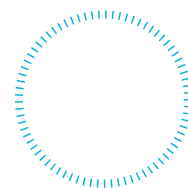

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For more information about Numis Securities
go to www.numiscorp.com





Our client meeting room area includes a fully equipped auditorium, seating 110+ guests, for use by our corporate clients.



Who we are

We are one of the UK's leading independent institutional stockbrokers and corporate advisors. We are recognised as being one of the leading providers of access to capital for UK listed companies. Relentless in the pursuit of success for our clients, we are acknowledged for the quality of our people and our focus on providing old fashioned client service and advice, set in a modern context.

Independent, driven and above all client focused, Numis has a very strong culture of integrity and hard work. Our partnership ethos drives long-term relationships and echoes the service culture of the past.

What can we do for you? If you have a business and want advice, access to funds or better recognition in the market, then get in touch and we'll show you how we can make a difference.

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

Awards and Achievements

For the last eight years, we have been rated in the top 3 in the Extel survey for small capitalisation UK stocks. In 2013, 2014, 2015 and 2016 we were voted the top-ranked UK Small & Mid Cap Brokerage Firm by both institutions and companies.

For full details, see Thomson Reuters Extel survey. The **Thomson Reuters Extel Results 2016** are summarised below:

Numis Smaller Companies Index continues to be the defining benchmark for the universe of UK smaller companies.

1st
UK Small & Mid Cap Brokerage Firm by company votes (4 years in a row)

1st
UK Small & Mid Cap Brokerage Firm in 7 sectors

1st
Research - UK Small & Mid Cap



1st
UK Small & Mid Cap Brokerage Firm by fund manager votes (4 years in a row)

1st
Sales - UK Small & Mid Cap

2nd
Corporate Broking - UK Small & Mid Cap

1st
UK Small & Mid Cap Research provider in 6 sectors by fund manager votes

1st
2007-2012, 2014 & 2016
Starmine FTSE 250 Best Recommendations

2nd
2013 and 2015
Starmine

Best Adviser - Corporate Sponsor
UK Stock Market Awards 2016



1.0 Overview

Listed on AIM and with offices in London and New York, Numis is one of the UK's most respected institutional stockbrokers and corporate advisors.

Numis at a Glance

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

Split of Funds

Split of funds raised by deal type in 2016, by value

	£m	% of total
Secondary	1,209	41%
Block Trades	1,117	38%
IPO	640	21%
	2,966	100%

Split of funds raised by company type in 2016, by value

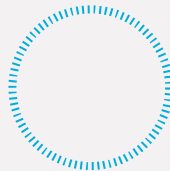
	£m	% of total
FTSE 250	1,431	48%
Smallcap & Fledgling	912	31%
AIM	404	14%
Unquoted	122	4%
Overseas	97	3%
	2,966	100%

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

Coverage, number of individual companies

351

Investment Companies and Funds



148

Outside FTSE 350



149

FTSE 250



54

FTSE 100



We serve a diverse range of corporate clients across 16 sectors.

Coverage, number of individual companies

Small Cap	AIM	FTSE 250	Other	FTSE 100
73	67	43	14	2

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

Market share by sector

4.7%

FTSE 250



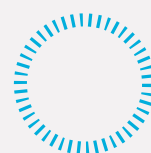
7.3%

AIM



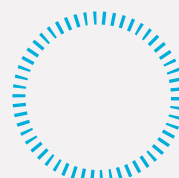
11.4%

FTSE Small Cap



13.9%

FTSE Fledgling



Source: LSE Direct Customer Business, by value, calendar year to 30 September 2016.

We support these activities through a talented and experienced workforce.

Number of staff

Corporate
Broking and
Advisory

73

Research
and Sales

64

Execution

19

Investment
Companies
and Funds

16

Support
Functions

48

14 of the above are based in our New York office.
Figures as at 30 September 2016.

1.0 Overview

Chairman's Statement

The business performed well during 2016 against a background of mixed market conditions.

Performance

Numis has had a good year, earning record revenues and further building on its position as a first class, and truly independent, stockbroker and corporate advisor. During the year we completed 47 equity raisings (2015: 38), grew revenues 15% to £112.3m (2015: £98.0m) and grew our profits by 25% to £32.5m (2015: £26.1m). Our performance in 2016 is reviewed in more detail in our Strategic Report on page 6.

We also performed well for our clients in helping them raise £1.8bn (2015: £2.1bn) of equity finance and complete 26 (2015: 31) corporate transaction. At the same time we added both quantity and quality to our corporate client base increasing our roster to 199 which we believe reflects our strong focus on building and maintaining long-term relationships. Our focus on client service is essential to ensure that Numis continues to be seen as an advisor of choice for businesses seeking capital to grow. The key performance indicators we use to assess our performance are described on pages 10 and 11 and include both financial and non-financial measures.

External recognition of the quality of our people and service was reinforced in the 2016 Thomson Reuters Extel survey in which Numis was voted No.1 UK Small and Mid Cap Brokerage Firm by both companies and fund managers for the fourth year in succession. 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

We are proposing a final dividend of 6.5p per share (2015: 6.0p per share) which brings the total dividend for the year to 12.0p per share (2015: 11.5p per share), an increase of 4%. The increase in total payout reflects the results achieved, the strength of our cash position and our confidence in the future of the business.

A Dividend Re-Investment Plan (DRIP) will remain in place for the 2016 final dividend. Existing shareholders are, therefore, being offered the facility to elect to use their cash dividend to buy additional shares in Numis, the main benefit being that the Company does not need to issue new shares and dilute shareholders. The Board continues to believe that this approach is in the best interests of the Company.

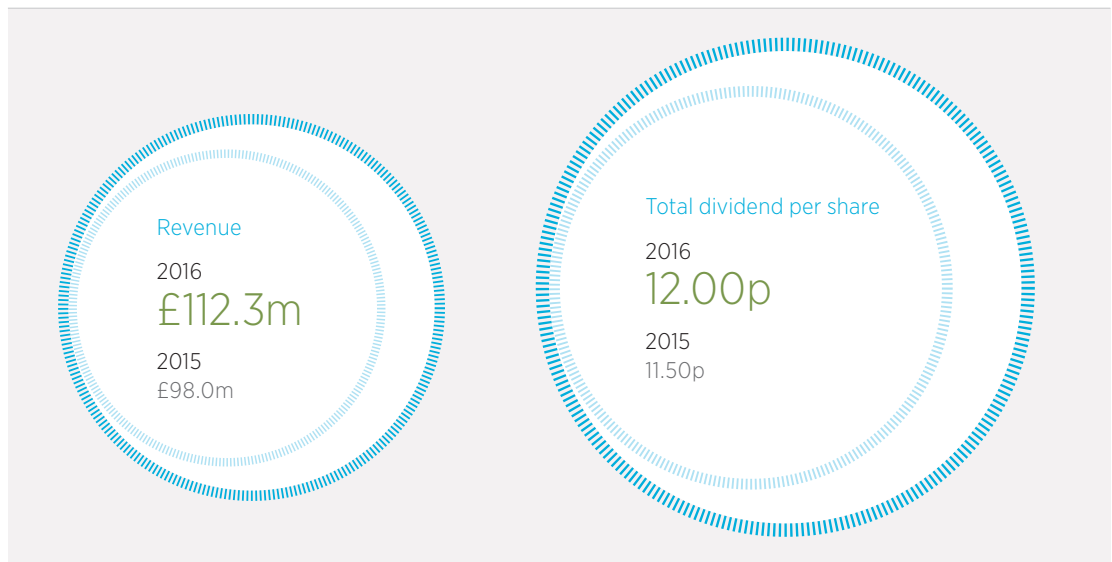
Regulatory Environment

The pace of regulatory change has not abated as policymakers continue to work on enhancing the stability of financial markets, investor protection and how capital markets can support growth. Conduct and culture remain at the top of the agenda along with the avoidance of conflicts of interest.

Along with other firms in our industry, we continue to allocate an increasing amount of internal resource to the implementation of appropriate systems and controls to satisfy the requirements of new regulation as well as the monitoring of prospective changes in regulation and its impact on our business model. We also offer our own thoughts in response to consultations put forward by the Financial Conduct Authority.

It is clear that regulatory change can and should be instrumental in reducing risk and increasing both protection and trust. It is also clear that putting the

Financial Highlights



clients' interests at the centre of a business model is wholly appropriate and something we fully support.

We strongly believe that all regulation must be accompanied by a strong internal culture which 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 18.

Changes to the Board and Succession

A number of changes have taken place to the Board this year. David Poutney retired from the Board after nearly 15 years of service to the business. His contribution to the development of Numis over that time was significant and we wish him well with his future endeavours.

Succession planning has been a priority for the Board over recent years, in particular for the role of Chief Executive. Oliver Hemsley was succeeded by Alex Ham and Ross Mitchinson who assumed their role of Co-Chief Executives with effect from 1 September 2016.

Oliver founded Numis and led the firm for over 25 years during which time it has become one of the most successful independent advisory and stockbroking businesses in the UK. His leadership, energy and drive have been invaluable to the success of Numis and we are delighted that he remains on the Board so that the business can continue to benefit from his vast experience and good judgement.

Promoting from within for this role was a clear preference for the Board in order to ensure continuity of the culture

and client focus that define Numis. Alex and Ross have both been instrumental in Numis' success in recent years and were the Board's unanimous choice. We wish them well as they drive the business forward.

We announced in March that, having served as non-Executive director and latterly as Chairman over the last 7 years, I would step down at our Annual General Meeting in February 2017.

The other non-Executive directors are well advanced in their deliberations regarding my successor, a process which is being led by Robert Sutton and a leading search firm. We will be making an announcement to the market in due course. I have agreed to remain as Chairman until my successor is appointed.

I have greatly enjoyed my time on the Board and have been hugely impressed by the drive, determination and enthusiasm with which the management team and staff operate.

People

Our people are our greatest asset and underpin the strong performance seen in 2016. Your Board remains focused on retaining and developing a pool of diversified talent with a shared commitment to the firm's strategic goals.

On behalf of the Board, I would like to thank the management team and all the staff at Numis for their hard work and dedication during 2016. Their experience, energy and enthusiasm combined with their commitment to our clients provide the base for future success.

Gerald Corbett

Chairman

7 December 2016

Statutory profit before tax

2016
£32.5m

2015
£26.1m

Statutory basic earnings per share

2016
23.5p

2015
19.5p

Net assets

2016
£129.1m

2015
£115.5m

Cash balances

2016
£89.0m

2015
£59.6m

2.0 Strategic Report

Introduction

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 2016 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 2016, the financial position of the Group as at 30 September 2016 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 2016 (Review of Performance) in order to add context to the results shown in the financial statements. This review includes commentary on the 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

2.0 Strategic Report

	How we can achieve our goal	Benefits +	Risks -	Our overarching goal is to retain our position as one of the leading independent corporate advisory and stockbroking businesses in the UK
FOCUS	<p>Focusing on the UK market, where Numis has a clear competitive advantage in its core integrated business</p> <p>Putting clients' interests first and delivering exceptional client service</p> <p>Providing high quality research combined with powerful international distribution</p> <p>Providing expert advisory and broking services in both favourable and difficult markets</p>	<p>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</p>	<p>Strategic risk – see page 14</p>	
PARTNERSHIP	<p>Offering a collegiate culture with an emphasis on harnessing the combined expertise of the firm</p> <p>Attracting highly capable and motivated professionals looking for an opportunity to serve clients without latent conflicts</p> <p>Offering the opportunity to make a tangible difference and participate in the direction and performance of the business</p>	<p>Recruitment, development and retention of high calibre individuals is essential to the firms stability and long-term success</p>	<p>People risk – see page 14</p>	
SELECTIVE	<p>Adding research, distribution and client service capability to selective sectors so that the business continues to strengthen its offering</p> <p>Building non-UK distribution and alternative execution capability</p> <p>Adding origination capacity and bringing exceptional investment opportunities to institutional clients</p>	<p>Being selective ensures that the firm maintains an integrated approach to its business model and delivery of client service</p> <p>In this way we aim to ensure that additions are both accretive and reputationally enhancing</p>	<p>Strategic risk and reputational risk – see page 14</p>	
DISCIPLINE	<p>Making disciplined operational improvements and maintaining a prudent risk management culture</p> <p>Actively evaluating and managing financial and non-financial risks</p> <p>Continuing to manage our finances, liquidity and capital conservatively</p>	<p>Operational effectiveness is key to maintaining quality of service and controlling operational risks</p> <p>A robust balance sheet and capital position provides assurance to our clients, counterparties, shareholders and employees</p>	<p>Operational risk, financial risk and regulatory & legal risk – see page 15</p>	

2.0 Strategic Report

Our Business Model

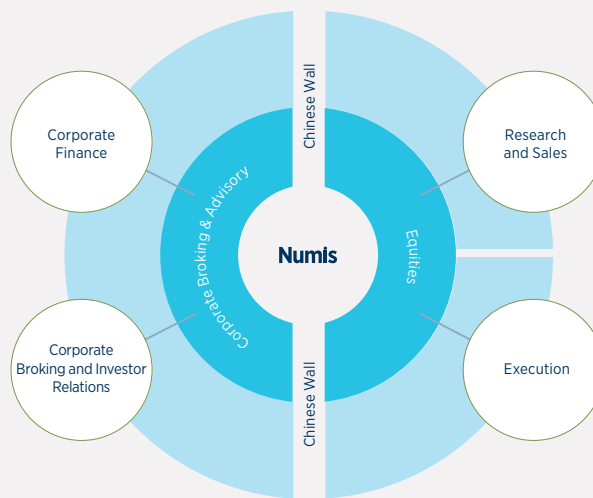
We employ an integrated approach to our business model in order to harness the combined expertise of the firm to the benefit of our clients who predominantly comprise companies quoted in the UK and their investors.

We focus on service and advice rather than selling products.

We serve corporate clients and institutional clients. Our corporate clients receive an unparalleled level of service from our dedicated teams, helping them realise their business objectives - whether raising capital, listing, mergers and acquisitions or promoting themselves to

existing and potential shareholders. Our institutional clients benefit from our award winning investment research, our highly regarded trade execution capability and our accumulated knowledge of UK listed companies.

Our structure, client base and headcount are depicted below:



Service 199 corporate clients across 16 sectors

Service over 450+ active institutional clients in UK, Europe, USA and Canada

76

Corporate Broking & Advisory

With an industry-focused approach across sectors covered by our highly rated research teams, we provide a full range of services to both corporate and private equity clients. These services include advice and transaction execution in relation to mergers and acquisitions, IPOs, secondary equity issuance, convertible securities and bonds. Alongside this we provide ongoing advice to our corporate clients on market conditions and investors' views and deal with all aspects of investor relations including roadshows to existing and potential shareholders.

Our dedicated investor relationship team provides the link between companies, existing shareholders and potential investors, and works closely with each of our corporate clients to devise a bespoke investor relations plan as well as providing market intelligence and advice.

We believe in building close, long-term relationships with clients. Our approach is based on harnessing our sector knowledge, expertise and market experience to offer our clients objective advice and outstanding execution.

74

Research & Sales

With our potent combination of industry expertise and experience, our research team achieves a clarity of investment perspective that others struggle to match. We provide exceptional industry insight, delivering an unrivalled track record of value-creating recommendations and ideas. Our institutional equity sales team offers a stockbroking service to UK, European, US and International investment funds. The team have unrivalled experience of UK listed companies and pride themselves on their strong and long-standing client relationships.

22

Execution

Our trading team is committed to providing an execution service to over 1,000 UK stocks whilst acting as registered market maker in the majority. We provide liquidity to our institutional clients and support to UK listed companies through making markets in their shares. Substantial investment in technology ensures our clients receive the most effective trade execution across the full spectrum of securities and execution venues.

48 Support functions

Revenue Generation

We earn revenue through five streams of activity which broadly relate to either corporate client activity or institutional client activity.

Revenue from corporate client activity comprises:

- Commission earned on primary, secondary and private capital raising (placing commission) where Numis' role may be summarised as bringing the company requiring capital together with investors willing to provide capital. The revenue in relation to this activity is broadly dependent on the size and complexity of the fund raise.
- Fees earned in relation to advisory work and related documentary requirements. Broadly these will be in connection with corporate actions, mergers and acquisitions, disposals, restructuring or public bids but may also be in relation to advisory services provided as part of a capital raising.
- Annual retainer fees charged to our corporate clients for the provision of on-going market advice and investor relations services as well as acting as Nomad, broker or financial adviser to them.

Revenue from institutional client activity comprises:

- Commission earned from execution and research services provided to a broad range of institutional clients in the UK, US, Canada and Europe who wish to buy and sell shares listed in the UK and other jurisdictions. Revenue in relation to this activity is broadly dependent on the size of the transaction, the liquidity of the share or the value attributed to our research by the receiving institution.
- Gains or losses made from positions in shares we hold as market maker. The role of a market maker is principally that of providing liquidity to other market participants in order to ensure that there is an active market in the relevant share. The market maker will also facilitate the execution of institutional client trades. Market makers do not act as a proprietary trading activity. With a corporate client list of c. 200 companies and in acting as market maker for over 1,000 UK listed shares, this activity results in an inventory of shares being held on an on-going basis which will result in gains and losses being incurred as the prices of individual shares move up and down.

Costs and Sustainability

Our people are our greatest asset and are the key factor in determining the long-term success of the business. Managing costs, in particular staff costs, is the focus of our remuneration policy which aims to align remuneration with the long-term success of the Group by retaining the principal of pay for performance. This enables a significant degree of flexibility to be maintained within the overall cost base which allows the business to continue to operate even during the most severe of economic downturns.

Our business is not immune to the vagaries of the financial markets, in particular the impact that domestic and global economic conditions have on the UK stock market, investor appetite and the level of capital raising activity.

We have a consistent track record of building the business during good times and bad. We also have a consistent track record of building capital and financial cover during an upturn to provide sustainable returns to shareholders throughout the cycle. Our directors and many of our employees are also shareholders. This provides a strong incentive in favour of sustainability as well as a close alignment with our external investors. We believe this distinguishes us from many of our competitors and provides a high degree of comfort to our clients, employees, suppliers and shareholders.

2.0 Strategic Report

Key Performance Indicators

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

Measure	Stated objective	Performance in 2016
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 increased 15% on prior year to reach record levels whilst average headcount remained broadly flat at 213 (2015: 210). We continue to invest in our people as we believe this positions the Group well for future growth as well as maintaining a focus on superior client service and execution capability.
Cost: core revenue <i>(costs exclude charges relating to share-based payments but include annual incentive pay amounts)</i>	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.	This ratio continues to be held at acceptable levels and within the cost tolerance set out in the Groups budget for 2016.
Corporate client base	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 to our corporate client base have been achieved during 2016 which is testament to our focus on client service.
Number of FTSE 350 corporate clients <i>(changed from FTSE 250 in prior years to recognise promotions to the FTSE 100 as well as demotions and client departures)</i>	Whilst continuing to serve a broad range of corporate clients across 16 sectors, we aim to expand our exposure to FTSE 350 clients and thereby further diversify the breadth and quality of our client base.	We took on 6 new FTSE 250 corporate clients during 2016. Departures from this category comprised M&A activity within our client base and demotions from the FTSE 250.
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.	Funds raised fell just below £2bn partly as a result of the slowdown in activity following the Brexit vote. However this did not prevent the year as a whole delivering record revenues.
UK Mid Cap & Small Cap Market Share <i>(source: LSE Direct Customer Business, calendar years)</i>	Our aim is to dominate market share as this is a key driver of secondary revenues.	Our market share of trading through the London Stock Exchange has improved compared to 2015.
Earnings per share	Our aim is to grow earnings per share as this reflects value creation for our shareholders.	Improvements in earnings per share resulted in a 21% increase versus prior year.
Dividend per share	Our aim is to maintain a sustainable dividend across the broad economic cycle.	The Board has proposed a final dividend of 6.5p per share which increases the total distribution for 2016 to 12.0p per share, in recognition of our robust cash position, excess regulatory capital and profitability.

2.0 Strategic Report

Longer-term performance	Expectations for 2017										
<p>£'000</p> <table border="1"> <tr><td>2012</td><td>278</td></tr> <tr><td>2013</td><td>449</td></tr> <tr><td>2014</td><td>491</td></tr> <tr><td>2015</td><td>467</td></tr> <tr><td>2016</td><td>527</td></tr> </table>	2012	278	2013	449	2014	491	2015	467	2016	527	<p>Uncertainty introduced by the Brexit vote and US presidential election is likely to prevail for some time. Other macro economic factors including Sterling's relative weakness, inflationary pressures and possible interest rate rises all add further uncertainty for the markets to digest. We will continue to monitor the productivity levels of our revenue generating areas to ensure investment in them is franchise-enhancing.</p>
2012	278										
2013	449										
2014	491										
2015	467										
2016	527										
<p>%</p> <table border="1"> <tr><td>2012</td><td>85</td></tr> <tr><td>2013</td><td>68</td></tr> <tr><td>2014</td><td>68</td></tr> <tr><td>2015</td><td>67</td></tr> <tr><td>2016</td><td>68</td></tr> </table>	2012	85	2013	68	2014	68	2015	67	2016	68	<p>The pace of regulatory change shows no sign of abating and will continue to exert upward pressure on the cost base of the Group. Preparing for the various requirements of MiFD II and other regulatory change due to impact in the 2017 calendar year and beyond will undoubtedly involve further investment of time and resource during 2017.</p>
2012	85										
2013	68										
2014	68										
2015	67										
2016	68										
<p>Number corporate clients</p> <table border="1"> <tr><td>2012</td><td>144</td></tr> <tr><td>2013</td><td>156</td></tr> <tr><td>2014</td><td>171</td></tr> <tr><td>2015</td><td>183</td></tr> <tr><td>2016</td><td>199</td></tr> </table>	2012	144	2013	156	2014	171	2015	183	2016	199	<p>Client departures may occur through M&A and other routes, however we remain confident that gains will continue to be made on a net basis which is the case so far during 2017. The annual run-rate of our retainer fees should reach £11m in the near future.</p>
2012	144										
2013	156										
2014	171										
2015	183										
2016	199										
<p>Number corporate clients</p> <table border="1"> <tr><td>2012</td><td>29</td></tr> <tr><td>2013</td><td>32</td></tr> <tr><td>2014</td><td>37</td></tr> <tr><td>2015</td><td>44</td></tr> <tr><td>2016</td><td>45</td></tr> </table>	2012	29	2013	32	2014	37	2015	44	2016	45	<p>We have made good progress in this area to date and continue to target further additions.</p>
2012	29										
2013	32										
2014	37										
2015	44										
2016	45										
<p>£m</p> <table border="1"> <tr><td>2012</td><td>717</td></tr> <tr><td>2013</td><td>2,162</td></tr> <tr><td>2014</td><td>2,095</td></tr> <tr><td>2015</td><td>2,069</td></tr> <tr><td>2016</td><td>1,849</td></tr> </table>	2012	717	2013	2,162	2014	2,095	2015	2,069	2016	1,849	<p>We completed 47 equity issuance transactions during 2016 including 13 IPOs. The market's appetite for IPO and secondary issuance activity will need to remain intact in order for similar levels to be achieved in 2017.</p>
2012	717										
2013	2,162										
2014	2,095										
2015	2,069										
2016	1,849										
<p>%</p> <table border="1"> <tr><td>2012</td><td>18.14</td></tr> <tr><td>2013</td><td>19.17</td></tr> <tr><td>2014</td><td>15.65</td></tr> <tr><td>2015</td><td>15.34</td></tr> <tr><td>2016</td><td>16.04</td></tr> </table>	2012	18.14	2013	19.17	2014	15.65	2015	15.34	2016	16.04	<p>We continue to focus on this area in order to improve our performance.</p>
2012	18.14										
2013	19.17										
2014	15.65										
2015	15.34										
2016	16.04										
<p>Pence per share</p> <table border="1"> <tr><td>2012</td><td>3.2</td></tr> <tr><td>2013</td><td>16.9</td></tr> <tr><td>2014</td><td>18.7</td></tr> <tr><td>2015</td><td>19.5</td></tr> <tr><td>2016</td><td>23.5</td></tr> </table>	2012	3.2	2013	16.9	2014	18.7	2015	19.5	2016	23.5	<p>Growth in earnings per share will require favourable external market conditions to prevail. The quality and breadth of our client base combined with the investment we make in our people positions the Group well for future success.</p>
2012	3.2										
2013	16.9										
2014	18.7										
2015	19.5										
2016	23.5										
<p>Pence per share</p> <table border="1"> <tr><td>2012 Total</td><td>8.0</td></tr> <tr><td>2013 Total</td><td>9.0</td></tr> <tr><td>2014 Total</td><td>10.5</td></tr> <tr><td>2015 Total</td><td>11.5</td></tr> <tr><td>2016 Total</td><td>12.0</td></tr> </table>	2012 Total	8.0	2013 Total	9.0	2014 Total	10.5	2015 Total	11.5	2016 Total	12.0	<p>Will be dependent on our performance during 2017 and visibility of future prospects on the conclusion of 2017. In any event, will be subject to our overall policy of providing sustainable distributions across the business cycle.</p>
2012 Total	8.0										
2013 Total	9.0										
2014 Total	10.5										
2015 Total	11.5										
2016 Total	12.0										

2.0 Strategic Report

Review of Performance

Revenue up 15% to £112.3m is at the highest level in the Group's history.

Overall Performance

We are pleased to report that the business performed well during the year, generating record revenues with all revenue streams contributing to this success. During the year ended 30 September 2016 revenues increased by 15% to £112.3m (2015: £98.0m) and profit before tax increased by 25% to £32.5m (2015: £26.1m). Profit before tax includes £3.7m of gains (2015: £2.0m losses) recognised on investments held outside of our market making business. As described in note 2, we have dispensed with the use of non-IFRS profit measures in order to bring the presentation of our results in-line with best practice.

Equity indices experienced a degree of volatility during our first half with rises of up to 4.5% during the first quarter being countered by falls of up to 3% during the second quarter. The third quarter saw small cap indices fall in response to the referendum on the UK's membership of Europe but a strong rally took hold into the fourth quarter giving double-digit rises across that sector of the market. Consequently, for the year since 1 October 2015, almost all major UK equity indices recorded double digit growth. The Numis Smaller Companies Index generated returns of 12.3% over the year, matched by the Numis UK Mid Cap Index which saw returns of 14.2% demonstrating the relatively strong performance in that sector of the market.

For the market as a whole, the value of secondary trading on the London Stock Exchange has shown an improvement, with secondary trading (by value) in Main Market stocks up 20% on the same 12 month period last year. Over the same period however, equity funds raised on AIM and the Main Market combined totalled £22.4bn compared to £29.0bn during the prior year reflecting lower levels of activity in the run-up to, and as a consequence, of the Brexit vote.

	2016	2015
	£m	£m
Net trading gains	6.5	4.1
Net institutional commission	31.9	29.3
Net institutional income	38.4	33.4
Advisory fees	16.3	17.9
Placing commission	48.0	37.7
Corporate transaction income	64.3	55.6
Corporate retainers	9.6	9.0
Revenue	112.3	98.0

Our revenue performance from corporate finance and capital raisings for the year totalled £64.3m (2015: £55.6m) and is at the highest level in the Group's history. This reflects buoyant levels of transaction volumes and funds raised for our clients and the fact that we are ranked #2 bookrunner in UK ECM by both number of issues and gross proceeds. We continue to benefit from M&A activity amongst our client base and the successful execution of block trades and sell downs in the market.

Combined institutional commission & trading revenues for the year totalled £38.4m (2015: £33.4m). The increased market volatility experienced during our second quarter and around the Brexit vote had an impact on the performance of our market making activity but this rebounded strongly in the latter part of the year despite lower levels of capital allocation. Institutional commissions earned from execution and research services held up well despite the continuing, albeit delayed, proposals supporting the unbundling of such commissions.

Administrative expenses for the year totalled £83.6m (2015: £70.1m). Compensation costs as a percentage of revenue increased to 52% (2015: 48%) partly as a result of non-recurring cash costs arising from a continued emphasis on building the quality of our core services. Excluding these non-recurring items reduces the ratio to 50%. Non-compensation costs comprise expenses incurred in the normal course of business, the most significant of which relate to technology, information systems, market data, brokerage, clearing and exchange fees. Average headcount remained stable at 213 (2015: 210).

Strategic Investments

The value of our strategic investments total £29.8m (2015: £25.4m). The movement during the year reflects follow-on investments in existing holdings of £1.2m plus £3.2m of fair value uplifts the majority of which relate to quoted investments. We continue to believe these investments are complementary to our existing core business and that they offer an exciting opportunity for the Group to grow its presence in areas in which it has expertise.

Corporate Broking and Advisory

We believe in building long-term relationships with our clients, endeavouring to provide them with service of exceptional quality tailored to their needs. Our track record reflects the strength of our client relationships and the depth of expertise that enable us to deliver high quality solutions.

Notable deals completed during the year included IPOs for Hostelworld, Countryside, The Gym Group, Ibstock, Funding Circle, Ascential, Motorpoint and Diurnal. We also completed a number of sizable secondary raises for our corporate clients including Micro Focus, INPP, PHP and Alliance Pharma. In total we raised £1.8bn of equity finance during the year (2015: £2.1bn) which equates to 8.0% (2015: 6.9%) of total equity fund raising on the London Stock Exchange.

Building our corporate advisory capabilities remains a major area of focus. We completed 26 pure advisory roles (2015: 31) during the year including Trinity Mirror's acquisition of Local World, the disposal of UTV Television to ITV, the recommended cash offer for Bwin Party from GVC Holdings, the recommended offer by News Corp UK & Ireland for Wireless Group and Micro Focus' merger with Hewlett Packard's enterprise's software business segment.

We have also built up a strong track record in the successful execution of block trades and secondary sell downs, notably acting as sole book runner on the placing of circa £700m of Saga shares by Acromas. During the year we executed 13 such transactions with an aggregate value of £1.1bn.

We continue to attract high quality corporate clients with 33 new clients added during the year bringing the total number for whom we act to 199 companies (2015: 183). Client departures have largely been driven by M&A activity amongst our client base.

The breadth and quality of our corporate client list is significant and incorporates listed companies across the mid and small cap space as well as those traded on AIM. Indeed, we remain ranked second overall by total number of stock market clients in the most recent Corporate Advisers Rankings Guide.

In addition our Investor Relations team provides the link between companies, existing shareholders and potential investors. This is achieved through the organisation of road shows, site visits and investor conferences in the UK, Europe and the USA.

The calibre and dedication of our people was instrumental in Numis being voted #1 UK Small & Mid Cap Brokerage Firm by both companies and institutions for the fourth year in succession in the 2016 Thomson Reuters Extel survey.

Research and Sales

High quality research and sales is at the heart of our business. It creates relationships based on trust with our institutional clients and is at the core of our powerful international distribution capability. Our sector analysts cover approximately 350 companies across 15 sectors while our Investment Funds research team covers around 350 investment companies and funds, focusing on funds with specialist or differentiated mandates, including quoted equity, private equity, hedge funds, property and other alternative assets. We continue to invest in our research capability and experience strong staff retention.

Our highly regarded sales team provides distribution to more than 450 active institutional clients across the UK, Europe, the Americas and Australasia. Data from external providers such as Starmine and TIM Ideas continues to demonstrate the very impressive value we add to our institutional clients, helping them to outperform. 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 USA for UK mid cap and larger companies. We believe our transatlantic capability remains unmatched by our competitors.

The offering includes not only access to worldwide institutional investors, but also to a network of over 3,000 active private client fund managers (PCFM) providing alternative sources of liquidity and investor interaction. With access to over 150 PCFM houses throughout the UK, our dedicated PCFM team continues to serve a client base which now totals 44 clients (2015: 41).

Execution

We provide active execution services in over 650 stocks, of which over 500 are listed on the Main Market of the London Stock Exchange. Importantly, on average, we had the leading market share in 127 (2015: 133) stocks across these markets, and were a top three service provider in a further 92 stocks (2015: 107). With access to multiple trading venues and liquidity providers we are able to deliver an exceptionally strong execution capability to our institutional clients who value the flexibility that our execution platform provides. We remain one of the leading brokers in UK small and mid cap stocks with execution services that are highly ranked in external surveys.

2.0 Strategic Report

Principal Risks

The Board is responsible for determining the Group's risk appetite and for ensuring that the 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 along with 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 own 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 and which could affect the ongoing financial health and performance of business:

	Description	How we manage the risk
REPUTATIONAL RISK	<p>One of the most significant risks we face is damage to our reputation and the resulting impact that may have on future performance of the business and our relationship with clients and shareholders.</p> <p>This can arise from adverse financial or operational events or a failure to meet the expectations of one or more of the Group's stakeholders.</p>	<p>The Board sets the Group's cultural tone by demanding a strong ethical and professional culture as the only acceptable standard for the firm.</p> <p>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.</p> <p>We place great emphasis on employing and adding highly experienced senior staff who are closely engaged with clients.</p> <p>We proactively engage with stakeholders and market practitioners as well as monitoring media coverage to understand how our reputation is perceived.</p>
PEOPLE RISK	<p>Our people are the business' most important asset and are the key factor in determining the long-term success of the business.</p> <p>Retaining, attracting and developing our staff is essential to maintain the Group's competitive advantage and for the long-term success of the business</p>	<p>The Board places particular focus on its remuneration policy and strategies, including considering the appropriate allocation and mix of cash and share-based awards along with appropriate deferral periods in order to align remuneration with the long-term success of the Group. The nature of the share-based award plans and their deferral characteristics are described in note 24 to the financial statements.</p> <p>We also maintain formal structured performance-based staff evaluations in which objectives are set and success is measured along with the identification of future development needs.</p> <p>Senior management succession planning is overseen by the Nominations Committee.</p> <p>The on-boarding, retention and growth of our people remain at the top of the Board's agenda.</p>
STRATEGIC RISK	<p>The Board recognises that continued focus on the way in which our strategy is executed is key to our long-term success and financial condition.</p>	<p>The executive management team is subject to healthy and robust challenge from the Board and its Committees on the firm's strategic direction, execution of strategy and the implementation of agreed initiatives.</p> <p>This includes significant focus on the risks which threaten the achievement of the firm's strategy as well as those that present the greatest opportunity.</p> <p>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.</p>

2.0 Strategic Report

Description	How we manage the risk
<p>CONDUCT, REGULATORY & LEGAL RISK</p> <p>The risk of legal or regulatory action resulting in fines, penalties, censure or other sanction or legal action arising from failure to identify or meet regulatory and legislative requirements in those jurisdictions in which the Group operates.</p> <p>The risk that new regulation or changes to the interpretation or implementation of existing regulation adversely affects the Group's operations, cost base and financial condition.</p> <p>The risk that inappropriate behaviour, conduct or practices result in a detrimental impact on client interests or outcomes.</p>	<p>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 we operate.</p> <p>The Group's conduct policy sets out the standard of behaviour expected from all of our staff and is supported by appropriate management information and reporting.</p> <p>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.</p> <p>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.</p> <p>Tailored training and updates on specific aspects of regulatory compliance is routinely delivered throughout the year by a combination of the Group's Head of Compliance and/or external advisors.</p> <p>The Group's legal obligations are overseen by suitably qualified in-house legal resource.</p>
<p>FINANCIAL RISK</p> <p>Financial risks are described and discussed in more detail in note 28 to the financial statements and include market, credit, liquidity and capital risk.</p>	<p>Applicable external regulatory measures along with a number of internal measures are utilised and compared with Board approved limits. These measures are calculated daily and are reported to senior management and, ultimately, to the Board in each of their meetings.</p>
<p>OPERATIONAL RISK</p> <p>Operational risk can arise from the failure of core business processes undertaken within the Group or by one of our third-party service providers.</p>	<p>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.</p> <p>Evolving control standards and robust corporate governance 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.</p> <p>To aid the application of best practice, regulatory compliance and consistency, management make use of standardised operating procedures as well as best-in-breed third-party service providers to enhance the level of expertise applied where relevant.</p> <p>The use of a fully independent, outsourced Internal Audit function provides assurances over the adequacy and effectiveness of the systems of internal control throughout the business as well as helping to identifying enhancements that provide further risk mitigation. In addition to reviews carried out by Internal Audit, we may engage other third-party advisors on a periodic basis to provide further independent assurance where considered appropriate.</p>

2.0 Strategic Report

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.

	2016	2015
	£m	£m
Corporate advisory & broking	2.6	25.1
Cash balances	89.0	59.6
Cash collateral at clearing houses	7.7	5.4
Investing activities	29.8	25.4
Net assets	129.1	115.5

Our balance sheet remains strong with cash balances totalling £89.0m (2015: £59.6m) while net assets have increased to £129.1m (2015: £115.5m). The reduction in net assets deployed within corporate advisory and broking largely reflects the overall decrease in net market making positions at the reporting date compared with the prior year reporting date. Cash balances benefited from increased revenue generation and lower net trading book positions. In addition, there were no material new investments made outside the market making book during 2016 whereas 2015 saw two material investments relating to Crowdcube and seed funding provided to the

FP Numis Mid Cap Fund. Operational cash flows continue to support dividend distributions (£12.9m cash outflow) and the repurchase of shares into Treasury and the Employee Benefit Trust (£6.7m cash outflow).

Total regulatory capital as at 30 September 2016 amounted to £49.9m (2015: £61.1m) giving a surplus of £22.2m (2015: £37.2m). This surplus increased to c. £45.8m following the successful completion of the financial audit, on 7 December 2016.

Our focus on high quality clients, high calibre staff and a robust capital position has enabled us to deliver profits whilst maintaining distributions to shareholders throughout the wider economic cycle.

This strategy has served us well and underpins the continued improvement in the Group's performance in 2016. In view of our robust cash position, excess regulatory capital and profitability, the Board has proposed a final dividend of 6.50p per share (2015: 6.00p) which increases the total distribution for 2016 to 12.00p per share (2015: 11.50p).

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. The quality of our client base is a reflection of the quality of our people. We continue to make hires within both our primary and secondary business areas in order to maintain our focus on superior client service and execution capability.

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 seen the completion of 10 fund raises including 2 IPOs along with a number of advisory mandates. Although UK equity indices are trading at relatively high levels this has been aided somewhat by Sterling's weakness. Uncertainties surrounding a 'hard' Brexit will persist for some time to come and we remain sensitive to the impact this may have on market conditions.

However, Numis has always sought to take advantage of uncertainty by providing high quality independent advice to its clients. We have a strong balance sheet and a quality corporate client base which continues to grow. We believe this positions Numis well to enjoy future success.

Approved by the Board on
7 December 2016 and signed
on its behalf by:

Alex Ham and Ross Mitchinson
Co-Chief Executive Officers

7 December 2016

Board of Directors

3.0 Corporate Governance

Executive Directors



Alex Ham

Co-Chief Executive Officer

Alex Ham is Co-CEO of Numis. Alex is jointly responsible for Numis' strategic development as well as the day to day management of the main trading entity, Numis Securities Limited. Alex joined Numis in August 2005 and after a short stint as an equity research analyst, joined the Corporate Broking team where he has played a critical role in building and developing Numis' retained corporate client base and equity capital markets capability. He was appointed Head of Corporate Broking & Advisory in May 2015 and Co-CEO in September 2016.

Ross Mitchinson

Co-Chief Executive Officer

Ross Mitchinson is Co-CEO of Numis. Ross is jointly responsible for Numis' strategic development as well as the day to day management of the main trading entity, Numis Securities Limited (NSL). Ross joined Numis in October 2008 and was appointed Head of Sales in 2014 and Head of Equities in 2015. He has been a Board Member of NSL since 2012. Ross graduated with a Law degree from Edinburgh University and held positions at both UBS AG and Kaupthing Singer & Friedlander prior to joining Numis.

Marcus Chorley

Executive Director

Marcus Chorley joined Numis in 2008, was head of Equities until 2015 and is Chairman of Equities. Marcus held positions at Warburg's and UBS from 1991- 2006, was MD Head of Euro Mid caps for several years and then Head of Sales. Marcus was a founding shareholder in Kaupthing Singer& Friedlander.

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.

Oliver Hemsley

Executive Director

Oliver Hemsley is the founder of Numis and up until August 2016 was the CEO, a position he held for over 20 years. Oliver now dedicates his time to developing client relationships and identifying business opportunities whilst working closely with the Corporate Broking & Advisory department.

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 Extel from 1987 to 2012, Lorna now heads the Media banking franchise. Lorna acquired a stake in the newly launched Numis in 2001 after stints at Sheppards (1984-88), SG Warburg (Director, 1988-95) and WestLB Panmure (Executive Director, 1995-2001). Lorna appears in Campaign's A List 2017 and sits on the Advisory Panel of Tech City UK's Future Fifty. Lorna is also a Non-executive Director of Jupiter UK Growth Investment Trust Plc and ProVen VCT Plc.

Non-executive Directors



Gerald Corbett

Non-executive Chairman

Gerald Corbett is the independent Non-Executive Chairman of Numis and Chairs the Nominations Committee. Gerald's external appointments include the Chairmanship of Britvic Plc, Segro Plc and the Marylebone Cricket Club (MCC). Over a long and distinguished business career, Gerald has been a director of 12 public companies, 6 of which he has chaired. Gerald was also Chairman of Moneysupermarket.com Plc (2007-2014), SSL International Plc (2005-2010) 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

Non-executive Director

Geoffrey Vero is an independent Non-Executive Director of Numis and chairs the Audit and Risk Committee. Geoffrey is also a member of the Remuneration Committee and Nominations Committee. Geoffrey is a chartered accountant and was an Investment Director of ABN Amro Private Equity, 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 and a Non-Executive director of R&A Trust Company (No.1) Limited and R&A Trust Company (No.2) Limited.

Catherine James

Non-executive Director

Catherine James is an independent Non-Executive Director of Numis and a member of the Audit & Risk Committee, Remuneration Committee and Nominations Committee. Catherine is Head of Investor Relations of Diageo Plc where she has worked for the business since 1997. Prior to that Catherine worked as Finance Director of Grand Metropolitan Estates and IR Director for Grand Metropolitan (prior to the merger with Diageo in 1997). Catherine's wide range of board experience and influence, across both external and internal communications at Diageo combine to make her a highly regarded IR Director.

Robert Sutton

Non-executive Director

Robert Sutton is an independent Non-Executive Director of Numis and chairs the Remuneration Committee. Robert is also a member of the Audit & Risk Committee and the Nominations Committee. Robert was a solicitor with the City Law firm Macfarlanes from 1979 to 2013, serving as senior partner from 1999 to 2008. Robert has extensive expertise in company and commercial law, particularly in the area of corporate finance, securities law and practice, takeover bids and mergers and acquisitions. Robert is Chairman of Tulchan Communications LLP, a member of the advisory Board of Highgate Capital and is Deputy Chairman of the Board of Governors of Winchester College.

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

3.0 Corporate Governance

Corporate Governance Report

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

Corporate Governance Policy

AIM companies are not required to comply with the UK Corporate Governance Code 2014 (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.

Change of Chief Executive Office

Alex Ham and Ross Mitchinson were appointed Co-Chief Executive Officers with effect from 1 September 2016. They succeeded Oliver Hemsley who had been Chief Executive Officer of Numis for over 25 years. Oliver remains on the Board as an Executive Director. Further comment on this succession can be found under the Nominations Committee section of this report. Throughout this report references to Co-Chief Executive Officers represent the structure in place with effect from 1 September 2016. Prior to 1 September 2016, the structure was as described with the exception that the Chief Executive role was held by Oliver Hemsley.

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 Co-Chief Executive Officers. 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 Gerald Corbett 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 Group's 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 policy;
- 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 Co-Chief Executive Officers is appraised annually by the Chairman. The performance of the remaining Executive Directors is appraised annually by the Co-Chief Executive Officers.

Chairman and Chief Executive

The Chairman is Gerald Corbett 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 Co-Chief Executive Officers. He is also Chairman of the Nominations Committee responsible for succession planning.

The Co-Chief Executive Officers are Alex Ham and Ross Mitchinson who are jointly 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. Prior to 1 September 2016, Oliver Hemsley was the Chief Executive Officer.

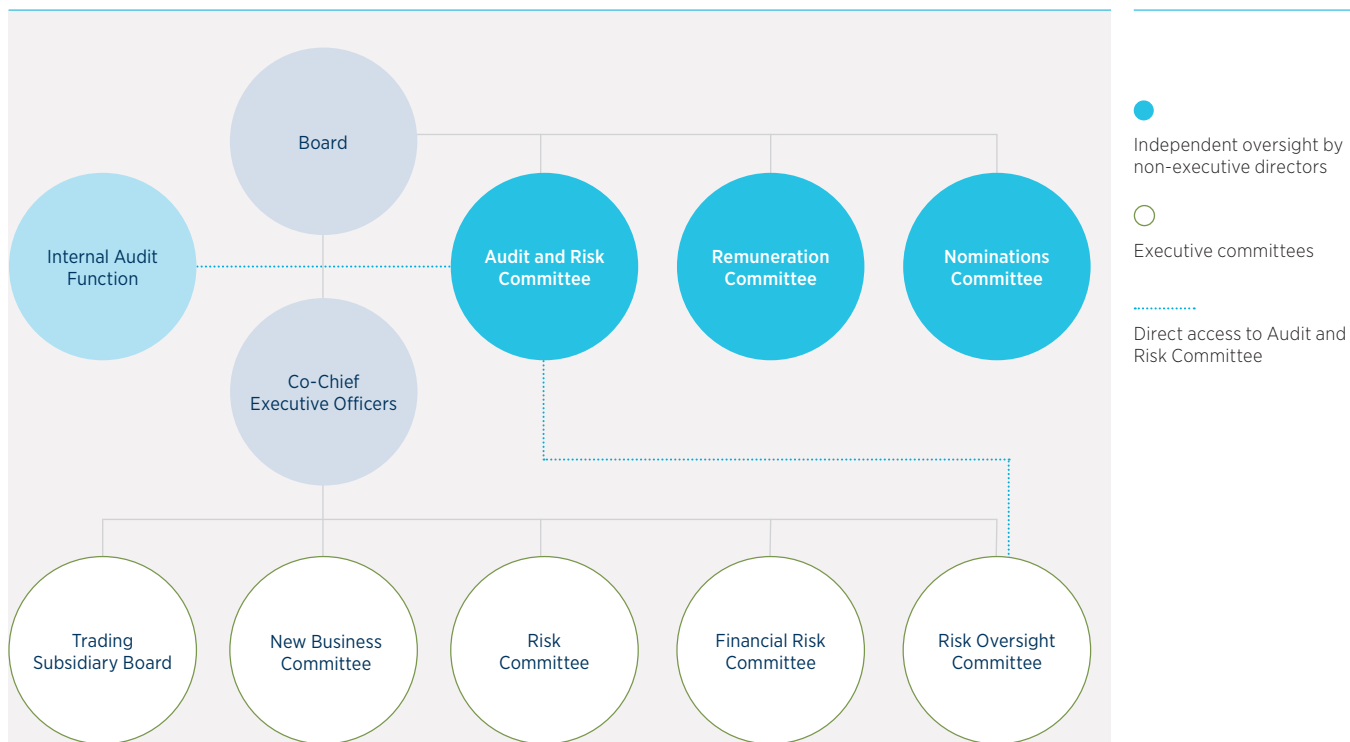
Composition of Board and Committees of the Board

Directors' Committee memberships, attendance at Board meetings and independence for the year ended 30 September 2016 is set out in the table opposite on page 19.

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 nine such meetings held during the year ended 30 September 2016 of which six were attended by one of the non-executive directors.

Governance Framework

3.0 Corporate Governance



Composition of Board and Committees of the Board

	Position	Board		Committee membership			
	At 30 September 2016 or retirement if earlier	Maximum possible attendance	Meetings attended	Nominations Committee	Audit and Risk Committee	Remuneration Committee	Considered Independent
Gerald Corbett	Chairman (Non-executive)	8	8	✓ Chairman			✓
Alex Ham ¹	Co-Chief Executive Officer	8	2				
Ross Mitchinson ¹	Co-Chief Executive Officer	8	2				
Oliver Hemsley ²	Executive Director	8	8				
Lorna Tilbian	Executive Director	8	8				
Simon Denyer	Group Finance Director	8	8				
David Poutney ³	Executive Director	8	3				
Marcus Chorley	Executive Director	8	8				
Geoffrey Vero	Non-executive Director	8	8	✓	✓ Chairman	✓	✓
Robert Sutton	Non-executive Director	8	7	✓	✓	✓ Chairman	✓
Catherine James	Non-executive Director	8	8	✓	✓	✓	✓

¹ appointed Executive Director with effect from 1 July 2016 and Co-Chief Executive Officer with effect from 1 September 2016.
² stood down as Chief Executive Officer with effect from 1 September 2016.
³ retired with effect from 2 February 2016.

Corporate Governance Report (*continued*)

Balance and Independence

During the year ended 30 September 2016 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 2016 there were ten directors: the Chairman, six 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 nine 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.

Other guidance available to small and mid-sized quoted companies suggests that the main Board should comprise at least two independent non-executive directors, excluding the Chairman, with the overriding goal that a Board should be of sufficient size that the requirements of the business can be met and that it should include an appropriate combination of executive and non-executive directors such that no individual or small group of individuals can dominate the board's decision taking.

With the changes to the Board which have taken place during 2016 and the fact that Gerald Corbett will not be putting himself forward for re-election at the Company's Annual General Meeting in February 2017, it is likely that the composition of the Board will undergo further review during 2017.

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), Robert Sutton and Catherine James 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 judgements;
- Reviewing the Group's risk policies and control framework;
- Reviewing the Group's regulatory reporting procedures and relationship with regulators;
- Reviewing the Group's risk appetite and making recommendations to the Board;
- The review and approval of financial and other risk limits and adherence thereto; and
- Reviewing and challenging the Group's Internal Capital Adequacy Assessment and Individual Liquidity Adequacy Assessment processes.

3.0 Corporate Governance

The composition of the committee and attendance for the year ended 30 September 2016 is set out in the following table:

	Maximum possible attendance	Meetings attended
Geoffrey Vero (Chairman)	4	4
Robert Sutton	4	4
Catherine James	4	3

Remuneration Committee

The Remuneration Committee comprises Robert Sutton (Chairman), Geoffrey Vero and Catherine James who are all non-executive directors and meets at least twice each year and at other times as necessary.

Other members of the Board, in particular the Chairman and Chief Executives 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 by the Group, 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 from time to time.

The composition of the committee and attendance for the year ended 30 September 2016 is set out in the following table:

	Maximum possible attendance	Meetings attended
Robert Sutton (Chairman)	6	6
Catherine James	6	5
Geoffrey Vero	6	6

Nominations Committee

The Nominations Committee comprises Gerald Corbett (Chairman), Geoffrey Vero, Robert Sutton and Catherine James 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 2016 is set out in the following table:

	Maximum possible attendance	Meetings attended
Gerald Corbett (Chairman)	2	2
Geoffrey Vero	2	2
Robert Sutton	2	2
Catherine James	2	2

Succession planning has been a priority for the Board over recent years and this has been led by the Nominations Committee. In particular, planning for the succession of Oliver Hemsley (former Chief Executive) has been a long-term consideration for the Board. A number of actions have been taken since 2013 to broaden the number of individuals within the firm's senior management team who had potential to succeed Oliver Hemsley with check points along the way to assess progress and performance.

Key attributes of the selection criteria for this succession included continuity and stability for the firm, preservation of the firm's culture and values, a deep understanding of the firm's business model and proven experience of managing the business activities of a firm such as Numis. Underpinning our consideration of these attributes were the relevant regulatory requirements and, ultimately, the need to identify candidates who are fit for purpose.

Promoting from within for this role was a clear preference of the Committee and the Board. The appointment of Alex Ham and Ross Mitchinson as Co-Chief Executive Officers was made with effect from 1 September 2016 and not only achieves the selection criteria described above but also brings renewed drive and determination to the development of the business and its continued success. Oliver Hemsley remains on the Board as an Executive Director and continues to play a full part in supporting the new Chief Executives and helping them develop the business.

Corporate Governance Report (*continued*)

Executive Operational Committees

Trading Subsidiary Board

The board of the main trading subsidiary, Numis Securities Limited, chaired by Alex Ham and Ross Mitchinson, deals with the implementation of business strategy and day-to-day operational matters. It meets monthly and receives information with respect to the financial performance of the Group together with departmental reports, risk information and other relevant items.

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 committee's 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.

New Business Committee

The New Business Committee, chaired by the Group's Head of Corporate Broking and Advisory, 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.

Country-by-Country Reporting

The Group's obligation to publish reportable information under Article 89 of the Capital Requirements Directive 4 is fulfilled by the Company through the publication of relevant information on a consolidated basis. The relevant information can be found on the Group's website, www.numis.com, within the Legal and Regulatory section.

This report was approved by the Board on 7 December 2016 and signed on its behalf by:

Gerald Corbett

Chairman

7 December 2016

Remuneration Report

3.0 Corporate Governance

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 the Human Resources, Compliance, Risk 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 their 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 profit before variable pay and tax, typically by capping the aggregate pool to an agreed percentage of this profit measure, 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 variable compensation can be delivered in two main forms:

- An annual cash bonus; and
- A long term incentive award which is typically delivered via one of the Company's share plans.

The Committee has the authority to apply deferrals to the annual cash bonus. Such deferrals usually take the form of a share award which requires three further years of service in order that the award vests in full.

Clawback provisions are applied in certain circumstances in accordance with regulatory guidelines and best practice.

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 Principles used in Recruitment

We may compensate employees for remuneration forfeited as part of the recruitment process (where the amounts in discussion are reasonable and where written proof is provided in support of forfeiture). The preferred delivery vehicle for such awards is the Group's RSU share plan on the basis that we view the awards as an investment in the individual's future with us. In the minority of cases where cash amounts may be issued as part of the award, the cash component is subject to a 3 year gross claw back in the event the employee leaves our employment. We take reasonable steps to ensure remuneration commitments are not more generous in either amounts or terms than variable remuneration offered by the existing employer. In a small number of cases, where remuneration is more generous, its structure is performance dependent and it is awarded on an exceptional basis after due consideration of alternative hires and anticipated benefit to the business.

We do not make any form of guaranteed variable compensation commitment above and beyond buyout provisions (which are subject to the employee remaining in employment).

Remuneration for the Year

The total amounts for executive directors' remuneration and other benefits during the year, in respect of the performance of their role as executive director, were as follows:

	2016	2015
	£'000	£'000
Emoluments	3,415	2,824
Money purchase contributions	10	-
	3,425	2,824

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.

3.0 Corporate Governance

Remuneration Report (*continued*)

TABLE 1
Directors' Emoluments (audited)

Director	Base salary/ Fees 2016 £'000	Annual Performance Award 2016 £'000	Benefits 2016 £'000	Total 2016 £'000	Total 2015 £'000
Executive Directors					
Alex Ham ¹	88	300	-	388	-
Ross Mitchinson ¹	67	150	-	217	-
Oliver Hemsley	250	750	33	1,033	879
Lorna Tilbian	225	275	20	520	483
Simon Denyer	200	130	15	345	317
David Poutney ²	68	-	7	75	331
Marcus Chorley	225	275	17	517	501
Non-executive Directors					
Gerald Corbett	150	-	-	150	143
Geoffrey Vero	60	-	-	60	60
Robert Sutton	60	-	-	60	60
Catherine James	50	-	-	50	50
	1,443	1,880	92	3,415	2,824

Notes

1 appointed with effect from 1 July 2016.

2 retired with effect from 2 February 2016

TABLE 2
Directors' Service Contracts – Executive Directors

	Date of appointment	Date of retirement	Nature of contract	Notice period from Company	Notice period from Director	Next re-election
Alex Ham	1 July 2016		Rolling	6 months	6 months	2017
Ross Mitchinson	1 July 2016		Rolling	6 months	6 months	2017
Oliver Hemsley	26 July 1989		Rolling	12 months	12 months	2019
Lorna Tilbian	1 December 2005		Rolling	6 months	6 months	2018
Simon Denyer	1 December 2010		Rolling	6 months	6 months	2018
David Poutney	20 May 2014	2 February 2016	Rolling	6 months	6 months	n/a
Marcus Chorley	20 May 2014		Rolling	6 months	6 months	2018

TABLE 3
Directors' Service Contracts – Non-executive Directors

	Date of appointment	Next re-election/election	Notice period
Gerald Corbett	5 May 2009	n/a	1 month by either party
Geoffrey Vero	28 April 2003	2017	1 month by either party
Robert Sutton	7 May 2014	2017	1 month by either party
Catherine James	20 May 2014	2017	1 month by either party

There were two executive directors (2015: none) who were members of a money purchase scheme, a form of defined contribution scheme, during the year. Contributions paid by the Group in respect of those directors are shown on page 23.

The constituent parts of directors' emoluments during the year are detailed in Table 1 on page 24 (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).

Basis of Determining Annual Performance Awards for Executive Directors

In determining the annual performance award for the Chief Executives and other executive directors, the Committee made an assessment of the overall performance of the business and of each individual, including business performance within each individual's responsibilities as well as individual performance against annual objectives. A number of financial and non-financial factors were taken into account as well as recommendations made by the Chief Executives in respect of other executive directors. To ensure the Committee is adequately informed of any relevant compliance and risk management considerations applicable to the determination of remuneration, the Group's Head of Legal, Risk and Compliance provides input to the Committee's decision making process. Members of the Remuneration Committee also serve on the Audit and Risk Committee.

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.

Amounts Relating to Share Awards

The aggregate of the amount of gains made by directors on the exercise of share options during the year was £nil (2015: £nil). The aggregate value of shares received or receivable by directors under share plans other than those involving the granting of share options totalled £623,000 (2015:£nil)

Compensation for Loss of Office

The aggregate amount of compensation paid to directors for loss of office during the year was £160,000 (2015:nil).

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 2016.

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 month's 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 2016 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' Interests under Employee Share Plans

The Company has share incentive plans through which discretionary share-based awards may be made. The plans 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 shares to which directors are prospectively entitled under awards granted, but not yet vested are detailed in Tables 4, 5 and 6 on pages 26 and 27 together with the movement during the year. Share awards yet to be granted are not included in these tables.

3.0 Corporate Governance

Remuneration Report (continued)

TABLE 4
Directors' Interests under Employee Share Plans – RSU 2008 Plan

Director	Normal vesting profile from grant date	Outstanding as at 1 October 2015 ³	Granted during the year	Vested during the year	Forfeited during the year	Outstanding as at 30 September 2016 ⁴
Date of Grant	Anniversary	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Marcus Chorley						
4 June 2013	2nd, 3rd and 4th	500,000	-	(250,000)	-	250,000
19 January 2016	1st, 2nd and 3rd	-	22,911	-	-	22,911
						272,911
Oliver Hemsley						
19 January 2016	1st, 2nd and 3rd	-	50,119	-	-	50,119
						50,119
Simon Denyer						
19 January 2016	1st, 2nd and 3rd	-	8,591	-	-	8,591
						8,591
David Poutney²						
19 January 2016	1st, 2nd and 3rd	-	7,159	-	(7,159)	-
						-
Lorna Tilbian						
19 January 2016	1st, 2nd and 3rd	-	20,047	-	-	20,047
						20,047
Alex Ham¹						
19 January 2016	1st, 2nd and 3rd	-	78,758	-	-	78,758
						78,758
Ross Mitchinson¹						
4 June 2013	2nd, 3rd and 4th	533,333	-	(266,667)	-	266,666
19 January 2016	1st, 2nd and 3rd	-	30,429	-	-	30,429
						297,095

TABLE 5
Directors' Interests under Employee Share Plans – LTIP 2008 Plan

Director	Normal vesting profile from grant date	Outstanding as at 1 October 2015	Granted during the year	Vested during the year	Forfeited during the year	Outstanding as at 30 September 2016
Date of Grant	Anniversary	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Lorna Tilbian						
29 March 2011	3rd, 4th and 5th	86,206	-	(86,206)	-	-
						-

Notes

¹ appointed with effect from 1 July 2016.

² retired with effect from 2 February 2016.

³ or at date of appointment if later.

⁴ or at date of retirement if earlier.

Awards shown in Tables 4 and 5 do not have performance conditions attached other than the requirement for continued employment within the Group.

TABLE 6
Directors' Interests under Employee Share Plans – LTIP 2016 Plan

Director		Outstanding as at 1 October 2015 ²	Granted during the year	Outstanding as at 30 September 2016	Exercise price	Vesting date	Expiry date	Performance/ vesting period
Date of Grant		No. shares under option	No. shares under option	No. shares under option				
Alex Ham¹								
5 Sep 2016	Basic award	–	592,193	592,193	Nil	5 Sep 2021	5 Sep 2026	5 years
5 Sep 2016	Performance award	–	2,960,963	2,960,963	Nil	5 Sep 2021	5 Sep 2026	5 years
				3,553,156				
Ross Mitchinson¹								
5 Sep 2016	Basic award	–	592,193	592,193	Nil	5 Sep 2021	5 Sep 2026	5 years
5 Sep 2016	Performance award	–	2,960,963	2,960,963	Nil	5 Sep 2021	5 Sep 2026	5 years
				3,553,156				

Notes
¹ appointed with effect from 1 July 2016.
² or at date of appointment if later.

Awards shown in Table 6 made under the LTIP 2016 Plan were granted as two separate awards with differing performance conditions attached.

The basic award is subject to continued service throughout as well as the achievement of a number of subjective performance conditions. The satisfaction of these performance conditions is judged solely by the Group's remuneration committee.

The performance award is subject to continued service throughout as well as the achievement of specific performance targets relating to the Company's share price. The award is split into four tranches with each tranche requiring the average share price of the Company to reach or exceed a separate target level over a consecutive 90 day period within the 5 years following grant date in order for that tranche of the award to become eligible to vest. If the average share price of the Company does not reach or exceed the target level for a particular tranche then that tranche of the award shall lapse. The price target required for the whole award to become eligible to vest (i.e. the highest threshold price) has been set at £5.09.

Should a tranche become eligible to vest, additional subjective conditions apply plus a further underpin to ensure that Numis has not obviously under-performed when compared to a relevant group of comparator companies. These conditions are tested at the time that the average share price target has been achieved.

The satisfaction of these performance conditions is judged solely by the Group's remuneration committee.

Regulatory Change

Following much uncertainty over the remuneration guidelines published by the European Banking Authority (EBA) in late 2015, the Financial Conduct Authority (FCA) responded in February 2016 and again in September 2016 with their own guidance to provide further clarity to firms. The FCA state that firms must be compliant with all aspects of the EBA Guidelines with the exception of the application of proportionality in respect of the bonus cap – the limit on awarding variable remuneration of one times fixed remuneration (or two times with shareholder approval). Numis continues to dis-apply the bonus cap provision on the basis of proportionality.

Further guidance was also provided on the identification of material risk takers which is likely to increase the number of staff classified as such and therefore the number of staff to which the remuneration code applies. The implementation date for these guidelines is 1 January 2017 and changes will apply to the 2017 performance period.

The Committee will continue to keep the Group's approach to remuneration under review in light of ongoing regulatory change.

4.0 Directors' Responsibilities and Report

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with applicable law and regulations.

The directors are responsible for preparing the Annual Report, the Directors' Remuneration 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 or loss 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 and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. 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.

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess a company's performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Remuneration Report, confirm that, to the best of their knowledge:

- The group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the group; and
- The directors' report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that it faces.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- a. so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b. he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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 17. 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

4.0 Directors' Responsibilities and Report

The directors serving during the year ended 30 September 2016 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 audited consolidated financial statements of the Group and the associated independent auditors' report thereon, for the year ended 30 September 2016.

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 6.5p per share (2015: 6.0p) which, together with the interim dividend of 5.5p per share already declared and paid, makes a total for the year ended 30 September 2016 of 12.0p per share (2015: 11.5p). Subject to approval at the annual general meeting, the final dividend will be paid on 10 February 2017 to shareholders on the register of members at the close of business on 16 December 2016.

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.

Relations with Shareholders

The Co-Chief Executive Officers communicate 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.

Independent Auditors

A resolution to reappoint PricewaterhouseCoopers LLP will be placed before the Annual General Meeting of the Company on 7 February 2017.

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 contracts 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.

Political Donations

During the year the Group made no political donations (2015: nil).

Directors' Report (*continued*)

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.

The indemnity was in force during the year and up to the date of approval of the financial statements.

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.

Directors and their Interests

The directors serving during the year ended 30 September 2016 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 are detailed in Table 7 on page 31.

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 2016 to 7 December 2016.

Substantial Shareholders

Except for the directors' interests previously noted, the directors have been notified of substantial shareholders, detailed in Table 8 on page 31, who are interested in 3% or more of the Company as at 30 September 2016.

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 2016 the Trust purchased an aggregate of 1,521,300 (2015: 1,243,329) ordinary shares of the Company having a nominal value of £76,065 (2015: £62,166). The shares were purchased to satisfy outstanding awards under the Group's shares scheme arrangements.

The number of shares purchased representing 1.34% of the Company's issued share capital as at 30 September 2016 (2015: 1.10%) was for an aggregate consideration of £3,415,000 (2015: £3,114,000).

In accordance with shareholder authority, during the year 1,763,571 (2015: 1,538,926) ordinary shares with an aggregate nominal value of £88,179 (2015: £76,946) were purchased into Treasury. The aggregate consideration paid was £3,719,000 (2015: £3,473,000). During the year 2,250,000 shares (2015: 2,100,000) were transferred out of Treasury to the Trust. The number of shares held in Treasury, as at 30 September 2016, totals 4,691,088 (2015: 5,177,517).

This report was approved by the Board on 7 December 2016 and signed on its behalf by:

Simon Denyer

Company Secretary

7 December 2016

Numis Corporation Plc
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

4.0 Directors' Responsibilities and Report

TABLE 7
Directors and their Interests

	30 September 2016 ordinary shares ¹	30 September 2015 ordinary shares ²
	Number	Number
Executive Directors		
Alex Ham (appointed 1 July 2016)	567,000	567,000
Ross Mitchinson (appointed 1 July 2016)	141,333	141,333
Oliver Hemsley	9,364,254	9,364,254
Lorna Tilbian	5,649,842	5,557,509
Simon Denyer	23,112	23,112
David Poutney (retired 2 February 2016)	5,930,000	5,930,000
Marcus Chorley	3,473,608	3,223,608
Non-executive Directors		
Gerald Corbett	30,000	30,000
Geoffrey Vero	20,000	20,000
Robert Sutton	12,500	12,500
Catherine James	12,000	12,000

Notes

¹ or at date of retirement if earlier.

² or at date of appointment if later.

TABLE 8
Substantial Shareholders

	Registered holding number of ordinary shares	% of remaining ordinary shares in issue*
GVQ Investment Management	10,727,510	9.43
Capital Group	7,685,584	6.76
Aviva Investors	6,568,378	5.77
Unicorn Asset Management	5,630,000	4.95
JO Hambro Capital Management	4,415,979	3.88
Henderson Global Investors	4,269,900	3.75
Mr E Farquhar	4,077,429	3.58
Kabouter Management LLC	3,396,580	2.99

* Excludes ordinary shares held in Treasury.

Independent Auditors' Report to the Members of Numis Corporation Plc

Report on the financial statements

Our opinion

In our opinion:

- Numis Corporation Plc's group financial statements and parent company financial statements (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 2016 and of the group's profit and the group's and the parent company's cash flows for the year then ended;
- The group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("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.

What we have audited

The financial statements, included within the Annual Report and Accounts (the "Annual Report"), comprise:

- The consolidated and company balance sheets as at 30 September 2016;
- The consolidated income statement and consolidated statement of comprehensive income for the year then ended;
- The consolidated and company statement of cash flows for the year then ended;
- The consolidated and company statement of changes in equity for the year then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is 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, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Opinion on additional disclosures

Directors' Remuneration Report

The parent company voluntarily prepares a Directors' Remuneration Report in accordance with the provisions of the Companies Act 2006. The directors have requested that we audit the part of the Directors' Remuneration Report specified by the Companies Act 2006 to be audited as if the parent company were a quoted company.

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 28, 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) ("ISAs (UK & 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 parent 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 the 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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.

Darren Meek
(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

8 December 2016

6.0 Financial Statements

Consolidated Income Statement

For the year ended
30 September 2016

	Notes	2016 £'000	2015 £'000
Revenue	5	112,335	97,985
Other operating income/(expense)	6	3,759	(1,978)
Total income		116,094	96,007
Administrative expenses	7	(83,600)	(70,115)
Operating profit		32,494	25,892
Finance income	9	427	459
Finance costs	10	(390)	(269)
Profit before tax		32,531	26,082
Taxation	11	(6,132)	(4,533)
Profit after tax		26,399	21,549
Attributable to:			
Owners of the parent		26,399	21,549
Earnings per share			
Basic	25	23.5p	19.5p
Diluted	25	22.4p	18.3p

The notes on pages 41 to 77 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

6.0 Financial Statements

	2016	2015	For the year ended 30 September 2016
	£'000	£'000	
Profit for the year	26,399	21,549	
Items that may be reclassified to the Income Statement on fulfilment of specific conditions:			
Exchange differences on translation of foreign operations	630	227	
Other comprehensive income for the year, net of tax	630	227	
Total comprehensive income for the year, net of tax, attributable to owners of the parent	27,029	21,776	

The notes on pages 41 to 77 form an integral part of these financial statements.

6.0 Financial Statements

Consolidated Balance Sheet

As at 30 September 2016

	Notes	2016 £'000	2015 £'000
Non current assets			
Property, plant and equipment	13	3,734	4,486
Intangible assets	14	122	247
Deferred tax	17	1,666	1,995
		5,522	6,728
Current assets			
Trade and other receivables	18	170,490	160,397
Trading investments	19	48,453	57,621
Stock borrowing collateral	1(k)	3,901	822
Derivative financial instruments	16	616	683
Cash and cash equivalents	20	89,002	59,591
		312,462	279,114
Current liabilities			
Trade and other payables	21	(173,031)	(161,646)
Financial liabilities	1(h)	(12,293)	(6,913)
Current income tax		(3,571)	(1,760)
		(188,895)	(170,319)
Net current assets		123,567	108,795
Non current liabilities			
Deferred tax	17	(12)	(4)
Net assets		129,077	115,519
Equity			
Share capital	23	5,922	5,922
Share premium		38,854	38,854
Other reserves	23	8,238	5,631
Retained earnings		76,063	65,112
Total equity		129,077	115,519

The notes on pages 41 to 77 form an integral part of these financial statements.

The financial statements on pages 34 to 77 were approved and authorised for issue by the Board on 7 December 2016 and signed on its behalf by:

[Alex Ham and Ross Mitchinson](#)

Co-Chief Executive Officers

Numis Corporation Plc
Registration No.2375296

Consolidated Statement of Changes in Equity

6.0 Financial Statements

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2015	5,922	38,854	5,631	65,112	115,519
Profit for the year				26,399	26,399
Other comprehensive income			630	-	630
Total comprehensive income for the year	-	-	630	26,399	27,029
Dividends paid				(12,861)	(12,861)
Net movement in Treasury shares				1,470	1,470
Movement in respect of employee share plans			1,977	(3,559)	(1,582)
Deferred tax related to share based payments				(498)	(498)
Transactions with shareholders	-	-	1,977	(15,448)	(13,471)
Balance at 30 September 2016	5,922	38,854	8,238	76,063	129,077
Balance at 1 October 2014	5,922	38,854	8,063	57,238	110,077
Profit for the year				21,549	21,549
Other comprehensive income			227	-	227
Total comprehensive income for the year	-	-	227	21,549	21,776
Dividends paid				(12,139)	(12,139)
Net movement in Treasury shares				1,608	1,608
Movement in respect of employee share plans			(2,659)	(2,411)	(5,070)
Deferred tax related to share based payments				(733)	(733)
Transactions with shareholders	-	-	(2,659)	(13,675)	(16,334)
Balance at 30 September 2015	5,922	38,854	5,631	65,112	115,519

The notes on pages 41 to 77 form an integral part of these financial statements.

For the year ended
30 September 2016

6.0 Financial Statements

Consolidated Statement of Cash Flows

For the year ended
30 September 2016

	Note	2016 £'000	2015 £'000
Cash flows from operating activities	26	53,398	10,995
Interest paid		(182)	(4)
Taxation paid		(4,481)	(4,524)
Net cash from operating activities		48,735	6,467
Investing activities			
Purchase of property, plant and equipment		(346)	(3,885)
Purchase of intangible assets		-	(234)
Interest received		430	487
Net cash from/(used in) investing activities		84	(3,632)
Financing activities			
Purchases of own shares – Treasury		(3,719)	(3,473)
Purchases of own shares – Employee Benefit Trust		(3,000)	(1,898)
Dividends paid		(12,861)	(12,139)
Net cash used in financing activities		(19,580)	(17,510)
Net movement in cash and cash equivalents		29,239	(14,675)
Opening cash and cash equivalents		59,591	74,518
Net movement in cash and cash equivalents		29,239	(14,675)
Exchange movements		172	(252)
Closing cash and cash equivalents		89,002	59,591

The notes on pages 41 to 77 form an integral part of these financial statements.

Company Balance Sheet

6.0 Financial Statements

		2016	2015
	Notes	£'000	£'000
Non current assets			
Investment in subsidiary undertakings	15	47,229	40,263
		47,229	40,263
Current assets			
Trade and other receivables	18	34,689	23,199
Trading investments	19	16,787	14,513
		51,476	37,712
Current liabilities			
Trade and other payables	21	(1)	(1)
Current income tax		(6)	-
		(7)	(1)
Net current assets		51,469	37,711
Net assets		98,698	77,974
Equity			
Share capital	23	5,922	5,922
Share premium		38,854	38,854
Other reserves	23	7,140	5,163
Retained earnings		46,782	28,035
Total equity		98,698	77,974

The notes on pages 41 to 77 form an integral part of these financial statements.

The financial statements on pages 34 to 77 were approved and authorised for issue by the Board on 7 December 2016 and signed on its behalf by:

[Alex Ham and Ross Mitchinson](#)
Co-Chief Executive Officers

As at 30 September 2016

6.0 Financial Statements

Company Statement of Changes in Equity

For the year ended
30 September 2016

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2015	5,922	38,854	5,163	28,035	77,974
Profit for the year				30,338	30,338
Total comprehensive income for the year	-	-	-	30,338	30,338
Net movement in Treasury shares				1,470	1,470
Dividends paid				(12,861)	(12,861)
Movement in respect of employee share plans			1,977	(200)	1,777
Transactions with shareholders	-	-	1,977	(11,591)	(9,614)
Balance at 30 September 2016	5,922	38,854	7,140	46,782	98,698
Balance at 1 October 2014	5,922	38,854	7,822	29,785	82,383
Profit for the year				10,324	10,324
Total comprehensive income for the year	-	-	-	10,324	10,324
Net movement in Treasury shares				1,608	1,608
Dividends paid				(12,139)	(12,139)
Movement in respect of employee share plans			(2,659)	(1,543)	(4,202)
Transactions with shareholders	-	-	(2,659)	(12,074)	(14,733)
Balance at 30 September 2015	5,922	38,854	5,163	28,035	77,974

The notes on pages 41 to 77 form an integral part of these financial statements.

The Company had no cash or cash equivalent balances as at 30 September 2014, 30 September 2015 or 30 September 2016. Similarly there were no movements in cash or cash equivalents during the year ended 30 September 2015 or the year ended 30 September 2016. Therefore no cash flow statement is presented for the Company.

Notes to the Financial Statements

6.0 Financial Statements

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.

No new standards or amendments to existing standards have been early adopted by the Group during the accounting year ended 30 September 2016.

The following new standards, amendments and interpretations are mandatory for the first time for the Group's accounting year ended 30 September 2016 and have been adopted but do not materially impact the Group:

Annual Improvements to IFRS 2010–2012 and 2011–2013 cycle:

- Amendments to IFRS 2 'Share Based Payments', which clarifies the definition of 'vesting condition' and now distinguishes between 'performance condition' and 'service condition';
- Amendments to IFRS 8 'Operating Segments', which requires disclosure of the judgements made by management in applying aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of segment assets if segment assets are reported regularly;
- Amendments to IFRS 13 'Fair Value Measurement', which clarifies that short-term receivables and payables may continue to be measured at invoice amounts if the impact of discounting is immaterial; and

- Amendments to IAS 24 'Related Party Disclosures', which clarifies that an entity providing key management personnel services to the reporting entity is a related party of the reporting entity.

As at the date of authorisation of the financial statements, the following standards, amendments and interpretations to existing standards 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 effect on the Group and Company's accounting for financial assets. However, the standard is not applicable until the Group's 2019 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 15 'Revenue from Contracts with Customers' is a convergence standard aimed at improving the financial reporting of revenue and the comparability of the revenue line in financial statements globally. However, the standard is not applicable until the Group's 2019 accounting year end and has not yet been endorsed by the EU. Consequently the Group has yet to fully assess the impact of IFRS 15 but initial indications are that the impact will not prove to be material.

IFRS 16 'Leases' brings virtually all leases on to the balance sheet with a liability representing future lease payments and an asset representing right of use. This will impact the Group in so far as it has leases which fall within scope. Such leases are likely to be confined to the property leases which the Group has in place. However, the standard is not applicable until the Group's 2020 accounting year end and has not yet been endorsed by the EU. Consequently the Group has yet to fully assess the impact of IFRS 16 but initial indications are that the impact will not prove to be material to the income statement, albeit that it will introduce additional balances to the assets and liabilities of the Group.

(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 than 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 controls 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.

Notes to the Financial Statements

1. Accounting Policies (continued)

(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 in respect of payments for research services.

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 include gains and losses arising on 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 corporate advisory and stockbroking business and although there are different revenue types the nature of Group's material activities is considered to be subject to the same and/or similar economic characteristics. Consequently the Group is managed as a single business unit. The chief operating decision-makers, whom are responsible for allocating resources and assessing performance, have been identified as the Chief Executive Officers.

(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
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.

(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 securities 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.

1. Accounting Policies (continued)

(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 hedge accounting.

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.

(j) Deferred tax

Deferred tax assets and liabilities mainly represent amounts of tax that will become recoverable and payable in future accounting periods. Generally, they arise as a result of temporary differences where the time at which profits and losses are recognised for tax purposes differs from the time at which the relevant transaction is recorded in the financial statements. A deferred tax asset represents a tax reduction that is expected to arise in a future period. A deferred tax liability represents taxes which will become payable in a future period as a result of a current or prior year transaction.

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.

Prepayments arise where the Group pays cash in advance of services. As the service is provided, the prepayment is reduced and the expense recognised in the income statement. Accrued income includes fees or other amounts due and payable to the Group but yet to be either invoiced or received as at the reporting date.

(m) Trade and other payables

Trade and other payables (excluding deferred income) 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.

Notes to the Financial Statements

1. Accounting Policies (continued)

Deferred income represents fees received in advance of services being performed.

(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 change 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.

(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 taken to other comprehensive income and then 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. An Employee Benefit Trust established by the Company acquires 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.

1. Accounting Policies (continued)

On consolidation, the cost of shares held by the Employee Benefit Trust 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 judgements 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 and non 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.

Share-based payments

In determining the fair value of equity-settled share based payments and the related charge to the income statement, the Group makes certain judgements about future events and market conditions. In particular, a judgement must be formed as to the likely number of shares that will vest along with the fair value of each award granted. Where relevant, the fair value is determined by using the Black-Scholes valuation model or, for certain awards, a stochastic valuation model, both of which are dependent on estimates relating to the Group's future dividend policy, the timing of prospective option exercises and the future volatility in the price of the Company's shares. Different assumptions about these factors to those made by the Group could affect the reported value of share-based payments. Whilst this is an area of judgement in the financial statements, the timing of awards and the relevant vesting period means the value of share-based payments is not materially impacted by these the assumptions made by the Group and consequently no sensitivity analysis has been presented.

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 three years. If the Group forecasts were 10% higher or lower the Group would still expect to recover its deferred tax assets within the next three 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. Currently neither the Group nor the Company has any such exceptional items.

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.

Notes to the Financial Statements

2. Adjusted profit measures in prior year

The following table reconciles the previously reported adjusted profit before tax and adjusted profit after tax measures to their IFRS equivalent as presented on the face of the consolidated income statement:

	2015
	£'000
Adjusted group profit before tax reported in 2015	32,726
Other operating expense	(1,978)
Share scheme charges and associated NI	(4,666)
Group profit before tax	26,082
Adjusted group taxation	(5,098)
Tax impact of adjustments	565
Group taxation	(4,533)
Group profit after tax	21,549

We have dispensed with the use of non-IFRS profit measures in order to bring the presentation of our results in-line with best practice.

Previously the Group excluded amounts relating to share based payments and net gains/ losses generated from the strategic investment portfolio in the computation of the adjusted profit measures. This no longer reflects management's view of an appropriate measure of the performance of the business.

3. Profit of the parent company

As provided by Section 408 Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's profit after tax for the financial year amounted to £30,338,000 (2015: £10,324,000).

4. Segmental information

Geographical information

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

The Group earns its revenue in the following geographical locations:

	2016	2015
	£'000	£'000
United Kingdom	102,684	89,297
United States of America	9,651	8,688
	112,335	97,985

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.

	2016	2015
	£'000	£'000
United Kingdom	3,744	4,573
United States of America	112	160
	3,856	4,733

Other information

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

	2016	2015
	£'000	£'000
Net institutional income	38,419	33,390
Total corporate transaction revenues	64,293	55,654
Corporate retainers	9,623	8,941
Revenue from Corporate Advisory and Broking (see note 5)	112,335	97,985
Strategic investment activity net gains/(losses)	3,759	(1,978)
Contribution from Investing Activities	3,759	(1,978)
Total	116,094	96,007
Net assets		
Corporate advisory and broking	10,243	30,535
Investing activities	29,832	25,393
Cash and cash equivalents	89,002	59,591
Total net assets	129,077	115,519

Notes to the Financial Statements

5. Revenue

	2016	2015
	£'000	£'000
Net trading gains	6,496	4,056
Institutional commissions	31,923	29,334
Net institutional income	38,419	33,390
Corporate retainers	9,623	8,941
Advisory fees	16,261	17,921
Placing commissions	48,032	37,733
	112,335	97,985

6. Other operating income/(expense)

	2016	2015
	£'000	£'000
Investment income/(expense)	3,759	(1,978)

Other operating income/(expense) represent gains/(losses) and dividend income from strategic investments which are held outside of the market making portfolio. The majority of the income recorded in 2016 reflects price movements and dividend income in respect of quoted holdings.

7. Administrative expenses

Administrative expenses comprise the following:

	2016	2015
	£'000	£'000
Depreciation of property, plant and equipment	1,126	882
Amortisation of intangible assets	125	111
Operating lease costs	1,878	1,832
Other occupancy related costs	757	1,102
Staff costs (see note 8)	58,882	47,398
Other non-staff costs	20,512	18,465
Auditors' remuneration		
<i>Audit services</i>		
Audit fee for Company's financial statements and Annual Report	30	35
Year end audit services to the Subsidiaries of the Company	192	201
<i>Other services</i>		
Tax services	35	7
Regulatory and other services	63	82
	83,600	70,115

7. Administrative expenses (continued)

Compensation costs as a percentage of revenue have increased to 52% (2015: 48%) partly as a result of cash costs incurred on staff changes during the year. Excluding these non-recurring items reduces the ratio to 50%. Non-compensation costs comprise expenses incurred in the normal course of business, the most significant of which relate to technology, information systems, market data, brokerage, clearing and exchange fees.

8. Staff costs

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

Employee costs during the year amounted to:

	2016	2015
	£'000	£'000
Wages and salaries	43,651	36,131
Social security costs	6,592	5,201
Severance payments	487	32
Other pension costs (see note 27d)	1,923	1,930
Share based payments	6,229	4,104
	58,882	47,398

The share based payment award costs shown above are 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.

Number of staff employed:

	2016	2015
	Number	Number
Monthly average for the year		
Front office	166	165
Support and administration	47	45
	213	210
At the year end	220	211

Details of directors' emoluments are presented in the Remuneration Report on page 24.

9. Finance income

	2016	2015
	£'000	£'000
Interest income	427	459
	427	459

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

Notes to the Financial Statements

10. Finance costs

	2016	2015
	£'000	£'000
Interest expense	10	4
Net foreign exchange losses	380	265
	390	269

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:

	2016	2015
	£'000	£'000
Current tax		
Corporation tax at 20% (2015: 20.5%)	6,319	4,600
Adjustments in respect of prior years	(26)	(83)
Total current tax	6,293	4,517
Deferred tax		
Origination and reversal of timing differences (see note 17)	(161)	(29)
Changes in tax rate	-	45
Total tax charge	6,132	4,533

Factors affecting the tax charge for the year:

	2016	2015
	£'000	£'000
Profit before tax	32,531	26,082
Profit before tax multiplied by the standard rate of UK corporation tax	6,506	5,347
Effects of:		
Non-deductible expenses and non-taxable income	146	166
Profits taxed at rates other than 20%	384	-
Losses available for utilisation	(390)	(137)
Permanent differences in respect of share based payments	(491)	(676)
Adjustments in respect of prior years	(26)	(83)
Changes in tax rate and other temporary differences	3	(84)
Total tax charge	6,132	4,533

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Group's UK profits for this accounting year are taxed at an effective rate of 20%. Future UK corporation tax rate reductions to 17% by April 2020 have been enacted as at 30 September 2016.

6.0 Financial Statements

12. Dividends

	2016	2015
	£'000	£'000
Final dividend for year ended 30 September 2015 (6.00p)	6,713	
Interim dividend for year ended 30 September 2016 (5.50p)	6,148	
Final dividend for year ended 30 September 2014 (5.50p)		6,072
Interim dividend for year ended 30 September 2015 (5.50p)		6,067
Distribution to equity holders of Numis Corporation Plc	12,861	12,139

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. Dividends are not paid on treasury shares.

On 6 December 2016 the Board proposed a final dividend of 6.50p per share for the year ended 30 September 2016. 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 £7,392,527.

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	Leasehold improvements	Office and computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 October 2015	600	5,236	3,090	8,926
Additions	16	72	258	346
Disposals	(167)	-	(65)	(232)
Exchange adjustment	26	60	26	112
At 30 September 2016	475	5,368	3,309	9,152
Accumulated depreciation				
At 1 October 2015	512	1,785	2,143	4,440
Charge for the year	24	611	491	1,126
Disposals	(167)	-	(65)	(232)
Exchange adjustment	26	43	15	84
At 30 September 2016	395	2,439	2,584	5,418
Net book value				
At 1 October 2015	88	3,451	947	4,486
At 30 September 2016	80	2,929	725	3,734

	Furniture and fittings	Leasehold improvements	Office and computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 October 2014	511	2,472	2,019	5,002
Additions	79	2,740	1,066	3,885
Disposals	-	-	-	-
Exchange adjustment	10	24	5	39
At 30 September 2015	600	5,236	3,090	8,926
Accumulated depreciation				
At 1 October 2014	477	1,268	1,784	3,529
Charge for the year	26	501	355	882
Disposals	-	-	-	-
Exchange adjustment	9	16	4	29
At 30 September 2015	512	1,785	2,143	4,440
Net book value				
At 1 October 2014	34	1,204	235	1,473
At 30 September 2015	88	3,451	947	4,486

14. Intangible assets

Group

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

	2016	2015
	Purchased Software £'000	Purchased Software £'000
Cost		
At 1 October	1,034	800
Additions	-	234
Disposals	-	-
At 30 September	1,034	1,034
Accumulated amortisation		
At 1 October	787	676
Charge for the year	125	111
Disposals	-	-
At 30 September	912	787
Net book value		
At 1 October	247	124
At 30 September	122	247

15. Investment in subsidiary undertakings

Company

a) Company investment in subsidiaries

	2016	2015
	£'000	£'000
As at 1 October	40,263	35,600
Additions	6,966	4,663
As at 30 September	47,229	40,263

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.

Notes to the Financial Statements

15. Investment in subsidiary undertakings (continued)

b) Subsidiaries

The Company beneficially owns the entire issued ordinary share capital of the companies listed below, there being no other class of share. All companies listed operate in their country of incorporation and have financial year ends that are coterminous with the Company:

Subsidiary shareholding	Country of incorporation	Principal activity	Proportion of shareholding
Numis Securities Limited	United Kingdom	Financial services	100%
Numis Securities Inc*	United States of America	Financial services	100%
Numis Asset Management Limited	United Kingdom	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%

* Held through a subsidiary of the Group.

16. Derivative financial instruments

Group

	2016	2015
	£'000	£'000
At 1 October	683	613
Exercised	(775)	-
Revaluation to fair value in the year recognised in the income statement	708	70
At 30 September	616	683
	2016	2015
	£'000	£'000
Included in current assets - listed	616	683
Included in current assets - unlisted	-	-
Included in non-current assets - unlisted	-	-
	616	683

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 2016 the fair value of outstanding foreign exchange contracts was £nil (2015: less than £1,000).

6.0 Financial Statements

17. Deferred tax

Group

The movement in the deferred tax balance is as follows:

	2016	2015
	£'000	£'000
At 1 October	1,991	2,740
Amounts credited/(charged) to income statement	161	(16)
Amounts recognised on share based payments – equity	(498)	(733)
At 30 September	1,654	1,991

	Capital allowances	Share scheme arrangements	Other	Total
	£'000	£'000	£'000	£'000
1 October 2015	(4)	1,961	34	1,991
(Charged)/credited to income statement	(8)	171	(2)	161
Recognised in equity		(498)		(498)
30 September 2016	(12)	1,634	32	1,654

As at 30 September 2016 deferred tax assets totalling £1,666,000 (2015: £1,995,000) have been recognised reflecting managements' confidence that there will be sufficient levels of future taxable gains arising from the Group's normal course of business against which the deferred tax asset can be utilised. Of this balance £827,000 (2015: £1,447,000) is expected to be recovered within 12 months.

A deferred tax asset of £457,000 (2015: £919,000) relating to unrelieved trading losses incurred has not been recognised as there is insufficient supportable evidence that there will be taxable gains in the relevant legal entities in the future against which the deferred tax asset could be utilised.

Company

A deferred tax asset of Enil (2015: £533,000) 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:

Group

	2016	2015
	£'000	£'000
Due from clients, brokers and other counterparties (excluding corporate finance receivables)	156,104	147,385
Loans to employees	565	1,285
Other receivables, including corporate finance receivables	10,581	8,348
Prepayments and accrued income	3,240	3,379
	170,490	160,397

Notes to the Financial Statements

18. Trade and other receivables (continued)

Trade and other receivables are stated net of impairment adjustments totalling £187,000 (2015: £81,000). The movement in impairment provision during the year comprised £26,000 for utilisation of provisions (2015: £323,000) and £132,000 additional provisions (2015: £21,000) booked to the income statement through administrative expenses. Loans to employees principally arise from arrangements under the Group's share plans.

As a result of their short-term nature, the fair value of trade and other receivables held at amortised cost approximates to their carrying value.

Company

	2016	2015
	£'000	£'000
Amounts due from subsidiaries	34,671	23,180
Other receivables	18	19
	34,689	23,199

19. Trading investments

Group

	2016	2015
	£'000	£'000
Listed on the LSE main market	13,494	18,350
Listed on AIM	10,335	12,179
Listed overseas	1,084	870
Listed on the LSE ORB market	21	5,720
Listed Fund	10,391	9,532
Unlisted UK investments	12,273	10,238
Unlisted overseas investments	855	732
	48,453	57,621

Company

	2016	2015
	£'000	£'000
Listed on AIM	6,314	4,886
Listed Fund	10,391	9,532
Unlisted UK investments	82	95
	16,787	14,513

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20. Cash and cash equivalents

Group

	2016	2015
	£'000	£'000
Cash and cash equivalents included in current assets	89,002	59,591

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

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 2016 held in segregated bank accounts in respect of client monies amounted to £1,780,674 (2015: £672,590).

21. Trade and other payables

Group

	2016	2015
	£'000	£'000
Amounts due to clients, brokers and other counterparties	141,262	135,063
VAT payable	697	145
Social security and PAYE	1,179	915
Other payables	1,452	3,093
Accruals and deferred income	28,441	22,430
	173,031	161,646

As result of their short-term nature, the fair value of trade and other payables held at amortised cost approximates to their carrying value.

Company

	2016	2015
	£'000	£'000
Amounts due to subsidiaries	1	1

22. Provisions

There were no provisions as at 30 September 2014, 30 September 2015 or 30 September 2016. Equally there were no movements in provisions during the year ended 30 September 2015 or the year ended 30 September 2016.

Notes to the Financial Statements

23. Share capital and Other reserves

Share capital

Group and Company

	2016	2015
	£'000	£'000
Authorised		
140,000,000 (2015: 140,000,000) 5p ordinary shares	7,000	7,000
Allotted, issued and fully paid		
118,438,536 (2015: 118,438,536) 5p ordinary shares	5,922	5,922

During the year there were no ordinary shares issued (2015: nil).

During the year 1,763,571 (2015: 1,538,926) ordinary shares of 5p with an aggregate nominal value of £88,179 (2015: £76,946) were purchased into Treasury. Distributable reserves have been reduced by £3,719,000 (2015: £3,473,000) being the consideration paid for these shares. Also during the year 2,250,000 (2015: 2,100,000) ordinary shares of 5p were transferred from Treasury to the Group's Employee Benefit Trust at a weighted average value of £2.31 per share (2015: £2.42 per share).

The number of shares held in Treasury as at 30 September 2016 totals 4,691,088 (2015: 5,177,517).

Other reserves

Group

	Foreign exchange translation	Equity-settled share plans	Total other reserves
	£'000	£'000	£'000
Balance at 1 October 2015	467	5,164	5,631
Exchange difference on translation of foreign operations	630	-	630
Employee share plans: value of employee service for the period		6,966	6,966
Employee share plans: transfer to retained profit on vesting of awards		(4,989)	(4,989)
Balance at 30 September 2016	1,097	7,141	8,238
Balance at 1 October 2014	240	7,823	8,063
Exchange difference on translation of foreign operations	227	-	227
Employee share plans: value of employee service for the period		4,363	4,363
Employee share plans: transfer to retained profit on vesting of awards		(7,022)	(7,022)
Balance at 30 September 2015	467	5,164	5,631

6.0 Financial Statements

23. Share capital and Other reserves (continued)

Other reserves
Company

	Equity-settled share plans
	£'000
Balance at 1 October 2015	5,163
Employee share plans: value of employee service for the period	6,966
Employee share plans: transfer to retained profit on vesting of awards	(4,989)
Balance at 30 September 2016	7,140
Balance at 1 October 2014	7,822
Employee share plans: value of employee service for the period	4,363
Employee share plans: transfer to retained profit on vesting of awards	(7,022)
Balance at 30 September 2015	5,163

24. Employee share schemes

The Company has established an employee benefit trust in respect of the Group share plans 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 plans. As at 30 September 2016 the trust owned 985,493 ordinary 5p shares in the Company (2015: 1,195,254) with a market value of £2.2m as at 30 September 2016 (2015: £2.8m).

	2016	2015
	Number of shares	Number of shares
At 1 October	1,195,254	2,225,598
Acquired during the year	1,521,300	1,243,329
Transferred from Treasury	2,250,000	2,100,000
Shares vested in employees	(2,162,767)	(3,150,539)
Shares used to satisfy option exercises	(1,818,294)	(1,223,134)
At 30 September	985,493	1,195,254

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

At 30 September 2016 the number of shares held by the trust in respect of awards made to, but not yet vested in, employees totalled 48,421 (2015: 398,469).

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

Long Term Incentive Plan (LTIP) 2003

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.

Notes to the Financial Statements

24. Employee share schemes (*continued*)

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

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.

Long Term Incentive Plan (LTIP) 2008

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

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.

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 no earlier than 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.

24. Employee share schemes (continued)

Long Term Incentive Plan 2016

The Board approved this plan on 5 September 2016.

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 designed to increase the interest of participant(s) in the Company's long term business goals and performance. The vesting conditions require not only a 5 year service condition to be fulfilled but also the achievement of performance conditions as specified by the Group's remuneration committee. Such performance conditions may include market and non-market conditions. Vesting can occur no earlier than the 5th anniversary of grant but, in certain circumstances, a holding period extending beyond the 5th anniversary of grant may also be applied.

Awards under this plan have been made through the granting of options which lapse on the tenth anniversary of the grant date.

Awards granted under this scheme are equity settled.

The movement in award shares for each share incentive award scheme, other than awards made by way of options, together with the number of granted but unvested share awards outstanding at 30 September 2016 is detailed in the tables below:

	LTIP 2008	USRSP 2008	RSU 2008	Total
	Number of shares	Number of shares	Number of shares	Number of shares
Award shares at 1 October 2015	398,469	-	4,080,079	4,478,548
New awards	-	-	7,137,868	7,137,868
Vesting of awards	(350,048)	-	(1,812,719)	(2,162,767)
Forfeiture of awards	-	-	(455,310)	(455,310)
Award shares at 30 September 2016	48,421	-	8,949,918	8,998,339
Award shares at 1 October 2014	1,903,247	42,776	5,089,203	7,035,226
New awards	-	1,069	736,547	737,616
Vesting of awards	(1,473,650)	(43,845)	(1,633,044)	(3,150,539)
Forfeiture of awards	(31,128)	-	(112,627)	(143,755)
Award shares at 30 September 2015	398,469	-	4,080,079	4,478,548

Under the share schemes shown above, awards of 7,137,868 shares (2015: 737,616 shares) were granted during the year at a weighted average share price of 180.9p (2015: 192.4p). The weighted average market price on grant date for all awards made during the year was 210.5p (2015: 214.5p).

Option schemes

The Group may grant options under two different plans – the Long Term Incentive Plan 2016 described above and an employee option scheme which was originally formulated and approved in 2001. Under the latter, an option cannot ordinarily be exercised later than the tenth anniversary after the grant date and the earliest date of exercise is usually three years after the date of grant.

As at 30 September 2016 there were 9,989,596 unexercised options outstanding (2015: 2,748,642).

Notes to the Financial Statements

24. Employee share schemes (continued)

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

	2016		2015	
	Average exercise price (pence per share)	Outstanding options	Average exercise price (pence per share)	Outstanding options
At 1 October	54.57	2,748,642	48.21	4,222,268
Granted	-	9,117,153	-	-
Forfeited	35.00	(57,905)	153.68	(97,601)
Exercised	8.25	(1,818,294)	26.37	(1,376,025)
At 30 September	13.31	9,989,596	54.57	2,748,642

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 9.53 years (2015: 7.18 years).

The weighted average share price, at exercise date, of options exercised during the year was 210p (2015: 240p). The weighted average fair value of options granted during 2016 was 139p.

At 30 September 2016 the following options granted to directors and employees to acquire ordinary shares in the Company were outstanding:

Grant date	Number of options outstanding	Exercise price	Earliest exercise date	Latest exercise date
2 July 2012	200,000	95.0p	2 July 2015	2 July 2022
13 May 2013	162,336	154.0p	13 May 2016	13 May 2023
4 June 2013	16,667	0.0p	4 June 2015	4 June 2023
4 June 2013	16,667	0.0p	4 June 2016	4 June 2023
4 June 2013	125,000	0.0p	4 June 2017	4 June 2023
16 December 2013	47,429	253.0p	16 December 2016	16 December 2023
16 December 2013	304,344	253.0p	16 December 2016	16 December 2023
2 February 2016	677,507	0.0p	2 February 2021	2 February 2026
2 February 2016	1,333,334	0.0p	2 February 2021	2 February 2026
5 September 2016	7,106,312	0.0p	5 September 2021	5 September 2026

Options granted after 7 November 2002 are 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 estimated of shares that will eventually vest. Fair value is measured by use of a Black-Scholes valuation model or a Stochastic valuation model dependent on the type of performance conditions applied to the award. The expected life used in the Black-Scholes model is adjusted, based on management's best estimate and behavioural considerations. Expected volatility is estimated with reference to the share price of the Company over a period commensurate with the expected life of the option.

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25. Earnings per share

Basic earnings per share is calculated on a profit after tax of £26,399,000 (2015: £21,549,000) and 112,255,294 (2015: 110,757,969) 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 and shares held in Treasury.

	2016	2015
	Number Thousands	Number Thousands
Weighted average number of ordinary shares in issued during the year – basic	112,255	110,758
Dilutive effect of share awards	5,755	6,867
Diluted number of ordinary shares	118,010	117,625

26. Consolidated statement of cash flows

Group

Reconciliation of profit before tax to cash from operating activities:

	2016	2015
	£'000	£'000
Profit before tax	32,531	26,082
Net finance income	(37)	(190)
Depreciation charges on property, plant and equipment	1,126	882
Amortisation charges on intangible assets	125	111
Share scheme charges	6,229	4,104
Decrease/(increase) in current asset trading investments	9,168	(10,367)
(Increase)/decrease in trade and other receivables	(10,476)	137,285
(Increase)/decrease in stock borrowing collateral	(3,079)	2,526
Increase/(decrease) in trade and other payables	17,744	(149,368)
Decrease/(increase) in derivatives	67	(70)
Cash flows from operating activities	53,398	10,995

Cash flows during the year ended 30 September 2016 benefited from increased revenue and lower net trading book positions. There were no material new investments made outside the market making book during this year whereas the prior year saw two material investments relating to Crowdcube and seed funding provided to the FP Numis Mid Cap Fund.

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 £2,273,000 (2015: £3,111,000 losses) and investing activity related dividend income of £423,000 (2015: £433,000) that passed through intercompany accounts.

Notes to the Financial Statements

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 (2015: £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 2016 (2015: 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 2016 the company did not have any indebtedness to Barclays Bank plc (2015: 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 2016 that company did not have any indebtedness to Pershing LLC (2015: nil).

c) Operating leases

At 30 September 2016 the Group had annual commitments under non-cancellable operating leases in respect of land and buildings of £1,878,000 (2015: £1,832,000). The total future aggregate minimum lease payments are as follows:

	2016	2015
Property	£'000	£'000
Within one year	2,089	2,040
In two to five years	6,626	7,042
After five years	-	1,583
	8,715	10,665

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

d) Pension arrangements

The pension cost charge for the year was £1,923,000 (2015: £1,930,000).

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 instrument 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.

28. Financial instrument risk management (continued)

The Audit and 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 and Risk Committee receives risk updates which detail the Group's exposure to market, credit, liquidity, and operational risks. Controls and policies are reviewed and challenged to ensure their effectiveness and to reflect changes in requirements and best practice.

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 and 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 and 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. 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.

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

Notes to the Financial Statements

28. Financial instrument risk management (continued)

The categorisation of the Group's assets and liabilities analysed by accounting treatment is summarised below:

	As at 30 September 2016			
	Loans and receivables/ liabilities at amortised cost £'000	Fair Value through Profit or Loss/ held for trading £'000	Non-financial instruments and other £'000	Total £'000
Assets				
Property, plant and equipment	-	-	3,734	3,734
Intangible assets	-	-	122	122
Deferred tax	-	-	1,666	1,666
Trade and other receivables	168,180	-	2,310	170,490
Trading investments	-	48,453	-	48,453
Stock borrowing collateral	3,901	-	-	3,901
Derivative financial instruments	-	616	-	616
Cash and cash equivalents	89,002	-	-	89,002
Total assets	261,083	49,069	7,832	317,984
Liabilities				
Deferred tax	-	-	(12)	(12)
Trade and other payables	(171,208)	-	(1,823)	(173,031)
Financial liabilities	-	(12,293)	-	(12,293)
Current income tax	-	-	(3,571)	(3,571)
Total liabilities	(171,208)	(12,293)	(5,406)	(188,907)
Total equity	89,875	36,776	2,426	129,077

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28. Financial instrument risk management (continued)

	As at 30 September 2015			
	Loans and receivables/ liabilities at amortised cost £'000	Fair Value through Profit or Loss/ held for trading £'000	Non-financial instruments and other £'000	Total £'000
Assets				
Property, plant and equipment	-	-	4,486	4,486
Intangible assets	-	-	247	247
Deferred tax	-	-	1,991	1,991
Trade and other receivables	157,276	-	3,121	160,397
Trading investments	-	57,621	-	57,621
Stock borrowing collateral	822	-	-	822
Derivative financial instruments	-	683	-	683
Cash and cash equivalents	59,591	-	-	59,591
Total assets	217,689	58,304	9,845	285,838
Liabilities				
Trade and other payables	(160,076)	-	(1,570)	(161,646)
Financial liabilities	-	(6,913)	-	(6,913)
Current income tax	-	-	(1,760)	(1,760)
Total liabilities	(160,076)	(6,913)	(3,330)	(170,319)
Total equity	57,613	51,391	6,515	115,519

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 year. This approach is an accepted industry standard and gives the Group an understanding of the market risks being taken.

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.

Notes to the Financial Statements

28. Financial instrument risk management (continued)

The following table 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.

	2016			
	Long £'000	Short £'000	Gross £'000	Net £'000
Highest position	45,755	(21,552)	65,713	31,831
Lowest position	29,527	(10,533)	43,027	16,027
Average position	38,180	(13,402)	51,582	24,779
As at 30 September 2016	35,941	(12,293)	48,234	23,648

	2015			
	Long £'000	Short £'000	Gross £'000	Net £'000
Highest position	47,334	(16,320)	59,434	40,416
Lowest position	33,918	(6,913)	46,618	18,386
Average position	40,421	(11,845)	52,266	28,577
As at 30 September 2015	47,334	(6,913)	54,243	40,416

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

	2016	2015
	£'000	£'000
Highest VaR	798	634
Lowest VaR	232	275
Average VaR	431	376
As at 30 September	534	303

In addition the Group holds positions totalling £13,128,000 (2015: £10,970,000) in unlisted securities. These are reported to senior management together with positions in listed securities on a daily basis.

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 Co-CEOs, 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 and 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 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 £4,845,000 (2015: £5,762,000).

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28. Financial instrument risk management (continued)

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 £1,229,000 (2015: £691,000).

Derivatives financial instruments

Derivative financial instruments primarily comprise equity options and warrants over listed equity 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 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 the relevant underlying equity price relating to 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 £91,000 (2015: £149,000) and decrease of £89,000 (2015: £149,000) 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.

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.

	2016	2015
	£'000	£'000
Highest VaR	96	94
Lowest VaR	43	42
Average VaR	65	62
As at 30 September	54	78

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

	2016					
	Sterling £'000	Euro £'000	Canadian \$ £'000	US \$ £'000	Other £'000	Total £'000
Sterling equivalent	124,219	314	56	3,853	635	129,077
	2015					
	Sterling £'000	Euro £'000	Canadian \$ £'000	US \$ £'000	Other £'000	Total £'000
Sterling equivalent	105,707	1,451	395	7,100	866	115,519

Notes to the Financial Statements

28. Financial instrument risk management (continued)

The Group hedges all significant transactional currency exposures arising from trading activities using spot or forward foreign exchange contracts. The fair value of derivative financial instruments held to manage such currency exposure as at 30 September 2016 was immaterial (2015: immaterial). 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.

	US\$	Euro	Total
10 cent increase (strengthening £):	£'000	£'000	£'000
Profit before tax	(276)	(25)	(301)
Equity	(110)	(25)	(135)

	US\$	Euro	Total
10 cent decrease (weakening £):	£'000	£'000	£'000
Profit before tax	322	30	352
Equity	129	30	159

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 (2015: £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 balances 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.

Currency	2016			2015		
	Cash and cash equivalents £'000	Listed investments £'000	Total £'000	Cash and cash equivalents £'000	Listed investments £'000	Total £'000
Sterling	86,466	22,979	109,445	56,022	37,487	93,509
US Dollars	1,249	526	1,775	7,126	2,841	9,967
Euro	640	29	669	(4,536)	95	(4,441)
Canadian Dollars	-	105	105	415	-	415
Other	647	9	656	564	(2)	562
At 30 September	89,002	23,648	112,650	59,591	40,421	100,012
Fixed Rate	-	-	-	-	-	-
Floating Rate	89,002	-	-	59,591	-	-

In addition to the above, cash collateral balances of £7,670,000 (2015: £5,430,000) and stock borrowing collateral balances of £3,901,000 (2015: £822,000) are subject to daily floating rate interest.

28. Financial instrument risk management (continued)

The Group has no material exposures to fair value movements arising from changes in the market rate of interest as at 30 September 2016 or 2015. Therefore no material sensitivity to changes in the prevailing market rates of interest exist as at 30 September 2016 or 30 September 2015.

Fair value estimation and hierarchy

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.

The Group's financial instruments held at fair value are analysed as follows:

	As at 30 September 2016			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Trading investments	35,327	–	13,126	48,453
Derivative financial instruments	–	616	–	616
Assets	35,327	616	13,126	49,069
Financial liabilities	(12,293)	–	–	(12,293)
Liabilities	(12,293)	–	–	(12,293)

	As at 30 September 2015			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Trading investments	46,652	–	10,969	57,621
Derivative financial instruments	–	683	–	683
Assets	46,652	683	10,969	58,304
Financial liabilities	(6,913)	–	–	(6,913)
Liabilities	(6,913)	–	–	(6,913)

There were no transfers between Level 1, Level 2 and Level 3 during the year.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation at the end of each reporting year based on the lower level input that is significant to the fair value measurement as a whole. Transfers are recorded as if the transfer took place at the beginning of the reporting year except in the case of a Level 2 or Level 3 holding being elevated to Level 1 by virtue of the company in question listing on a recognised exchange, for example through an IPO. In this instance price changes post the IPO date are treated as Level 1 movements whereas price changes prior to the IPO date would generally fall into Level 2.

Notes to the Financial Statements

28. Financial instrument risk management (*continued*)

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

	2016	2015
	£'000	£'000
At 1 October	10,969	2,904
Total gains included in other operating income in the income statement	917	225
Additions	1,240	7,840
At 30 September	13,126	10,969

Level 3 financial instruments comprise equity holdings in unquoted companies. The determination of fair value requires judgement, particularly in determining whether changes in fair value have occurred since the last observable transaction in the investee company's shares. In making this judgement the Group evaluates amongst other factors the materiality of each individual holding, the stage of the investee company's development, financial information pertaining to each investee company and relevant discussions with the investee company's management.

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

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 and a conservative judgement 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 identifies 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 Fitch investment grade A throughout the year. Credit exposures may be further reduced by diversification of deposits across a number of institutions.

6.0 Financial Statements

28. Financial instrument risk management (continued)

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 2016 of balance sheet financial instruments before taking account of any collateral held or other credit enhancements. As at 30 September 2016 there were no collateral amounts held by the Group as security against amounts receivable (2015: £nil).

As at 30 September 2016								
	Not overdue £'000	Overdue not impaired					Impaired £'000	Total £'000
		0 to 3 months £'000	3 to 6 months £'000	6 to 9 months £'000	9 to 12 months £'000	Over 1 year £'000		
Derivative financial instruments	616	-	-	-	-	-	-	616
Trade and other receivables	144,870	23,177	115	6	-	12	187	168,367
Trading investments	48,453	-	-	-	-	-	-	48,453
Stock borrowing collateral	3,901	-	-	-	-	-	-	3,901
Cash and cash equivalents	89,002	-	-	-	-	-	-	89,002
	286,842	23,177	115	6	-	12	187	310,339

As at 30 September 2015								
	Not overdue £'000	Overdue not impaired					Impaired £'000	Total £'000
		0 to 3 months £'000	3 to 6 months £'000	6 to 9 months £'000	9 to 12 months £'000	Over 1 year £'000		
Derivative financial instruments	683	-	-	-	-	-	-	683
Trade and other receivables	127,452	29,746	227	89	-	554	81	158,149
Trading investments	57,621	-	-	-	-	-	-	57,621
Stock borrowing collateral	822	-	-	-	-	-	-	822
Cash and cash equivalents	59,591	-	-	-	-	-	-	59,591
	246,169	29,746	227	89	-	554	81	276,866

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 2016 the exposure to the following categories of counterparty was as follows: brokers £81m (2015: £78m), long only funds £41m (2015: £45m), hedge funds £5m (2015: £4m) and other £31m (2015: £18m).

Concentration of credit risk to a particular counterparty or issuer may also arise from deposits placed with UK licensed 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 2016 (2015: £nil).

Notes to the Financial Statements

28. Financial instrument risk management (*continued*)*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.

The undiscounted cash flows relating to Group's financial liabilities are expected occur in the following periods based on the remaining time to contractual maturity date at the balance sheet date:

	As at 30 September 2016				
	Less than 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	168,261	4,224	580	-	173,065
Financial liabilities	12,293	-	-	-	12,293
	180,554	4,224	580	-	185,358

	As at 30 September 2015				
	Less than 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	157,508	1,426	318	-	159,252
Financial liabilities	6,913	-	-	-	6,913
	164,421	1,426	318	-	166,165

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 and to the Audit and Risk Committee and the Board at each time they meet.

As at 30 September 2016, the UK regulated entity had £49.9m (2015: £61m) 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). The regulatory capital of £49.9m increases to c. £73.5m following the successful completion of the financial audit.

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.

28. Financial instrument risk management (continued)

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.

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 within the Corporate Governance Report on page 18 and in the Group section of this note starting on page 64. 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 £1,679,000 (2015: £1,451,000).

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 there 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 and hierarchy

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 instrument risk management (continued)

Company

	As at 30 September 2016			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Trading investments	16,705	-	82	16,787
Assets	16,705	-	82	16,787

	As at 30 September 2015			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Trading investments	14,418	-	95	14,513
Assets	14,418	-	95	14,513

There were no transfers between Level 1, Level 2 and Level 3 during the year.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation at the end of each reporting year based on the lower level input that is significant to the fair value measurement as a whole.

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

	2016 £'000	2015 £'000
At 1 October	95	500
Additions	-	-
Total losses included in other operating income in the income statement	(13)	(405)
At 30 September	82	95

Level 3 financial instruments comprise equity holdings in unquoted companies. The determination of fair value requires judgement, particularly in determining whether changes in fair value have occurred since the last observable transaction in the investee company's shares. In making this judgement the Company evaluates amongst other factors the materiality of each individual holding, the stage of the investee company's development, financial information pertaining to each investee company and relevant discussions with the investee company's management.

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

29. Post balance sheet events

Company

Final dividend

A final dividend of 6.50p per share (2015: 6.0p) was proposed by the directors at their meeting on 6 December 2016. 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:

	2016	2015
	£'000	£'000
Short term employment benefits	8,010	6,943
Post-employment benefits	60	22
Share based payments	983	1,419
	9,053	8,384

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

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 2016 amounted to £nil (2015: £173,000). Such loans are made at market rates and the amounts outstanding are secured by shares held within the Employee Benefit Trusts 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 (2015: £nil).

d) Dealings with directors

During the year, Unless Farm, a company controlled by Mr and Mrs O Hemsley, charged the Group £4,320 (2015: £nil) 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.

	2016	2015
	£'000	£'000
Short term employment benefits	3,415	2,824
Post-employment benefits	10	-
Share based payments	424	329
	3,849	3,153

Details of the remuneration of each director, including the highest paid director, can be found within the Remuneration report on page 24. The compensation in the above table has been paid and recognised by a subsidiary of the Company.

7.0 Other Information

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 offices of Numis Corporation Plc, The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT on Tuesday 7 February 2017, at 11.30 a.m. to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 10 and 13 will be proposed as ordinary resolutions and resolutions 11 and 12 will be proposed as special resolutions:

Ordinary Business

1. To receive and adopt the Company’s annual accounts for the financial year ended 30 September 2016, together with the directors’ report and auditors’ report for such year.
2. To declare a final dividend for the year ended 30 September 2016 of 6.50p per ordinary share payable on 10 February 2017 to shareholders on the register at the close of business on 16 December 2016.
3. To reappoint as a director Ms Catherine James, who is retiring by rotation in accordance with the Company’s Articles of Association and, being eligible, offers herself for election.
4. To reappoint as a director Mr Robert Sutton, who is retiring by rotation in accordance with the Company’s Articles of Association and, being eligible, offers himself for election.
5. To reappoint as a director Mr Geoffrey Vero, who is retiring by rotation in accordance with the Company’s Articles of Association and, being eligible, offers himself for election.
6. To reappoint as a director Mr Alex Ham, who was appointed to the Board of the Company since the last Annual General Meeting and, being eligible, offers himself for election.
7. To reappoint as a director Mr Ross Mitchinson, who was appointed to the Board of the Company since the last Annual General Meeting and, being eligible, offers himself for election.
8. 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.
9. To authorise the Audit & Risk Committee to determine the remuneration of the auditors on behalf of the Board.

Ordinary resolution – authority to allot relevant securities

10. 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 £1,973,975.60 (equivalent to 39,479,512), 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.

- 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

11. That, subject to and conditional upon the passing of resolution 10 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 10 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 subparagraph a) above) of equity securities having an aggregate nominal amount not exceeding £296,096.00 (equivalent to 5,921,926 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.

7.0 Other Information

Please see the explanatory notes attached to this notice.

Special resolution – authority to purchase Company's own shares

12. 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:
- the maximum number of ordinary shares hereby authorised to be purchased is limited to an aggregate of 11,843,853 shares (equivalent to £592,192.00);
 - the minimum price, exclusive of any expenses, which may be paid for each ordinary share is 5p;
 - 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;
 - 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,
 - 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.

Ordinary resolution – authority to make political donations

13. That in accordance with sections 366 and 367 of the Companies Act 2006 (the Act), the Company is, and all companies that are, at any time during the period for which this resolution has effect, subsidiaries of the Company as defined in the Act, are hereby authorised in aggregate to:
- to make political donations as defined in section 364 of the Act, to political parties and/or independent electoral candidates, as defined in section 363 of the Act, not exceeding £50,000 in total;
 - make political donations to political organisations other than political parties, as defined in section 363 of the Act, not exceeding £50,000 in total; and,
 - incur political expenditure, as defined in section 365 of the Act, not exceeding £50,000 in total,
- in each case during the period commencing on the date of passing this resolution and ending on the date of the next AGM of the Company to be held in 2018 or on 1 May 2018, whichever is sooner. In any event, the aggregate amount of political expenditure made or incurred under this authority shall not exceed £100,000.

By order of the Board

Simon Denyer

Group Finance Director
& Company Secretary

7 December 2016

Registered in England
& Wales
Company Registered
No: 2375296
Registered Office:
10 Paternoster Square
London EC4M 7LT

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 0370 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 5 February 2017 at 11.30 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 close of business on 5 February 2017 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 0370 707 1203; and
 - Write to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ.

7.0 Other Information

Explanatory Notes to the Notice of 2017 Annual General Meeting

In the following notes, references to the “current” issued share capital of the Company are to the 118,438,536 issued ordinary shares of 5p each in the capital of the Company in issue as at the close of business on 3 January 2017 (being the latest practicable date before the publication of this document).

Resolution 1 – To receive the Report and Accounts

The Board asks that shareholders receive the reports of the directors and the financial statements for the year ended 30 September 2016, together with the report of the auditors.

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 6.50p per ordinary share be paid on 10 February 2017 to ordinary shareholders who are on the Register of Members at the close of business on 16 December 2016.

Pursuant to the Dividend Investment Plan (“DRIP”), shareholders will again be offered the opportunity to elect to use their cash dividend to buy additional shares in Numis instead of any cash dividend to which they would otherwise have been entitled. The DRIP allows shareholders to increase their shareholdings in the Company in a simple and cost-effective way. Once a shareholder has elected to participate in the DRIP, any cash dividend will be reinvested in ordinary shares in the Company bought on the London Stock Exchange through a specially arranged share dealing service. As the DRIP does not require the creation of any new ordinary shares in the Company and therefore does not lead to dilution of the value of the existing ordinary shares in the Company, the directors believe that the DRIP is beneficial to the shareholders as a whole.

If you have already joined, or choose to join the DRIP, the Final Dividend will be used to buy ordinary shares in the Company. A dealing commission of 0.75% of the value of the ordinary shares purchased will be charged (subject to a minimum of £2.50) and deducted from the amount of the Final Dividend. Stamp duty reserve tax will also be charged at the prevailing rate (currently 0.5% of the value of the ordinary shares purchased) and deducted from the amount of the Final Dividend.

If you have not already joined the DRIP and wish to do so, you should either apply online at www.investorcentre.co.uk or, alternatively, contact the Company’s registrar on 0370 707 1203 to request the terms and conditions of the DRIP and a printed mandate form, which must be returned to them at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, so as to arrive no later than **4.00 pm on 20 January 2017**. If you have already joined the DRIP and wish to continue receiving dividends in shares, or if you have not already joined the DRP and wish to continue receiving dividends in cash, you need take no further action.

Resolutions 3 to 7 – Election 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 also 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.

Messrs. James, Sutton and Vero are independent non-executive directors subject to retire by rotation and offer themselves for reappointment as required under the Articles and offer themselves for re-election. Messrs. Ham and Mitchinson are the Co-CEOs of the Company, and were appointed to the Board since the last Annual General Meeting and as required under the Articles of Association, offer themselves for re-election.

The directors believe that the Board continues to maintain an appropriate balance of knowledge and skills and that all the non-executive directors are independent in character and judgment. Biographical details of all our directors can be found on page 17 of the 2016 Annual Report.

Resolution 8 and 9 – Reappointment and remuneration 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.

Resolution 9

Proposes that the Audit & Risk Committee be authorised to determine the level of the auditors’ remuneration on behalf of the Board.

Resolution 10 – Authority to allot relevant securities

The Company requires the flexibility to allot shares from time to time and with effect 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 2 February 2016, will expire at the end of this year’s Annual General Meeting. Accordingly, paragraph (i) of resolution 10 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

7.0 Other Information

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.

Resolution 11 – 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 £296,096.00 (5,921,926 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 10. 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 12 – 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 11,843,853 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.

Resolution 13 – Authority to make Political Donations

The Companies Act 2006 prohibits companies from making any political donations to EU political organisations, independent candidates or incurring EU political expenditure unless authorised by shareholders in advance. The Company does not make and does not intend to make donations to EU political organisations or independent election candidates, nor does it incur any EU political expenditure.

However, the definitions of political donations, political organisations and political expenditure used in the Companies Act 2006 are very wide. As a result this can cover activities such as sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling certain public duties, and support for bodies representing the business community in policy review or reform. Shareholder approval is being sought on a precautionary basis only, to allow the Company and any company, which at any time during the period for which this resolution has effect, is a subsidiary of the Company, to continue to support the community and put forward its views to wider business and government interests without running the risk of inadvertently breaching the legislation.

The Board is therefore seeking authority to make political donations to EU political organisations and independent election candidates not exceeding £50,000 in total and to incur EU political expenditure not exceeding £50,000 in total. For the purposes of this resolution, the terms 'political donations', 'political organisations', 'independent election candidate' and 'political expenditure' shall have the meanings given to them in sections 363 to 365 of the Companies Act 2006.

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:

- i. the service contract of each executive director and the letter of appointment of each non-executive director; and,
- ii. the Articles of Association of the Company.

7.0 Other Information

Case Studies



Energy Assets

Energy Assets is the largest independent provider of industrial and commercial gas metering services in the UK (by number of meters owned and managed).

Deal value

£209m

(722.5 pence per share)

Acquisition of Energy Assets by Euston BidCo Limited, a newly established company indirectly wholly owned by the Alinda Funds, which are controlled and managed by Alinda.

Numis acted as sole Rule 3 financial adviser and corporate broker to Energy Assets.

In July 2016, Alinda, an infrastructure investment firm with US\$9 billion of assets under management, successfully completed the acquisition of Energy Assets Group plc for a total consideration of £209m.

Energy Assets shareholders received 722.5 pence in cash for each Energy Assets share which represented a premium of approximately 48.1% to the closing price of 488p on 15 April 2016, being the last business day prior to the announcement of the acquisition, and an increase of 37.5p above the original acquisition price. The acquisition price also represented a return of over 3.4x relative to the IPO price of 210p in March 2012.

The acquisition was implemented by means of a court sanctioned scheme of arrangement under Part 26 of the Companies Act.

Numis worked with Energy Assets throughout the transaction to advise on the financial terms of the transaction, coordinate the overall process, engage with shareholders to solicit irrevocable undertakings, and liaise with the Takeover Panel in matters relating to the Takeover Code.



Skyscanner

Established in 2001, Skyscanner is the largest independent travel metasearch engine globally.

Deal value

£128m

Private placement from five new investors following a global roadshow with some of the leading digital investors.

Numis acted as Joint Financial Adviser, Joint Broker and Joint Bookrunner.

In January 2016, Skyscanner successfully completed a £128 million private placement, consisting of both primary and secondary proceeds. The fundraising was the largest Technology private placement in the UK. The proceeds were raised to support Skyscanner's strategy and accelerate its rapid growth in the £332 billion (\$500 billion) online travel market.

The five new investors introduced through the placement have allowed Skyscanner to expand its access to additional sources of expertise and different virtual and geographic marketplaces around the world.

Numis marketed the company extensively in the UK, US and Asia through meetings with the executive management team. The final book consisted of high profile growth investors, known globally for their investment in tech and digital companies. Alongside the marketing exercise, Numis managed the production of the fundraising documentation such as due diligence reports, a private placement memorandum and a roadshow presentation, all highly complimented by investors engaged in the process.



Alliance Pharma

Alliance Pharma is an international specialty pharmaceutical company based in the UK. The Company has sales in more than 100 countries and currently owns or licenses the rights to approximately 90 pharmaceutical and healthcare products.

Deal values

£127.5m

Acquisition of the Healthcare Products Business from Sincliar IS Pharma and

£78.5m

vendor placing completed in December 2015.

Numis acted as Financial Adviser, Nomad and Broker.

In December 2015, Alliance Pharma successfully completed the £127.5m acquisition of the Healthcare Products Business from Sincliar IS Pharma and a £78.5m vendor placing. The acquisition constituted a reverse takeover under the AIM Rules

The acquisition was well supported by existing shareholders and Numis introduced a number of blue-chip, long-only institutions to the Company's shareholder register through the vendor placing, which was executed against a backdrop of challenging market conditions in the healthcare sector. The deal was positively received by the market following the announcement and demand from investors not reached on the deal roadshow was met through a broker option which was heavily oversubscribed.

The transaction allowed Alliance Pharma to expand its international footprint, to acquire a complementary portfolio of high growth products and to increase its scale (nearly doubling the size of the business). The transaction is expected to be earnings enhancing in the first full year. On a pro-forma basis the acquisition almost double Alliance Pharma's revenue.

7.0 Other Information

Micro Focus

Micro Focus is a global enterprise software Company supporting the technology needs and challenges of the Global 2000.

Deal values

£375m

Enterprise value. The transaction was financed through a combination of existing cash resources, including

£158.2m

raised through an institutional placing of ordinary shares, and debt facilities.

Numis acted as financial advisor, sole bookrunner and broker.

In May 2016, Micro Focus successfully completed its acquisition of Spartacus Acquisition Holdings Corp, the holding company of Serena Software Inc.

Founded in 1980, privately-held Serena is a leading provider of enterprise software focused on providing Application Lifecycle Management products for both mainframe and distributed systems. Whilst Serena is headquartered in San Mateo, California the operations are effectively managed from offices in Hillsboro, Oregon and St. Albans in the United Kingdom. It operates in a further 10 countries.

The Serena Group's customers are typically highly regulated large enterprises, across a variety of sectors including banking, insurance, telco, manufacturing and retail, healthcare and government. Like Micro Focus, Serena benefits from high levels of recurring maintenance revenues and high EBITDA margins, with consistently strong cash generation and no significant customer concentration. Serena's position in the Source Code Change Management (SCCM) segment complements the Micro Focus product portfolio in COBOL Development, Host Connectivity, and CORBA.



Countryside Properties plc:

Countryside is a leading UK home builder and urban regeneration partner, operating in London and the South East of England, and with a presence in the North West of England through its Partnerships division.

Deal values

Market capitalisation at admission for the Group of

£1,013m

The total offer size, including the over-allotment option, was

£349m

Numis acted as Joint Global Co-ordinator and Joint Bookrunner, and was subsequently appointed Joint Corporate Broker.

Numis also coordinated the intermediaries offer.

In February 2016, Countryside successfully completed its initial public offering and admission to the Main Market of the London Stock Exchange. The total offer size was £349m including the over-allotment option. The Company received net proceeds of £114m, of which £64m was to reduce the Group's financial indebtedness and £50m was to accelerate the growth in the development of existing sites.

OCM Luxembourg Coppice Topco S.à.r.l., an entity controlled by Oaktree Capital Management, L.P. and certain other selling shareholders, received gross proceeds of £220m.

Numis actively promoted the Company's equity story and a valuation methodology which achieved a valuation at IPO towards the top end of the peer group.

The IPO priced within the published price range despite a volatile and challenging market backdrop with both the market and housebuilding peer group falling significantly in February and the VIX volatility index rising sharply.



Saga

Saga is a leading provider of products and services primarily tailored for customers over the age of 50 in the UK. The Saga brand has been carefully developed over the past 60 years and is now one of the most recognised and trusted brands among UK consumers aged over 50.

Deal value

£688m

Placing

Numis acted as Sole Bookrunner.

In April 2016, Numis acted as Sole Bookrunner in relation to Acromas Bidco's sell-down of shares in Saga PLC, placing 352.7m shares at a 3.2% discount to the previous day's closing price by way of an accelerated bookbuild.

Numis had acted on two previous sell-downs for Acromas as part of a larger syndicate, but having marketed the company extensively was able to generate enough demand for Acromas, a consortium of private equity houses comprising CVC, Charterhouse, and Permira, to sell their final 31.5% holding at a tight discount to a high quality group of long-term focused institutional investors.



7.0 Other Information

Information for Shareholders

Financial Calendar

2016–2017

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

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