant the directors authority (until the next Annual General Meeting or (if earlier), unless such authority is revoked or renewed prior to such time) to make market purchases of the Company's own ordinary shares, up to a maximum of 11,729,191 shares, being an amount equal to approximately 10 per cent. of the current issued share capital of the Company. The maximum price payable would be an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share of the Company for the five business days immediately preceding the date of purchase and the minimum price would be the nominal value of 5p per share. Although the directors have no current intention to make such purchases, they consider that it is in the best interests of the Company and its shareholders to keep the ability to make market purchases of the Company's own shares in appropriate circumstances, without the cost and delay of a general meeting. The authority would only be exercised if the directors believe the purchase would enhance earnings per share and be in the best interests of shareholders generally. The Company may hold in treasury any of its own shares that it purchases in accordance with the authority conferred by this resolution. This would give the Company the ability to re-issue treasury shares quickly and cost-effectively and would provide the Company with greater flexibility in the management of its capital base.

Documents available for inspection

There will be available for inspection at the registered office of the Company during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays), and for at least 15 minutes prior to and during the Annual General Meeting, copies of:

1 the service contract of each executive director and the letter of appointment of each non-executive director; and,

2 the Articles of Association of the Company.

07 / OTHER INFORMATION

Left blank for your notes

Case Studies

Our contribution to our clients' successes and the track record of our corporate client service teams continues to attract high quality corporate clients. Numis' involvement in our client success during 2013 includes:

Foxtons is a leading London estate agency, offering residential property sales and lettings services through its Foxtons business.

Foxtons Group plc

£429m Placing and **£649m** Admission to Main Market in September 2013

Numis acted as Joint Bookrunner and Joint Sponsor

The Group currently focuses on high volume, high value markets in London. In 2012, the Group generated total revenue of £120.0 and Adjusted EBITDA of £38.3m.

Numis acted as joint bookrunner alongside Credit Suisse. The offer was priced at the top end of the range at 230p per share. The price range was initially 190p – 230p and then later narrowed to 220p – 230p. The IPO generated considerable interest amongst investors with nearly 200 institutions meeting management over a 9 day roadshow covering US, UK and Europe. The placing consisted of gross primary proceeds of £55m, which was used to pay down debt, and gross secondary sales of £374m. The free float was 60%, with management selling 50% of their holding (retaining c.12%) and BC Partners selling 62% (retaining c.28%).

As at close on 7 November 2013, the Company's market capitalisation was £891m, up 37% since IPO.

TwentyFour Income Fund Limited is a Guernsey incorporated closed-ended fund which aims to generate attractive risk-adjusted returns, by investing in a diversified portfolio of UK and European asset backed securities.

TwentyFour Income Fund Limited

£150m Placing, Offer for Subscription and Admission to the Official List in March 2013

Numis acted as Sponsor, Broker and Financial Adviser

The Company targets net total return of 7-10% p.a. including a yield of at least 5% in year one and 6% thereafter.

The structure of the Company incorporates an innovative discount control mechanism, constructed by Numis, which offers shareholders the opportunity to elect for a full redemption of their holding after an initial 3 year period.

Numis raised gross proceeds through the IPO of £150m from a diverse range of institutional and private wealth managers through the IPO. Subsequently Numis has placed a further £125m of new shares through the placing programme established at IPO.

As at 1 November 2013, TFIF had generated NAV return of 12% including dividends, and its shares were trading at 113.25p, a 5.25% premium to NAV.

Kier Group PLC is a leading construction, services and property group specialising in building and civil engineering, support services, commercial property development and structured property financing and private and affordable housing.

Kier Group Plc

£221m Acquisition of May Gurney Integrated Services plc in July 2013

Numis acted as Joint Sponsor, Financial Adviser and Broker

The acquisition of May Gurney was effected by way of a recommended offer and implemented through a scheme of arrangement. The total consideration was £221m, which consisted of £186m in new Kier shares and £35m cash. The offer represented a premium of 34% to the competing bid from Costain and 71% premium to the pre bid speculation share price. The acquisition will enhance Kier's existing services division through a substantial increase in scale, breadth of offering and geographic reach.

The acquisition is expected to be significantly value enhancing and is targeted to deliver 15% ROCE by December 2015. The acquisition has created a combined Group with total revenue of £2.8bn, an order book of £5.7bn and revenue for the services division of over £1.0bn.

As at close on 7 November 2013, the Company's market capitalisation was £993m.

EnQuest is a FTSE 250 independent oil and gas development and production company, focused on turning opportunities into value by targeting maturing assets and undeveloped oil fields.

EnQuest plc

£145m 5.5% 9 year retail bond in February 2013

Numis acted as Sole Lead Manager

They are the largest UK independent oil producer in the UK North Sea, and assets include producing oil fields, major new developments and a portfolio of discoveries. The Company has also established a presence in oil basins outside the UK North Sea, as part of its long term growth strategy.

Numis acted as sole lead manager on the 2022 Sterling denominated 5.5% senior unsecured bond. The issue was oversubscribed and investors were attracted by the fact EnQuest has a strong track record of cashflows, a visible pipeline of production and that it was the first Oil & Gas sector retail bond issue.

Numis has carved out a leading market position in retail bonds following several highly successful deals in 2012 and 2013. The £145m EnQuest offer was the largest retail bond issue led by a single bank (other than banks in their own name).

As at close on 7 November 2013, EnQuest's market capitalisation was £1,105m.

AIM-listed EMIS is the UK's leading supplier of clinical software and related services to GP practices and other primary and community healthcare practitioners, with more than 39 million patient records entrusted to its systems.

EMIS Group plc

£57.5m acquisition of Ascribe Group Ltd and related £27.1m placing in September 2013

Numis acted as Financial Adviser, NOMAD and Sole Broker to EMIS Group plc

With 25 years' software development experience, EMIS is known for delivering systems and solutions that really work for their customers, coupled with market leading support and training.

In September 2013, EMIS successfully completed the acquisition of Ascribe Group Limited from ECi Partners and management for an initial enterprise value of £57.5m. Ascribe is a leading software and IT services provider to the UK's secondary healthcare market.

Numis advised and supported the EMIS management team through all the stages of this competitive auction process. As part of this transaction, Numis also placed 4.4 million new ordinary shares (representing 7.5% of the Company's existing ISC) at a price of 615 pence per share, raising £27.1m, in order to fund part of the consideration due under the acquisition.

As at close on 7 November 2013, EMIS's market capitalisation was £394m.

Primary Health Properties ("PHP") was incorporated in 1995 following the purchase of a small portfolio of primary care premises, and has been listed on the London Stock Exchange since 1998.

Primary Health Properties plc

£68.5m Firm Placing and Placing, Open Offer and Offer for Subscription in May 2013

Numis acted as Sole Sponsor, Joint Bookrunner and Joint Broker

In 2007, PHP became the UK's first dedicated healthcare Real Estate Investment Trust ('REIT'). PHP specialises in the ownership of freehold or long leasehold interests in modern purpose-built healthcare facilities, the majority of which are leased to general practitioners and other associated healthcare users. The Group's portfolio comprises over one hundred and fifty primary healthcare facilities, both completed and committed, the majority of which are GP surgeries, with other properties let to Primary Care Trusts (PCTs), pharmacies and dentists.

In May 2013, PHP announced a proposed Firm Placing and Placing, Open Offer and Offer for Subscription at 315 pence per share (discount of 6.3 per cent. to the then share price of 336.25p).

The Company successfully raised £68.5m, exceeding its initial stated target of up to £60m.

As at close on 7 November 2013, PHP's market capitalisation was £316m.

Information for Shareholders

Financial Calendar

December	Year end results announced
January	Annual Report issued
February	Final dividend paid
May	Half year results announced and half year report issued
July	Interim dividend paid

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2375296

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