



Annual Report
& Accounts 2007

Who we are

A **leading** independent investment banking and stockbroking group.

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

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Financial Highlights

Total revenue up

+21.3%

Total revenue
Year ended 2006 £72.2m

£87.6m

Profit before tax
before non-recurring property costs

+12.6%

Profit before tax

+8.7%

Earnings per share
before non-recurring property costs

+12.6%

Total dividend per share

+40.0%

Profit before tax
before non-recurring property costs

£40.3m £35.8m
2006

Profit before tax

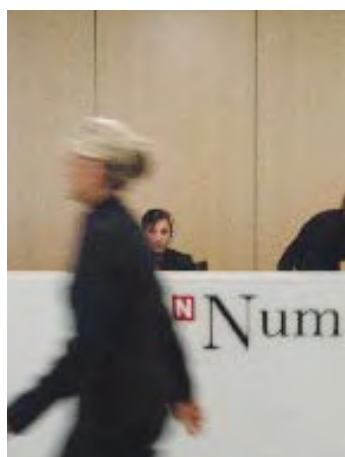
£38.8m £35.7m
2006

Earnings per share
before non-recurring property costs

28.6p 25.4p
2006

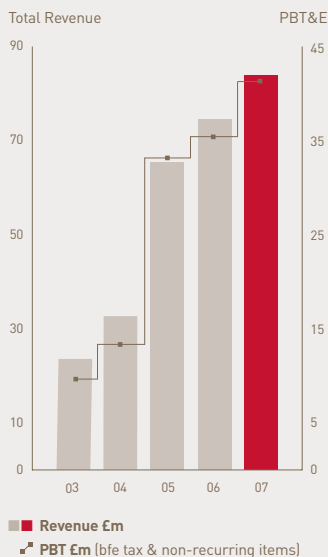
Total dividend per share

7.0p 5.0p
2006

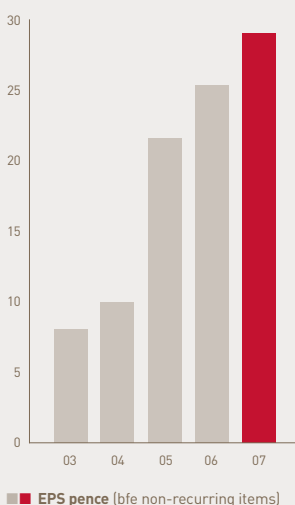


Five Year Summary

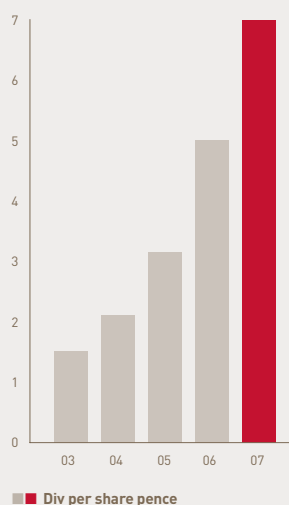
Total Revenue and Profit Performance



EPS Performance (before non-recurring items)



Dividend Performance



44.3%

Annual compound growth in profit before tax and before non-recurring property cost over 5 years reflecting revenue growth combined with continued focus on cost control

37.5%

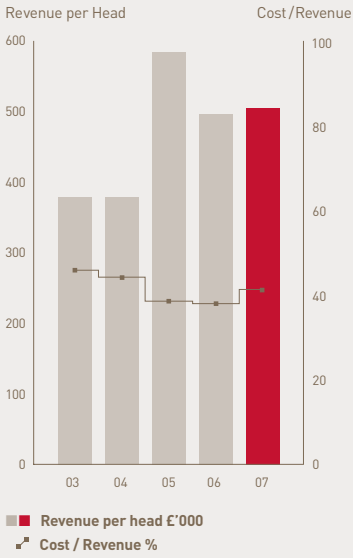
Annual compound growth in EPS before non-recurring property costs over 5 years reflecting the strong underlying profitability of the business

47.0%

Annual compound growth in total dividend per share over 5 years reflecting our progressive dividend policy

Note: Financial information relating to years 2003, 2004 and 2005 is prepared under UK GAAP whereas that relating to 2006 and 2007 is prepared under IFRS. Examples of the main adjustments between UK GAAP and IFRS are set out in Note 32.

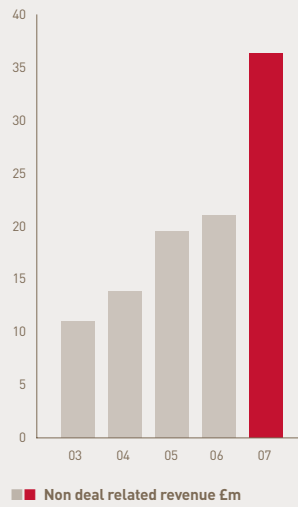
Cost Ratio and Revenue per Head



7.6%

Annual compound growth
in revenue per head over 5 years
reflecting sustained profitability

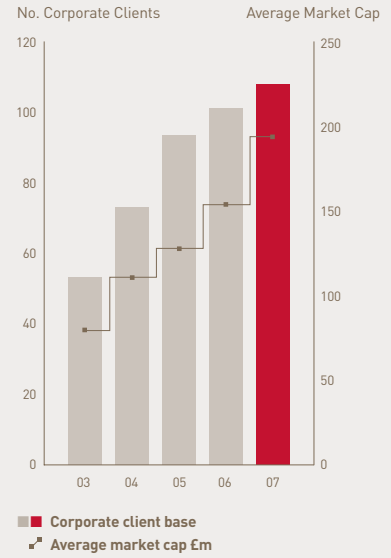
Non Deal Related Revenue



36.6%

Annual compound growth
in non deal income over 5 years
reflecting the exceptional
performance of our secondary
income streams

Corporate Client Base and Average Market Cap

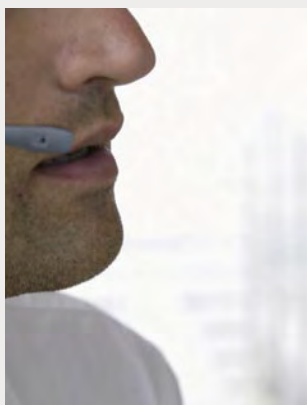


24.9%

Annual compound growth
in average market capitalisation
over 5 years of our corporate
client base reflecting the quality
of our clients

Chairman's Statement

It is my pleasure to report another year of record profits for Numis despite more challenging and volatile conditions in the second half across most markets. Since Numis was founded, the Company has gone from **strength to strength**, growing organically by investing in high calibre people and creating a partnership culture where all staff can participate in the direction and profit of the firm.



Numis' franchise has been built on high quality research, excellent execution and good advice to our corporate clients. In today's volatile market conditions, these strengths are more valuable than ever. We will take advantage of our financial strength to build on this foundation by adding depth and breadth to each of our teams in line with new client needs and opportunities. This will continue the work done by the management team during the course of the year on strengthening teams and our operating platform. While management seeks out new opportunities to deliver value to clients we will, of course, maintain tight control of our cost base.

The exceptional recognition received for the second year running from our clients in this year's Thomson Extel survey is a demonstration of how we enter the new financial year a stronger and more mature business.

Despite recent turmoil, London continues to be seen as the leading international financial market, offering major opportunities for a business focused on delivering an exceptional quality

of service to both its corporate and institutional clients. London is also of growing interest to overseas investors looking for high quality investment opportunities and overseas companies looking to access capital. Numis is in a strong position to benefit from this trend, particularly through its rapidly developing New York business as well as its international client base.

Our people are exceptional and are dedicated to serving our clients and pursuing our goal of becoming the leader in the UK investment banking and stockbroking market. We are grateful for their efforts, without which we would have been unable to make such strong progress over the past year.

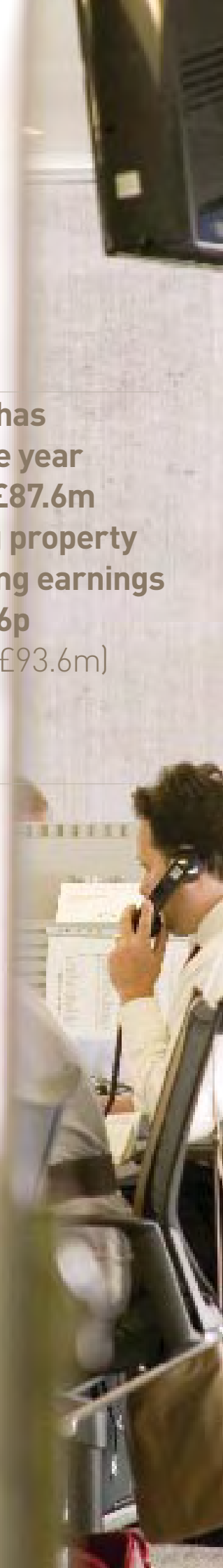
Michael Spencer
Chairman
05.12.07



Our people are exceptional and are dedicated to serving our clients.

Chief Executive's Statement

We are pleased to report that a **very strong performance** has delivered another record year of profits for Numis. For the year ended 30 September 2007 total revenue was up 21.3% to £87.6m (2006: £72.2m). Profit before tax and before non-recurring property costs for the year rose to £40.3m (2006: £35.8m). Underlying earnings per share (before non-recurring property costs) were 28.6p (2006: 25.4p) while net assets increased to £109.0m (2006: £93.6m) and cash balances to £78.4m (2006: £74.9m).



Another record year

Market recognition
in the Thomson Extel survey

No.1

Corporate client base increased (2006: 101)

109

Average market capitalisation
of our clients (2006: £154m)

£195m

Staff revenue productivity
per head remains high (2006: £498,000)

£509,000

Control over cost base pre-bonus, pre non-recurring property costs as % of revenue (2006: 38%)

43%

Profit margin before tax
and non-recurring property costs (2006: 50.0%)

46%

2007 has been a very active year for Numis and has seen the business develop considerably. We have been successful in recruiting some first class people and our secondary market trading business has grown significantly, both in the UK and US. Numis is becoming recognised as a leading investment banking and broking business serving international investors and companies listed in the UK. In recognition of this progress, we have been voted Leading Brokerage Firm for UK Stocks of less than £1bn market capitalisation in the 2007 Thomson Extel survey. We are also making significant progress in larger stocks and now have 7 FTSE 250 corporate clients, as well as having grown significant secondary market share in many other FTSE 250 companies where we are not broker.

Numis has expanded internationally, further developing our successful business in the USA and by opening an office in Kazakhstan. We listed the first Central Asian fund in London raising \$250m for investment into Kazakhstan and other Central Asian countries. We continue to look at opportunities on a global basis and where appropriate will commit resources to particular regions to develop both our primary and secondary business.

We have built a very strong balance sheet which will allow us to take advantage of current volatile markets. Numis' focus on balance sheet strength and risk management will allow us to provide an excellent service to institutional and corporate clients at a time when a number of our competitors are distracted by current market conditions. We have avoided any direct exposure to the sub-prime or structured credit

markets. Whilst we are not immune from the challenging stock market conditions we are well positioned to take advantage of current difficulties and are committed to building the business during a downturn. Now is the time Numis can attract high quality employees and further build our client base aided by our strong balance sheet and focus on the equity market.

Corporate Broking and Advisory

After an exceptionally busy first half for our corporate clients, the last quarter slowed as a result of volatility in market conditions. However, the number of corporate clients for whom we act has risen to 109 (2006: 101) and their average market capitalisation has risen to £195m (2006: £154m). As a result the total market capitalisation of our clients has reached £21.2bn (2006: £15.7bn).

Our clients raised a total of £1,182m (2006: £1,465m) through 40 transactions across a broad range of sectors. It is also pleasing to note that over 70% of these transactions were on behalf of existing clients, reflecting the success of our corporate clientele, the quality of our service and the strength of our relationships with them. 2007 has been a very active year on the corporate advisory side of our business and we have acted in 15 M&A transactions with a total value of £2.4bn.

Research, Sales and Trading

Our research and execution services are recognised as being exceptional. In this year's Thomson Extel survey, Numis was rated as

continued over

Chief Executive's Statement

the top broker overall for stocks of less than £1bn market capitalisation. Our research teams were placed 1st in 5 out of 14 research sectors, were ranked in the top 3 in 10 sectors and were ranked 1st overall. During the last year we have also materially strengthened our capability in building & construction, engineering, fast moving consumer goods and speciality financials, with the recruitment of high quality analysts. We now have a recognised capability in 14 sectors, including aerospace & defence, building & construction, engineering, fast moving consumer goods, life sciences, media, metals & mining, new energy & emissions, non-life insurance, retail, speciality financials, support services, technology; and, travel & leisure.

Our execution services have made a major contribution to the development of our reputation and the growth in institutional commissions. Our execution business continues to be focused on client facilitation, rather than generating proprietary trading profits and was rewarded with a 1st place in the Thomson Extel survey for the second year running. We continue to develop our execution services and have invested significantly in new technology including algorithmic and other electronic trading capabilities.

Sales & Trading is an increasingly competitive area with pressure on commission levels for trades in liquid stocks from electronic trading. However, whilst we have been developing our electronic trading capability, we will continue to exploit the market for independent and well researched ideas, combined with high quality worked execution, to help to improve performance for institutional investor clients. Our New York office is now a significant contributor to our institutional commissions and the relationships we are developing in Europe will add to our institutional activity.

Investment Business

Numis is building a strong track record in investing in exceptional growth equity opportunities as a natural extension of our core business. Our portfolio includes stakes in Paternoster, the insurance company set up by Numis and Mark Wood to purchase closed final salary pension schemes and Abbey Protection, the legal fees insurance business. From this portfolio we have already had some notable success in realising value for shareholders, including the exit in 2005 from our investment in comdirect (now known as selftrade) which generated a profit of £9.3m on an investment of £4.2m.

During the year, we used the strength of our balance sheet to take more minority investments in companies including, RI3K, the innovative electronic platform for insurance transactions, RockWell the innovative mature oil field extraction business; and, Clean Energy Brazil, the ethanol producer. Since the year end we have crystallised a significant profit through the IPO of Abbey Protection generating a net profit of £8.8m from the sale of an asset with book value of £3.0m. We are continuing to make use of our strong balance sheet to make investments in exceptional growth opportunities. Our ability to identify very attractive assets and generate exceptional returns is clear and we believe that exploiting this capability will be an important and growing revenue stream in the future.

Operations and Financial Review

We continue to invest in highly capable staff in all areas of the business and in improving our service to clients. During the year our average headcount has increased from 145 to 172 with revenue per employee of £509,000 (2006: £498,000). Despite this expansion and a number of infrastructure costs being borne this year, tight cost control has ensured our expense ratio and margins remain at acceptable levels – with costs before bonuses and non-recurring property cost at 43% of revenue (2006: 38%) and profit margins before non-recurring property costs of 46% (2006: 50%).

We are also pleased with progress on balance sheet management. Our Employee Benefit Trust (EBT) has made significant share purchases to cover equity incentive awards and reduce potential dilution from options. At 30 September 2007 there were 3,258,651 unencumbered shares in the EBT and only 1,881,025 unexercised options (2006: 2,057,579 unencumbered shares and 3,147,025 unexercised options). Total dividend plus EBT stock purchase returns to shareholders during the year has therefore increased to £16.2m (2006: £10.3m). However, balance sheet discipline has also been maintained with cash balances now £78.4m (2006: £74.9m) representing 72% of net assets (2006: 80%).

Dividend and Scrip Alternative

The Board has proposed a final dividend of 5.0p per share (2006: 3.75p), increasing the total distribution by 40% to 7.0p per share (2006: 5.0p). The dividend will be payable on 8 February 2008 to all shareholders on the register at 14 December 2007. Shareholders will be offered the option to receive shares instead of a cash dividend, the details of which will be explained in a circular to accompany our Annual Report.

New Offices at Paternoster Square

During the year we moved into 31,000 square feet of new space in the London Stock Exchange building at 10 Paternoster Square, London EC4. In making this move we incurred an exceptional cost of £2.2m (2006: £0.2m). This has enabled controlled expansion of the business into more efficient office space, as well as raising the profile of the firm, particularly with potential foreign corporate clients.

Outlook

Numis has a very strong balance sheet, a hard-earned track record, committed staff with 50% of shares being employee owned and a hunger to build the business and perform in both favourable and unfavourable market conditions. We recognise that current market conditions are difficult and the outlook is uncertain. However, our challenge is to continue to grow the business in a possibly lengthy downturn. We have achieved this in the past and we believe we can do so again.

As a result of the £8.8m net profit arising from the IPO of Abbey Protection Group, profits are currently ahead of those at the beginning of December last year despite difficult market conditions. Since the year end, we have added 8 new corporate clients and are well placed to increase this during the coming year. We are determined to grow the business organically in a contracyclical fashion. We will exploit the volatility in the market to attract clients and staff to Numis and continue to build our franchise and create long-term value for our shareholders.

Oliver Hemsley
Chief Executive
05.12.07

Business Review

Numis is a **leading** independent research-led firm offering a full range of research, execution, equity capital markets, corporate broking and corporate finance services to UK quoted companies and their investors.



Research

High quality independent research is the foundation of Numis. Our research attracts institutional clients, builds relationships with them and thereby enables us to offer superior distribution to our corporate clients.



Corporate Finance

Our corporate financiers are dedicated to providing our corporate clients with best advice on the equity capital market, M&A and other corporate transactions.



Corporate Broking

Our corporate broking team provides a direct link between our corporate clients and the market. It enables our clients to execute placings and other large trades in even the most difficult conditions.



Execution

Our institutional clients need best execution to capture the value of our research and trading ideas. Our execution team delivers market leading mid and small cap execution in over 400 stocks.

Our Strategy

Numis' overarching objective is to become one of the leading independent investment banking and corporate broking businesses in the UK. Our strategy to achieve this has the following key elements:

Staying focused on helping our clients make money

- Serving target markets where Numis has a clear competitive advantage
- Putting clients' interests first – staying away from proprietary trading
- Providing genuinely independent research and the best execution for all our clients

Creating a partnership culture, recruiting the best talent and rewarding performance

- Attracting superb professionals who want to serve their clients without latent conflicts
- Enabling them to make a visible difference, to participate in the direction and the profit of the Firm

Selectively investing

- Adding and deepening sectors to strengthen our offer and to serve more clients
- Adding distribution (e.g. in New York) to improve client service
- Adding origination capacity and alternative asset management to offer more exceptional investment opportunities and to leverage our secondary distribution platform

Running a tight ship

- Continuously improving operations and maintaining the most efficient operating ratios in the industry
- Actively evaluating and managing financial and other risks, especially to our reputation
- Managing our finances conservatively while operating a progressive and sustainable dividend policy – in the medium term we aim to use surplus liquidity to fund buybacks and recycling of senior employee owned stock

Research

Independent **high quality** research is at the heart of Numis' business. It creates trust-based relationships with our institutional customers that are strengthened by our execution service

Independent, high quality, research is at the heart of Numis' business. It creates trust-based relationships with our key institutional customers. These are strengthened by our execution services creating exceptional distribution and corporate client fundraising potential.

Numis provides extensive coverage of mid cap and smaller companies, delivering valuable insights for our institutional clients and attracting high quality corporates. Numis analysts also cover FTSE100 stocks where this provides industry insights and perspectives on valuation.

Numis provides independent stock analysis coverage of 366 stocks by 40 recognised leading analysts organised into 14 sector teams. Numis analysts are much in demand for commentary and provide value added services to all sectors by orchestrating high profile conferences and international roadshows.

We are particularly pleased that, for the second year running, Numis achieved exceptional recognition this year in the Thomson Extel industry-wide survey, being ranked first for Research. Of the 14 research sectors surveyed Numis was ranked 1st in five: Financials, Media, Metals & Mining, Retail and Technology. In addition, Numis has had a top 3 ranking in five more sectors: Capital Goods, Construction, Consumer Goods, Leisure & Gambling and Life Sciences.

Our Awards

No.1
Leading
Brokerage Firm

Voted by institutional
investors

No.1
Equity Research

No.1
Trading & Execution

No.1
Corporate Access

(Thomson Extel UK Small
Cap Survey for Companies
under £1bn)



Execution

We provide **high quality** execution services to our institutional clients. Although Numis is committed to providing liquidity in its corporate stocks, our focus is on client facilitation rather than proprietary trading. As a result, Numis has established a strong and growing reputation for providing best execution for its institutional clients.

Numis provides active execution services in 405 stocks (2006: 384) of which 264 are listed on the main market (2006: 219). Importantly, Numis has the leading market share in 62 (2006: 86) stocks across these markets and is a top 3 service provider in a further 9 stocks.

Working alongside Numis' traders are teams of experienced salesmen and sales-traders who provide sales, trading customer service and account management to our institutional clients. Our teams use industry standard solutions to deliver automated electronic links to our clients and, increasingly, advanced algorithmic trading services to complement our experienced care order trading service.

Numis' reputation for execution was recognised in this year's Thomson Extel survey where it ranked first in the sub £1bn market capitalisation segment of the London market. Numis' reputation for institutional client service and account management was also recognised with a second place award in this category.

Client Order Management System (Fix links)



Our platform enables us to provide a full range of execution services.



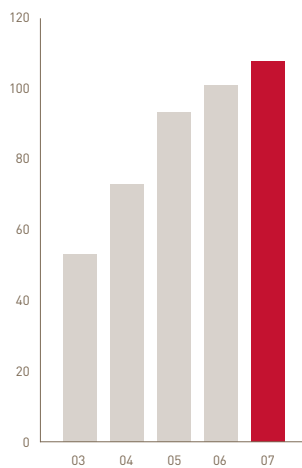
Corporate Broking and Finance

Corporate broking and corporate finance execution and advisory services are provided by **highly experienced** teams. They have helped our clients complete a range of fundraising and other corporate finance transactions, consisting of primary and secondary issues and M&A, including Rule 3 advice.

Our business is focused on the London capital market and was amongst the leading fundraisers during the year to 30 September 2007. £818m was raised on AIM; Numis also raised £298m on the main market and £66m in other pre IPO issues. 63% of Numis' fundraising activity was secondary capital raising for established clients – a proportion management seeks to increase with the continuing growth of our high quality client base.

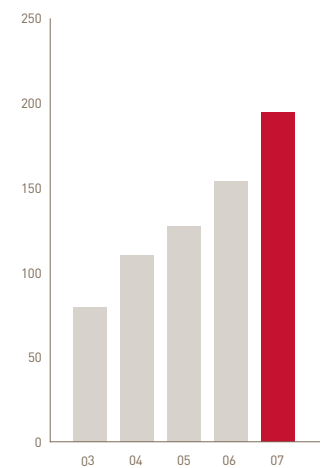
Our corporate client list has also strengthened, increasing from 101 to 109 over the period. Numis won 30 new clients in total bringing 11 new businesses to market and winning 15 established quoted corporates and 4 pre IPO clients. As with any investment bank serving attractive, high growth companies, Numis lost 7 clients as a result of takeovers.

Number of Corporate Clients



■ Corporate client base (No. of companies)

Average Market Cap



■ Average Market Cap £m

Quality of Income



■ IPO
■ Secondary
■ Advisory



■ IPO
■ Secondary
■ Advisory

Case Studies

Our contribution to our **client successes** and the record of our corporate client service teams continues to attract high quality corporate clients. Numis' contribution to client successes during the year ended 30 September 2007 includes:



Mecom Group plc

- £740m of equity fundraisings and three cross border acquisitions
- Nomad and broker since IPO in 2005

During 2006 and 2007 Numis acted as Nomad and joint broker for a series of transactions and equity issues for Mecom. In October 2006 Numis advised on the £627m acquisition of Orkla Media, the Danish newspaper group, and the related £170m placing in order to finance this.

Numis subsequently acted on the £570m placing and issues acquisitions of Berliner Verlag, the German newspaper company, and of Wegener AG, the Dutch newspaper group.

Mecom is one of the leading European newspaper publishers with businesses in Denmark, Germany, The Netherlands, Norway and Poland. Numis has continually provided support to the company, since flotation in March 2005 when it had a market capitalisation of approximately £48m to the present day when, through acquisitions and organic growth, Mecom has become one of the largest companies on AIM with a market capitalisation of approximately £900m.



Talarium Plc

- Nomad and broker since IPO in April 2005
- Joint Adviser on five acquisitions raising a total of £44.5m in three placings
- Acted as Rule 3 Adviser on the £142.3m takeover by European Gaming Ltd in Jan 2007

In April 2005 Numis acted as Nomad and broker to Talarium plc, a cash shell set up by the successful Marwyn boutique, to consolidate the fragmented UK high-street gaming market. On listing Numis raised £5.5m of equity at 80p per share from a number of blue-chip institutional investors.

In June 2005 Talarium completed the reverse takeover of RAL Holdings Limited, for £39m and raised £30m of new equity at 100p. At the time, RAL represented the largest AGC estate on the UK high street, with 129 sites and approximately 8,000 gaming machines.

In January 2006 Talarium raised a further £9m of equity at 150p and continued its consolidation strategy, increasing its estate from 129 sites to 197 sites by acquiring In to Save Limited and Leisure Promotions Limited (Scotland and Northern England), Blackheath Leisure Limited (Greater London), Leisurama Holdings Limited (Northern England) and Displaymatics Holdings Limited (Hampshire).

Following this successful launch and consolidation phase, Numis acted as the company's Rule 3 adviser on its sale to European Gaming Limited, a joint venture by Macquarie Bank and the Australian gambling giant, Tattersalls. The acquisition was effected by a scheme of arrangement at a price of 280p per Talarium share in January 2007, an increase of 350% over the IPO price 21 months earlier.



Nautilus Minerals

- £203.1m admission to AIM with £50.8m placing
- NOMAD and Broker, February 2007

In February 2007, Numis acted as Nomad and broker to Nautilus Minerals Inc. ("Nautilus") on its admission to AIM. Numis raised £50.8m (US\$100m) via a placing with institutional investors. The funds raised are an important element in the Nautilus' funding to enable it to bring its primary project, Solwara 1, into production.

Nautilus is a Canadian incorporated company involved in the acquisition, exploration and exploitation of mineral properties in the western Pacific Ocean. Nautilus is the first company to commercially explore the ocean floor for gold, copper and zinc and massive sulphide deposits. It is positioned to become a world leader in underwater mineral exploration. Nautilus has among its largest shareholders Epion Holdings Limited, Anglo American, Teck Cominco and Barrick Gold, four of the world's largest resource companies.



Dawnay, Day Carpathian PLC

- £100m placing and admission to AIM
- Nomad and Broker, May 2007

In May 2007, Numis acted as Nomad and Broker to Dawnay, Day Carpathian PLC ("DDC"), and raised £100m via a placing with institutional investors. The funds raised are to finance DDC's continuing investment programme and new business opportunities, including the development and regeneration of properties in Central and Eastern Europe. As at 4 December 2007, DDC had a market capitalisation of £216m.

DDC was incorporated in June 2005 and was admitted to AIM in July 2005, raising £140m with Numis acting as Nomad and broker. DDC was established for the purpose of investing in the retail property markets of Central and Eastern Europe, specifically by investing in predominantly commercial retail properties such as shopping centres, supermarkets and retail warehouses. Since its admission to AIM in July 2005 and prior to the placing in May 2007, DDC completed 13 transactions, assembling a portfolio of over 40 properties in countries such as the Czech Republic, Hungary, Lithuania, Poland and Romania. The funds raised have allowed DDC to expand its portfolio, to cover both established property assets as well as development/regeneration opportunities, and to expand into new territories, such as Bulgaria.

The property adviser to DDC is Dawnay, Day PanTerra, which is responsible for identifying investment opportunities based on its extensive local and regional knowledge in the Central and Eastern European property markets.

TAU CAPITAL PLC

Tau Capital PLC

- Admission to AIM with US\$250m placing
- Nomad and Broker, May 2007

In May 2007, Numis acted as Nomad and broker to Tau Capital plc ("Tau") on its admission to AIM. Numis raised US\$250m via a placing with institutional investors. Tau is Numis' first significant Kazakhstan focused client. Tau Capital plc is an investment company incorporated in the Isle of Man investing in both public and private businesses that are established, operating or have exposure to Kazakhstan. Although Kazakhstan focused, Tau will also seek investment opportunities in the Kyrgyz Republic, Uzbekistan, Turkmenistan, Tajikistan and Russia.

Tau's investment advisers are Spencer House Capital Management LLP (founded by Jacob Rothschild) and Compass Asset Management Limited, a subsidiary of VISOR Holding LLP, based in Kazakhstan. The investment advisers will target a broad range of sectors, including oil and gas exploration and production, metals and mining, transport and logistics, consumer-related, telecommunications, financial services and business services.



Infrastructure Investors LP

- Recommended £156.2m cash offer for the PFI Infrastructure Company PLC
- Sole financial adviser, May 2007

In May 2007 Numis acted as sole financial adviser to Infrastructure Investors LP ("I²") on its recommended mandatory cash offer for the PFI Infrastructure Company PLC ("PFICo") listed on AIM. I² and PFICo are both investors in the secondary market for PFI projects – a key instrument of the UK Government's construction procurement policy. The offer valued PFICo at £156.2m representing a premium of 29.7%. On the day of announcement, Numis acquired for I² 74.4% of PFICo's issued share capital in the market giving I² control of PFICo. The advanced preparations and speed of execution trumped another bid led by a rival bank.

Financial Review

Total revenue increased from £72.2m to £87.6m. This growth has been primarily driven by the steady investment in and development of our franchise across the business. Exceptional progress has been made in secondary sales and trading which has delivered an 87% increase in revenues to £32.8m (2006: £17.6m).

Revenue Growth

Total revenue increased from £72.2m to £87.6m. This has been primarily driven by the steady investment in and development of our franchise across the business. Exceptional progress has been made in secondary sales and trading which has delivered an 87% increase in revenues to £32.8m (2006: £17.6m).

Our continued drive to expand and improve our client base and revenue quality has also paid off in other areas. In particular, in primary deal revenue from corporate clients where, despite a reduction in our total fundraising activity versus last year, the increasing success of our clients and their need to raise money and undertake other transactions has maintained the level of overall primary revenue at £52.9m (2006: £54.5m).

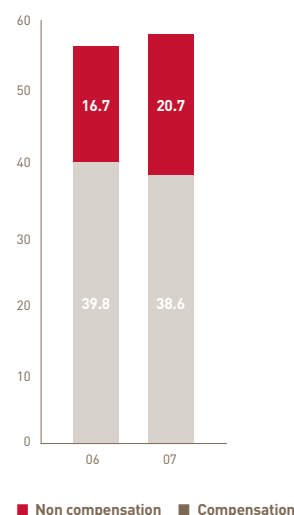
It is also extremely pleasing to note that recurring income, comprising that derived from secondary sales and trading, corporate retainers and net interest and similar income has increased by 68% from £24.0m to £40.4m and now covers 107% (2006: 87%) of our continuing expense base before non-recurring property costs and performance-related pay.

Costs

Although the overall expense base has grown in the year, the ratio of costs (before non-recurring property items) to total revenue remains stable at 59% (2006: 56%). Overall compensation-related costs have risen this year by £5.1m (17.7%) largely reflecting the increase in average headcount year on year.

Non-compensation related costs amounted to 20.7% of total revenues (2006: 16.7%) and are up £6.1m over last year. The primary drivers of this increase have been an increase of £1.1m in recurring occupancy costs as a result of our move to new premises in the London Stock Exchange building; secondly, a £1.2m increase in investment in our technology platform and services; thirdly increased trading and volume related costs – trade volumes have experienced double digit increases in each half year since the beginning of 2006 and our direct, variable cost base has increased by £1.1m as a result.

Costs: total revenue ratio %



Financial Position

Our capital position remains strong with a post CRD regulatory financial resources requirement of £17.6m – including £8.5m of operational capital requirement (2006: financial risk only requirement £6.9m). Our worst plausible case stress test, which mimics the impact of a 1929 type event identifies a loss potential which has averaged £22.4m over the year and £21.0m as at 30 September 2007 (2006: £18.2m), which when added to the average regulatory requirement of £17.6m leaves a post-stress test capital margin of £32.7m (2006: £31.8m).

Our balance sheet has also improved over the year as a result of both profitability and improved capital management with net assets rising to £109.0m (2006: £93.6m).

Group cash balances now represent 72% of net assets (2006: 80%) or £78.4m at the year end (2006: £74.9m). We continue to operating a progressive and sustainable dividend policy and, through our Employee Benefit Trust ("EBT"), make share purchases to cover past and future obligations where it is prudent to do so.

Sustained Growth and Value Delivery

Our focus on high quality business has enabled us to deliver strong growth in revenues, profits and distributions to shareholders.



	IFRS		UK GAAP		
	2007	2006	2005	2004	2003
Total revenue (£m)	87.6	72.2	65.7	32.7	23.6
Profit before tax and exceptional items (£m)	40.3	35.8	33.4	13.3	9.3
Earnings per share before exceptional items (pence)	28.6	25.4	21.7	9.9	8.0
Dividends per share (pence)	7.00	5.00	3.15	2.10	1.50
Dividend distribution (£m)	5.9	3.8	2.2	2.0	1.3
Total distribution to shareholders (£m)	16.2	10.3	3.1	2.0	1.3

Board & Committees

Corporate Governance Policy

AIM companies are not required to comply with the Combined Code 2006 (Principles of good governance and code of best practice) adopted by the London Stock Exchange but the directors have chosen to make these disclosures to provide corporate governance information.

The Board

The Board of Numis Corporation Plc, chaired by Michael Spencer, meets 8 times a year and at other times as necessary, to discuss a formal schedule of matters specifically reserved for its decision including major strategic and operational issues of the Group. It reviews trading performance, business strategy, investment and divestment opportunities and any other matters of significance to the Group.

Remuneration Committee

The Remuneration Committee, chaired by Tom Bartlam, comprises the Non-executive Directors of the Company. It determines salary levels, discretionary bonuses and the terms and conditions of service of the executive directors together with their equity awards. The Remuneration Committee also reviews the compensation decisions made in respect of all other senior executives and bonus distribution policy in respect of the rest of the firm.

Audit Committee

The Audit Committee is chaired by Geoffrey Vero and comprises the Non-executive Directors of the Company. The Audit Committee meets at least 4 times a year and considers the internal control environment, reviews external financial reporting and monitors the system for compliance with relevant laws and regulations. Other directors, members of staff and the external auditors are invited to attend these meetings as appropriate. The Committee reports to the Board on the Company'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 and results of the external audit, its cost effectiveness and the independence and objectivity of the auditors.

Nominations Committee

The Company's Nominations Committee is chaired by Michael Spencer and comprises the Non-executive Directors and Oliver Hemsley.

Management Committee

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

Financial Risk Committee

The Financial Risk Committee, chaired by Bill Trent meets regularly to discuss and to 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. The Financial Risk Committee makes recommendations on Risk Policy which sets individual stock limits and overall trading book limits.

New Business Committee

The New Business Committee, chaired by Nigel Turner during the year and Oliver Hemsley subsequent to Nigel's retirement, is responsible for the quality of new business taken on.

Internal Control

The Board is responsible for maintaining the Group's 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 Services Authority. The Board has concluded that an internal audit department is not required at this stage in the Group's development.

Board of Directors

Michael Spencer

Michael Spencer is the Non-executive Chairman of Numis and is the Group Chief Executive of Intercapital plc (ICAP plc), which is the world's largest interdealer broker. Michael Spencer is also Chairman of IPGL Limited (IPGL), which he founded in 1986, a private company which owns a leading financial spread betting bookmaker, City Index and various other interests, including a 11.04% stake in Numis Corporation Plc.

Oliver Hemsley

Oliver Hemsley is the Chief Executive Officer of Numis and is responsible for the implementation of, and the day-to-day operational and strategic running of the business. Oliver is a Non-executive Director of Paternoster Plc (the life assurance company), Abbey Protection Group Limited (Numis' associate) and Pinnacle Regeneration Group Plc (the housing services business in which Numis has taken a 15% stake). Prior to founding Numis, Oliver worked as a Marine Underwriter at Lloyd's for the Brockbank Group.

Declan Kelly

Declan Kelly is a Non-executive Director of Numis, and acts as Michael Spencer's alternate. Declan Kelly is the Chief Executive of IPGL Limited.

Tom Bartlam

Tom Bartlam is a Non-executive Director of Numis and is a chartered accountant. Prior to his retirement in 2005 Tom was Managing Director of Intermediate Capital Group PLC (ICG), which he co-founded in 1989. Tom Bartlam is Chairman of both Pantheon International Participations PLC and Polar Capital Holdings PLC and remains a Non-executive Director of ICG and F & C UK Select Trust Plc.

Geoffrey Vero

Geoffrey Vero is a Non-executive Director of Numis, and is a chartered accountant with a distinguished career in the private equity industry. Geoffrey Vero was an Investment Director of ABN Amro Private Equity, Lazard Development Capital and previously held senior positions at Savills and Diners Club. Geoffrey Vero is also a Non-executive Director of Crown Place VCT, Close Brothers Development VCT and Epic Reconstruction Limited.

Lorna Tilbian

Lorna Tilbian is an Executive Director and has worked as a Media Analyst in the City for nearly a quarter of a century with a distinguished track record. Lorna Tilbian joined Numis in 2001 having previously worked at SG Warburg and Panmure Gordon, her Media Research team has been ranked in the top three since 1987. Lorna Tilbian is a Non-executive Director of Jupiter Primadonna Growth Trust Plc and appears in the 2008 Campaign 'A' List where she is described as "The grande dame of advertising analysts, Tilbian seems more passionate about the business than ever. And for a woman whose shrewd grasp of the marcoms business commands enormous respect, she's also quite down to earth."

Bill Trent

Bill Trent is the Chief Financial Officer of Numis and is a chartered accountant having spent 8 years with Price Waterhouse. Bill Trent had previously worked as an independent strategic adviser following 14 years with McKinsey where he co-led their wholesale financial institutions practice. Bill Trent has brought with him extensive experience in growing professional services businesses and risk management.

Nigel Turner

Nigel Turner was an Executive Director and the Deputy Chairman of the Group as well as Chairman of Numis Securities Limited throughout the period and up to his retirement on 30 November 2007. Nigel Turner joined Numis in December 2005 from ABN Amro, where he was Vice Chairman of the Bank's Wholesale Banking Group and had responsibility within it for the Global Corporate Finance and Global Equities Divisions. Prior to that Nigel Turner was at Lazard Brothers in London from 1985 but he also spent three years as Head of the Lazard Brothers office in New York before returning to London and becoming a member of the Supervisory Board of the Lazard Group.



Risk Management

Numis is exposed to a number of business risks. The Board is responsible for determining Numis' risk appetite and for ensuring that Numis' risk management processes are appropriate and operating effectively. Day-to-day management of risk is delegated to the Management Committee and, where appropriate to preserve Chinese walls within the business, to the New Business and Financial Risk Management Committees. Whilst encouraging an entrepreneurial and commercial culture that is focused on making money for our clients, the Board actively seeks to minimise avoidable, value destroying risk exposures. In particular, the Board deliberately sought to strengthen the balance sheet so that Numis is well able to withstand, and even benefit from, long-term opportunities created by any plausible market downturn.

Major Risks and Controls:

Reputational risk

The Board believes that the greatest risk to the firm comes from the potential for loss of reputation. Whilst entrepreneurial staff are always encouraged to develop new clients and streams of revenue, all new business is subject to a rigorous appraisal process supervised by the New Business Committee. This discriminates strongly in favour of high quality, high potential businesses and management teams.

Loss of staff

Retaining key staff, including in particular significant current and future revenue generators, is essential to the long-term health and growth of the business. The Board is therefore making significant improvements to the Long Term Incentive Programmes by shortening the vesting periods, increasing its budget and by providing significant funding for employee share purchases. Both the UK LTIP scheme and the US Restricted Stock Scheme, which mirrors the UK scheme, enable employees to receive one incentive share, vesting over 5 years, for every share they purchase.

Poor quality execution

Further, continued improvement in quality of service to all our clients is central to the Board's strategy of long-term reputation building. Numis, therefore, places great emphasis on employing and adding highly experienced senior staff who are very closely engaged with clients. To aid the application of best practice, regulatory compliance and consistency Numis management makes ever-increasing use of standardised operating procedures. Finally the Board demands a culture of best practice conduct and rigorous compliance.

Capital market volatility

The Board's policy is to hold regulatory capital that meets our most conservative interpretation of Basle II and CRD requirements and the worst plausible case losses from a major stock market downturn. In this latter regard, particular attention is also paid to the potential for counterparty credit losses on securities settlement following the failure of a substantial intermediary. As a result there are conservative limits on trading activity, substantial surplus capital (over three times post Basle II regulatory requirements) and substantial liquidity resources – at a minimum representing worst case stress test market and credit risk losses and one year's operating expenses.

Loss of performance control

The Board's policy is to encourage an intense focus by top management on long-term business building and revenue generation. It also promotes a culture among staff of seeking to build the long-term value of the business through personal initiative and entrepreneurship and exceptional client service. The Board therefore encourages an "ownership culture" with growing employee share ownership, aspirational revenue targets, tight cost budgets and structured performance-based staff evaluations.

Counterparty or deposit taking institution failure

Counterparty credit exposure is controlled through the application of credit quality limits and the settlement of trading through collateralised central securities depositories. The Board has also established a policy of keeping substantial liquidity with 3 major UK banking institutions holding at least a "AA" long-term credit rating.

Major infrastructural failure and/or terrorist event

Numis aims to be able to sustain operations and client service, with minimum of disruption, with a combination of business continuity planning, duplicated infrastructure and remote facilities.

Remuneration

The remuneration policy for executive directors and the setting of individual directors' remuneration packages are delegated to the Board's Remuneration Committee. The Remuneration Committee also oversees the remuneration of senior executives within the business. The Remuneration Committee consists of the Non-executive Directors.

Remuneration Policy

Remuneration is structured to reflect the profitability of the business. Much the largest portion of the remuneration of directors is a profit and personal performance related bonus. The Remuneration Committee determines the proportion of the staff bonus pool allocated to executive directors. Executive directors also receive a relatively modest base salary and 7% of base salary contribution to a defined contribution pension saving scheme. In addition, they are entitled to insured death in service benefits of twice their base salary.

The Board believes alignment with shareholders' interests is enhanced if directors hold personally significant stakes in the Company. Directors will consequently derive additional benefit from the stock appreciation of their holdings in the Company. Therefore a material component in the total compensation of those directors who do not have significant holdings are awards under the Company's equity incentive schemes. These include the LTIP scheme, which offers to match one ordinary share for each ordinary share bought by the director on a 5 year vesting basis.

Remuneration during the year

	Base Salary	Bonus	Restricted Stock Unit Award	Benefits	Total 2007 £,000	Total 2006 £,000
Executive Directors						
Oliver Hemsley	150	1,000	-	43	1,193	1,186
Bill Trent	150	300	100	11	561	634
Lorna Tilbian	162	600	-	12	774	645
Nigel Turner	150	250	-	-	400	363
Non-executive Directors						
Geoffrey Vero	40	-	-	-	40	25
Declan Kelly	30	-	-	-	30	0
Michael Spencer	50	-	-	-	50	30
Tom Bartlam	40	-	-	-	40	40
	772	2,150	100	66	3,088	2,923

* retired effective 30 November 2007

The RSU awards shown reflect awards made as part of the 2007 annual remuneration process. These awards are subject to vestings conditions as described in the policy set out below.

The total amounts for directors' remuneration and other benefits were as follows:

	2007 £000	2006 £000
Emoluments	3,066	2,886
Money purchase contributions	22	37
	3,088	2,923

Directors' Pension Entitlements

All executive directors are members of money purchase schemes. Contributions paid by the Group in respect of these directors are shown above.

Directors' Share Options

The Company no longer makes share option awards. There are no outstanding, unexercised options to acquire ordinary shares in the Company granted to or held by the directors as at 30 September 2007.

During the year the Board approved the issue and allotment of 915,000 Numis shares following the exercise of options under the Executive Share Option Scheme to Oliver Hemsley. This exercise was funded from existing shares held by the Employee Benefit Trust. The terms on which these options had been granted were 915,000 options at an exercise price of 21.0p, exercisable until 7 July 2007. The market price of the shares on exercise date was £3.38.

Directors' Interests under a Long Term Incentive Plan

The Company has a long term incentive plan (LTIP). Under the terms of the LTIP, employees and directors are invited to subscribe for new ordinary shares or purchase existing ordinary shares in the Company on the terms the effect of which is that for each new ordinary share subscribed for or purchased, employees will receive, at no further cost to them, one further ordinary share (each a "matching share"). Subject to certain limited exceptions employees and directors must remain in employment with the Numis Group for a period of 5 years to achieve the matching benefit.

The matching shares to which the directors are prospectively entitled are as follows:

	2007	2006
OA Hemsley	79,365	79,365
WEJ Trent	93,575	58,823
L Tilbian	39,685	39,685
PNN Turner *	392,157	392,157

* retired effective 30 November 2007

In addition, this year the company is introducing a restricted stock unit scheme (RSU), whereby a portion of the total compensation paid to directors and staff is paid in stock which vests in equal tranches over the 3 years following the award.

Directors' Responsibilities

The following statement, which should be read in conjunction with the report of the independent auditors, set out on page 25, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are responsible for preparing the annual report and accounts. They are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for the financial year. In preparing those financial statements, the directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. state whether applicable accounting standards have been followed; and
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors consider that the Group has adopted suitable accounting policies and they have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2007 and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and enable them to ensure the financial statements comply with company law. 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Report

The directors present their report on the affairs of the Group, together with the financial statements and auditors' report, for the year ended 30 September 2007.

Principal Activity

The principal activity of the Group is to provide integrated investment banking services. This activity encompasses research, institutional sales, market making, corporate broking and corporate finance. The Group has one principal operating subsidiary, Numis Securities Limited, which is authorised and regulated by the Financial Services Authority and is a member firm of the London Stock Exchange. During 2003 Numis Securities Limited established a subsidiary in the United States of America, Numis Securities Inc, which is registered with the SEC and a member of the National Association of Securities Dealers, Inc. In September 2006 Numis Corporation Plc established a subsidiary in Kazakhstan, Numis Caspian Limited LLP, which is registered with the Ministry of Justice of the Republic of Kazakhstan.

Review of the Business and Future Developments

A review of the Group's business and an indication of likely future developments is contained in the Chief Executive's statement.

Post Balance Sheet Events

Details of post balance sheet events are set out in note 30 to the financial statements.

Results and Dividends

The results of the Group for the year are set out in the consolidated income statement on page 26. The Directors propose to pay a final dividend of 5.00p per share (2006: 3.75p) which, together with the interim dividend of 2.00p per share already declared and paid, makes a total for the year ended 30 September 2007 of 7.00p per share (2006: 5.00p). Subject to approval at the annual general meeting the final dividend will be paid on 8 February 2008 to shareholders on the register on 14 December 2007.

Directors and their Interests

There have been no changes to the Board since the last Annual Report with the exception of the retirement of PNN Turner effective 30 November 2007.

The directors serving during the year ended 30 September 2007 and their interests in the ordinary shares of 5p each ("ordinary shares") of the Company, other than with respect to options over ordinary shares, were as follows:

	30 September 2007 ordinary shares No.	30 September 2006 ordinary shares No.
MA Spencer *	11,756,398	11,528,202
PNN Turner (retired 30.11.07)	399,919	392,157
OA Hemsley	13,718,713	13,718,713
WEJ Trent	95,988	59,832
L Tilbian	3,867,142	3,792,080
TH Bartlam *	25,000	25,000
DP Kelly *	–	–
GO Vero *	20,000	20,000

* Non-executive director

Directors' Report

Michael Spencer, together with his wife and children's trusts, own approximately 55.1% of Intercapital Private Group Limited (IPGL) issued share capital. Incap Finance B.V. is a wholly owned subsidiary of IPGL and is the registered shareholder of 11,756,398 (11.04%) ordinary shares in Numis. Michael Spencer (Non-executive Chairman of Numis) is Chairman of IPGL and is accordingly deemed under the Companies Act 2006 to be interested in all of the shares in Numis in which Incap Finance B.V. is interested.

The directors, along with employees, have been granted options over ordinary shares, and participated in the Company's long term incentive plan (LTIP). Details of the directors' interests in options over ordinary shares and prospective entitlements under the LTIP are disclosed in the Remuneration Report on page 21.

There have been no changes in the interests of directors in ordinary shares and options over ordinary shares during the period 30 September 2007 to 5 December 2007.

Substantial Shareholders

Except for the directors' interests noted above, the directors are aware of the following who are interested in 3% or more of the Company as at 30 September 2007 as follows:

	Registered holding No of ordinary shares	% of issued share capital
Mr DJ Poutney	7,612,409	7.15%
Mr EPH Farquhar	8,867,164	8.33%
HBOS EES, Trustees of the Numis Corporation Plc		
Employee Share Trust	11,784,647	11.07%
BlackRock Investment Management (UK) Limited	5,928,459	5.57%

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP will be placed before the Annual General Meeting of the Company on 29 January 2008.

Directors' statement as to disclosure of information to auditors

With the exception of Nigel Turner who retired on 30 November 2007, the directors who were members of the Board at the time of approving the directors' report are listed on page 19. 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.

Trade Receivables

The Group does not extend credit terms to its clients. On average the Group's clients have taken 3 days to settle.

Trade Payables Payment Policy

The Group agrees terms and conditions for its goods or services with suppliers. Payment is then made based on these terms and conditions, subject to the agreed terms and conditions being met by the supplier. On average the Group has taken 17 days to pay suppliers during the past financial year.

Charitable Donations

During the year, the Group made charitable donations of £50,000 to UK charities (2006: £8,000).

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.

Risks Management

The major business risks to which Numis is exposed along with the controls in place to minimise these risks are described within the Business Review on pages 9 to 17. The financial risks faced by the Group are further described in note 29 to the financial statements.

By order of the Board

WEJ Trent

Company Secretary

05.12.07

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

Independent Auditors' Report

to the Members of Numis Corporation Plc

We have audited the group and parent company financial statements (the "financial statements") of Numis Corporation Plc for the year ended 30 September 2007 which comprise the consolidated income statement, the consolidated and Company balance sheets, the consolidated and Company statements of changes in equity, the consolidated cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chief Executive's statement that is cross referred from the review of business section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the financial highlights, the Chairman's Statement, the Chief Executive's Statement, the Business Review, the directors' profiles, the Corporate Governance statement and the Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 September 2007 and of the Group's profit and cash flows for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 30 September 2007 and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
**Chartered Accountants and
 Registered Auditors**
 24.12.07

London

Consolidated Income Statement

	Notes	2007 €'000	2006 €'000
Continuing operations			
Revenue	4	85,694	72,028
Other operating income	5	1,898	181
Total revenue		87,592	72,209
Administrative expenses		(54,097)	(40,942)
Operating profit		33,495	31,267
Analysed as:			
Operating profit before exceptional non-recurring property costs		35,691	31,467
Exceptional non-recurring property costs	7	(2,196)	(200)
Operating profit		33,495	31,267
Share of results of associates	6	1,469	1,500
Finance income	9	4,121	3,149
Finance costs	10	(285)	(223)
Profit before tax		38,800	35,693
Taxation	11	(11,169)	(10,233)
Profit after tax		27,631	25,460
Attributable to:			
Equity holders of the parent		27,631	25,460
Earnings per share			
Basic	26	27.5	25.3p
Diluted	26	26.8	24.4p
Memo – dividends	12	(5,876)	(3,845)

The notes on pages 32 to 56 form an integral part of these financial statements.

Consolidated Balance Sheet

	Notes	2007 £'000	2006 £'000
Non current assets			
Property, plant and equipment	13	3,238	1,388
Intangible assets	14	382	414
Associates	15	3,063	2,209
Derivative financial instruments	17	1,071	1,606
Deferred tax	18	1,840	2,904
		9,594	8,521
Current assets			
Trade and other receivables	19	155,355	148,318
Trading investments	20	38,106	24,196
Stock borrowing collateral		8,605	8,059
Derivative financial instruments	17	4,000	1,066
Cash and cash equivalents	21	78,397	74,899
		284,463	256,538
Current liabilities			
Trade and other payables	22	(169,089)	(160,307)
Financial liabilities		(8,237)	(5,424)
Provisions	23	(2,377)	(200)
Current income tax		(3,391)	(2,350)
		(183,094)	(168,281)
Net current assets		101,369	88,257
Non current liabilities			
Provisions	23	(1,927)	(3,207)
Net assets		109,036	93,571
Equity			
Share capital	24	5,324	5,295
Share premium account		22,376	20,727
Capital reserve		294	68
Retained profits		81,042	67,481
Equity attributable to equity holders of the parent		109,036	93,571

The notes on pages 32 to 56 form an integral part of these financial statements.

Signed on behalf of the Board on 5 December 2007

OA Hemsley
Chief Executive

WEJ Trent
Chief Financial Officer

Consolidated Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Capital Reserve £'000	Retained Profits £'000	Total £'000
Attributable to equity holders of the parent at 1 October 2006	5,295	20,727	68	67,481	93,571
New shares	29	1,649	-	-	1,678
Profit after tax				27,631	27,631
Dividends paid				(5,876)	(5,876)
Items related to share based payments				100	100
Exchange differences on translation of foreign operations			125	-	125
Movement in respect of employee share plans			101	(8,118)	(8,017)
Other				(176)	(176)
Attributable to equity holders of the parent at 30 September 2007	5,324	22,376	294	81,042	109,036
Attributable to equity holders of the parent at 1 October 2005	5,258	19,341	-	51,620	76,219
New shares	37	1,386	-	-	1,423
Profit after tax				25,460	25,460
Dividends paid				(3,845)	(3,845)
Net deferred tax on items recognised in equity				(516)	(516)
Exchange differences on translation of foreign operations			68	-	68
Movement in respect of employee share plans				(5,238)	(5,238)
Attributable to equity holders of the parent at 30 September 2006	5,295	20,727	68	67,481	93,571

The notes on pages 32 to 56 form an integral part of these financial statements.

Consolidated Cash Flow Statement

	Notes	2007 €'000	2006 €'000
Cash flows from operating activities	27	26,024	36,230
Interest paid		(285)	(41)
Taxation paid		(9,140)	(14,009)
Net cash from operating activities		16,599	22,180
Investing activities			
Purchase of property, plant and equipment		(3,097)	(805)
Purchase of intangible assets		(197)	(306)
Interest received		4,121	3,149
Dividends received from associate		615	150
Net cash from investing activities		1,442	2,188
Financing activities			
Proceeds from issue of share capital		-	130
Purchase of shares by EBT		(10,345)	(6,508)
Dividends paid		(4,198)	(2,642)
Net cash (used in)/from financing activities		(14,543)	(9,020)
Net movement in cash and cash equivalents		3,498	15,348
Opening cash and cash equivalents		74,899	59,551
Net movement in cash and cash equivalents		3,498	15,348
Closing cash and cash equivalents		78,397	74,899

The notes on pages 32 to 56 form an integral part of these financial statements.

Holding Company Balance Sheet

	Notes	2007 £'000	2006 £'000
Non current assets			
Investment in associates	15	48	48
Investment in subsidiaries	16	2,103	2,002
Derivative financial instruments	17	1,071	–
		3,222	2,050
Current assets			
Trade and other receivables	19	19,826	32,475
Trading investments	20	16,393	171
Derivative financial instruments	17	1,071	–
		37,290	32,646
Current liabilities			
Trade and other payables	22	(1,415)	(249)
Current income tax		(420)	(21)
		(1,835)	(270)
Net current assets		35,455	32,376
Net assets		38,677	34,426
Equity			
Share capital	24	5,324	5,295
Share premium account		22,376	20,727
Capital reserve		101	–
Retained profits		10,876	8,404
Equity attributable to equity holders of the Company		38,677	34,426

The notes on pages 32 to 56 form an integral part of these financial statements.

Signed on behalf of the Board on 5 December 2007

OA Hemsley
Chief Executive

WEJ Trent
Chief Financial Officer

Holding Company Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Capital Reserve £'000	Retained Profits £'000	Total £'000
Attributable to equity holders of the Company at 1 October 2006	5,295	20,727	–	8,404	34,426
New shares	29	1,649	–	–	1,678
Profit after tax				8,348	8,348
Dividends paid				(5,876)	(5,876)
Capital contribution in respect of US Share Scheme			101		101
Attributable to equity holders of the Company at 30 September 2007	5,324	22,376	101	10,876	38,677
Attributable to equity holders of the Company at 1 October 2005	5,258	19,341	–	12,240	36,839
New shares	37	1,386	–	–	1,423
Profit after tax				9	9
Dividends paid				(3,845)	(3,845)
Attributable to equity holders of the Company at 30 September 2006	5,295	20,727	–	8,404	34,426

The notes on pages 32 to 56 form an integral part of these financial statements.

The Company had no cash or cash equivalent balances as at 30 September 2005, 30 September 2006 or 30 September 2007. Similarly there were no movements in cash or cash equivalents during the year ended 30 September 2006 or the year ended 30 September 2007. Therefore no cash flow statement is presented for the Company.

Notes to the Financial Statements

1 Accounting Policies

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.

(a) Basis of preparation

The Group and the Company financial statements and consolidated financial information contained within these financial statements has been prepared for the first time in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with IFRIC interpretations and the Companies Act 1985 applicable to companies reporting under IFRS. In publishing the Company financial statements together with those of the Group, the Company has taken advantage of the exemption in s230 of the Companies Act 1985 not to present its individual income statement and related notes.

The Group and the Company have applied IFRS for the year ended 30 September 2007 with one year of comparative figures under IFRS as adopted by the EU. Figures presented are in thousands sterling. In preparing these consolidated financial statements, the Group and the Company have elected to take advantage of certain transitional provisions within IFRS 1 'First-time adoption of International Financial Reporting Standards' (IFRS 1) which offer exemptions from presenting comparative information in accordance with IFRS. The most significant optional exemptions available and taken advantage of by the Company and the Group are as follows:

- IFRS 2 'Share Based Payments' (IFRS 2); In accordance with IFRS 1, the new standard has been applied only to share options and equity instruments granted after 7 November 2002 that have not vested by 1 October 2005.
- IAS 21 'The Effects of Changes in Foreign Exchange Rates' (IAS 21); In accordance with IFRS 1, cumulative translation differences arising on the Group's net investment in foreign operations are assumed to be zero at the date of transition.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on

management's best knowledge of the amount, event or actions, actual results ultimately may differ from those of estimates.

The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are set out below:

Valuation of financial assets where there is no quoted price.

Such assets principally comprise minority holdings in unquoted securities and are valued with reference to financial information available at the time of original investment updated to reflect all relevant changes to that information as at the reporting date. This determination requires significant judgement in determining changes in fair value since the last valuation date. In making this judgement the Group evaluates among other factors changes in the business outlook effecting a particular investment, performance of the underlying business against original projections and valuations of similar quoted companies.

Standards and interpretations

At the date of authorisation of these financial statements the following standards were in issue but not yet effective:

IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 10	Interim Financial Reporting and Impairment

None of the above standards are expected to have a significant impact on the consolidated financial statements.

IFRIC 11 Group and Treasury Share Transactions, has been adopted by the Group and the Company.

(b) Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and all its subsidiary undertakings. The results of subsidiaries acquired are consolidated from the date on which control passed. Acquisitions are accounted for under the acquisition method. Goodwill represents any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. If the fair value of the consideration is less than the fair value of identifiable assets and liabilities acquired, the difference is recognised directly in the income statement. Under previous GAAP, goodwill arising prior to 30 September 1998 was eliminated against reserves; no goodwill has arisen on acquisitions since that date.

As permitted by IFRS 1, the Group has chosen not to restate under IFRS, business combinations that took place prior to 1 October 2005, the date of transition to IFRS. All intra-group transactions are eliminated on consolidation.

(c) Revenue recognition

The Group follows the principles of IAS 18, 'Revenue Recognition', in determining appropriate revenue recognition policies. In principle, therefore, 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, placing commissions and investment income.

Institutional commissions are recognised on trade dates. 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.

Investment income is the realised and unrealised profits and losses from securities held outside of the market making portfolio on a trade date basis.

Corporate retainers are recognised on an accruals basis. Deal fees and placing commissions are only recognised once there is an absolute contractual entitlement for Numis to receive them.

(d) Segment reporting

Business segments are distinguishable components of the Group that provide products or services that are subject to risks and rewards that are different to those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and rewards that are different to those of components operating in other economic environments. Numis operates a single integrated business and, although there are different revenue types (the contributions from which are separately disclosed), there is no meaningful segmentation of profits, assets, liabilities or net assets.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is provided for on a straight line basis at the following rates:

1 Accounting Policies continued

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

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

(f) Intangible assets

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

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

(g) Impairment of assets

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

(h) Investment in associates

Associates comprise those undertakings, not being subsidiary undertakings, which carry out related activities and where the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

In the Group's financial statements, investments in associated undertakings are accounted for using the equity method. The consolidated income statement includes the Group's share of these associated undertakings' profits less losses and the Group's share of net assets is shown in the consolidated balance sheet. In the Company's financial statements the investments in associated undertakings are held at cost.

(i) Financial assets and liabilities

Trading investments and financial liabilities represent market making positions and other investments held for resale in the near term and are stated at fair value. Gains and losses arising from the changes in fair value are taken to the income statement.

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 may be 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.

Loans and receivables are non-derivative financial instruments which have a fixed or easily determinable value. They are recognised at cost less any impairment in their value and are included in trade and other receivables.

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.

(j) Derivatives

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

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

All gains and losses resulting from the settlement of the contracts are recorded within Finance Costs in the income statement.

The Group does not enter into forward exchange contracts for the purpose of hedging 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 net trading income. 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.

(k) Deferred tax

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

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

(l) Stock borrowing collateral

The Group enters stock borrowing 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 with a commitment to return it at a future date at an agreed price. The securities purchased are not recognised on the balance sheet and the transaction is treated as a secured loan made for the purchase price. Where cash has been used to effect the purchase, the cash collateral amount is recorded as a pledged asset on the balance sheet. 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.

(m) Trade and other receivables

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Client, broker and other counterparty balances represent unsettled sold securities transactions and are recognised on a trade date basis. All such balances are shown gross.

Notes to the Financial Statements

1 Accounting Policies continued

(n) Trade and other payables

Trade and other payables are stated at their nominal value. 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. All balances are shown gross.

(o) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with an original maturity of 3 months or less.

(p) 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.

(q) 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 designated accounts with a bank. The amounts held on behalf of clients at the balance sheet date are included in Note 21.

(r) Pension costs

The Group has a Group Personal Pension Plan and death in service benefits that are available to full-time employees of the Group over the age of 18 who have served the Group for at least 3 months. The plan is a defined contribution scheme; costs of the scheme are charged to the income statement in the year in which they arise.

(s) 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.

(t) Foreign currencies

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 directly to reserves. 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 presentational currency of the Group at the average exchange rates for the period where these approximate to the rate at the date of transaction. Assets and liabilities of overseas businesses are translated into the presentational currency of the Group at the exchange rate prevailing at the balance sheet date. Exchange differences arising are classified as a separate component within equity. Cumulative translation differences arising after the transition to IFRS are taken to the income statement on disposal of the net investment.

(u) 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.

(v) Employee share ownership plans

The Group has two Employee Share Ownership Plans (ESOP) providing an equity share incentive scheme for UK and US employees respectively. The UK ESOP encompasses a Long Term Incentive Plan (LTIP), and discretionary option awards. The US Restricted Share Plan (USRSP) mirrors in most regards the terms of the LTIP. An ESOP 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.

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

On consolidation, the cost of shares acquired by the ESOP trust are deducted as an adjustment to equity. Gains and losses arising on ESOP 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.

(w) Dividends

Dividends payable are recognised when the dividend is paid or approved by shareholders.

(x) Exceptional items

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

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

(y) Investment in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

2 Profit of the Parent Company

As provided by Section 230 Companies Act 1985, 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 £8,348,000 (2006: £9,000).

3 Segmental Information

The analysis by class of business of the Group's revenue, profit before taxation, assets, liabilities and net assets is set out below.	2007 £'000	2006 £'000
Total revenue		
Investment banking	87,592	72,209
Associate – Insurance Broking	7,147	6,951
	94,739	79,160
Profit before tax		
Investment banking	37,331	34,193
Associate – Insurance Broking (share of post tax profit)	1,469	1,500
	38,800	35,693
Depreciation and amortisation		
Investment banking	910	799
Associate – Insurance Broking	43	82
	953	881
Capital expenditure		
Investment banking	3,294	1,111
Associate – Insurance Broking	110	48
	3,404	1,159
Total assets		
Investment banking	294,057	265,059
Total liabilities		
Investment banking	185,021	171,488
Net assets		
Investment banking	105,973	91,362
Associate – Insurance Broking	3,063	2,209
	109,036	93,571

The Group operates an integrated investment banking business and, although there are different revenue types (the contributions from which are separately disclosed in note 4), there is no further distinguishable segmentation of the business.

The Group's business arises mainly from the United Kingdom and amounts arising outside the United Kingdom are not material to the Group's business in the context of segmental reporting.

	2007 £'000	2006 £'000
4 Revenue		
Net trading gains/(losses)	5,145	(2,277)
Institutional commission	27,645	19,833
Corporate retainers	3,830	3,464
Deal fees	15,461	8,980
Placing commissions	33,613	42,028
	85,694	72,028

The gross value of transactions during the year in which the Group acted as principal for the sale or purchase of securities was £20,977m (2006: £16,370m).

	2007 £'000	2006 £'000
5 Other Income		
Investment income	1,874	-
Other	24	181
	1,898	181

Investment income represents gains and losses made on investments in securities which are held outside of the market making portfolio but which are held for resale in the near term and therefore are stated at fair value.

Notes to the Financial Statements

6 Share of Results of Associate

The analysis of the Group's interest in the associated undertakings' revenue, profit, assets and liabilities is set out below:	2007 €'000	2006 €'000
Revenue	7,147	6,951
Profit after tax	1,469	1,500
Assets	13,739	10,732
Liabilities	(10,186)	(7,855)

7 Operating Profit

Operating profit is stated after charging:	2007 €'000	2006 €'000
Depreciation of property, plant and equipment	681	597
Amortisation of intangible assets	229	202
Operating lease costs	1,807	677
Staff costs (see note 8)	33,805	28,716
Auditors' remuneration		
PricewaterhouseCooper LLP		
– Audit fee for Company's accounts and Annual Report	59	54
– Year end audit services to the Subsidiaries of the Company	338	308
– Tax services	50	82
– Other services	62	167

Exceptional non-recurring property costs comprise costs associated with the exit from our previous principal office at 138 Cheapside, London EC2 in March 2007.

8 Staff Costs

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

<i>Employee costs during the year amounted to:</i>	2007 €'000	2006 €'000
Wages and salaries	14,000	11,467
Bonuses	14,145	13,050
Social security costs	3,896	2,639
Compensation for loss of office	53	214
Other pension costs (see note 28d)	511	507
LTIP award costs	1,200	839
	33,805	28,716

The LTIP award costs shown above include an amount of €101,000 (2006: nil) in respect of share-based payment transactions which are accounted for as equity-settled payments.

<i>Number of staff employed:</i>	2007 Number	2006 Number
Average for the year		
Professional	128	112
Administration	44	33
	172	145
At the year end	186	165

Details of directors' emoluments are presented in the Remuneration Report on page 21.

9 Finance Income	2007 €'000	2006 €'000
Interest receivable and similar income	4,121	3,149

10 Finance Costs	2007 £'000	2006 £'000
Interest payable	25	41
Net foreign exchange losses	260	182
	285	223

11 Taxation

The tax charge is based on the profit for the period and comprises:	2007 £'000	2006 £'000
Current tax		
Corporation tax at 30% (2006:30%)	11,188	10,802
Corporation tax (over)/under provided in previous year	(565)	299
Total current tax	10,623	11,101
Deferred tax		
Origination and reversal of timing differences	17	(583)
Adjustments in respect of previous years	529	(285)
Total tax charge	11,169	10,233

Factors affecting the tax charge for the year:	2007 £'000	2006 £'000
Profit before tax	38,800	35,693
Profit before tax multiplied by the standard rate of UK corporation tax	11,208	10,497
Effects of:		
Net expenses not deductible for tax purposes	226	5
Capital allowances for the period in excess of depreciation	(77)	84
Other timing differences	(257)	366
Non taxable income	12	-
Losses not available for utilisation in the UK	17	252
Utilisation of losses brought forward	(201)	-
Other permanent differences	260	-
Option exercises during the year	-	(402)
Corporation tax (over)/under provided in previous year	(565)	299
Current tax charge for the year	10,623	11,101
Deferred tax- origination and reversal of timing differences	17	(583)
Adjustments in respect of prior years	529	(285)
Total tax charge	11,169	10,233

12 Dividends	2007 £'000	2006 £'000
Final dividend for year ended 30 September 2005 (2.525p)	-	2,574
Interim dividend for year ended 30 September 2006 (1.25p)	-	1,271
Final dividend for year ended 30 September 2006 (3.75p)	3,842	-
Interim dividend for year ended 30 September 2007 (2.00p)	2,034	-
	5,876	3,845

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

On 5 December 2007 the Board proposed a final dividend of 5.0p per share for the year ended 30 September 2007. 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 £4,950,148.

Notes to the Financial Statements

13 Property, Plant and Equipment

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

	Furniture and fittings £'000	Leasehold improvements £'000	Office and computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 October 2006	607	1,263	1,514	27	3,411
Additions	227	1,903	967	-	3,097
Impairment	(33)	(520)	-	-	(553)
Disposals	-	(764)	-	-	(764)
Exchange adjustment	(1)	(3)	(6)	-	(10)
At 30 September 2007	800	1,879	2,475	27	5,181
Depreciation					
At 1 October 2006	339	726	931	27	2,023
Charge for the year	103	126	452	-	681
Disposals	-	(764)	-	-	(764)
Exchange adjustment	-	1	2	-	3
At 30 September 2007	442	89	1,385	27	1,943
Net book value					
At 1 October 2006	268	537	583	-	1,388
At 30 September 2007	358	1,790	1,090	-	3,238
Cost					
At 1 October 2005	560	1,241	1,096	27	2,924
Additions	96	24	684	-	804
Impairment	(14)	(1)	(93)	-	(108)
Disposals	(35)	(1)	(173)	-	(209)
At 30 September 2006	607	1,263	1,514	27	3,411
Depreciation					
At 1 October 2005	271	486	851	27	1,635
Charge for the year	103	241	253	-	597
Disposals	(35)	(1)	(173)	-	(209)
At 30 September 2006	339	726	931	27	2,023
Net book value					
At 1 October 2005	289	755	245	-	1,289
At 30 September 2006	268	537	583	-	1,388

14 Intangible Assets

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

	2007 Purchased Software £'000	2006 Purchased Software £'000
Cost		
At 1 October	756	449
Additions	197	307
Impairment	-	-
Disposals	-	-
At 30 September	953	756
Amortisation		
At 1 October	342	140
Charge for the year	229	202
Disposals	-	-
At 30 September	571	342
Net book value		
At 1 October	414	309
At 30 September	382	414

15 Investment in Associates

	2007 £'000	2006 £'000
Group		
At 1 October	2,209	859
Share of post tax profit for the financial year	1,469	1,500
Dividends received	(615)	(150)
At 30 September	3,063	2,209
Holding Company	48	48

The investment comprises the Group's 29.41% holding in the ordinary share capital of Abbey Protection Group Limited, a company incorporated in the United Kingdom, providing legal expense and tax protection insurance products. The above figures were based on management accounts drawn up to 30 June 2007, the most recent audited accounts of the company only being available as at 31 December 2006.

16 Investment in Subsidiary Undertakings

	2007 £'000	2006 £'000
<i>a) Holding company investment in subsidiaries</i>		
As at 1 October	2,002	2,001
Additions (see below)	101	1
As at 30 September	2,103	2,002

Additions during 2007 reflect the accounting treatment required by IFRS 2 and IFRIC 11 in relation to the US Restricted Share Plan with awards made under this plan being accounted for as equity-settled share transactions.

During 2006 a new wholly owned subsidiary was formed, Numis Caspian Limited LLP, created under the laws of the Republic of Kazakhstan and officially registered with the Ministry of Justice of the Republic of Kazakhstan on 15 September 2006. The Company is the sole participant in the charter capital of Numis Caspian Limited LLP which amounts to Kazakhstan Tenge (KZT) 103,000. This subsidiary was formed to take advantage of business opportunities arising in Kazakhstan and the surrounding geography.

Notes to the Financial Statements

16 Investment in Subsidiary Undertakings continued

b) Subsidiaries

The Group beneficially owns the issued share capital of the following companies:

Subsidiary	Country of incorporation	Principal activity	Group shareholding
Numis Securities Limited	United Kingdom	Financial services	100%
Numis Securities Inc*	United States of America	Financial services	100%
Numis Corporate Finance Limited	United Kingdom	Dormant	100%
Numis Nominees (NSI) Limited**	United Kingdom	Dormant	100%
Numis Nominees Limited*	United Kingdom	Dormant	100%
Numis Caspian Limited LLP	Kazakhstan	Financial Services	100%

* Held through a subsidiary

** Held through a subsidiary, changed name from Numis Capital Limited as of 14 August 2007.

17 Derivative Financial Instruments

Group	€'000
At 1 October 2006	2,672
Additions	500
Disposal	(2,432)
Revaluation to fair value in the year recognised in the income statement	4,331
At 30 September 2007	5,071

	2007 €'000	2006 €'000
Included in current assets – listed	2,429	530
Included in current assets – unlisted	1,571	536
Included in non-current assets – unlisted	1,071	1,606
	5,071	2,672

Holding Company	€'000
At 1 October 2006	–
Transfer from subsidiary	2,142
At 30 September 2007	2,142

	2007 €'000	2006 €'000
Included in current assets – unlisted	1,071	–
Included in non-current assets – unlisted	1,071	–
	2,142	–

The Group and the Company hold equity options and warrants over certain securities. Although the options and warrants themselves are not generally 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 2007 there were no outstanding forward foreign exchange contracts.

18 Deferred Tax

The movement in the deferred tax balance is as follows:	2007 £'000	2006 £'000
At 1 October	2,904	2,553
Amounts charged to the income statement	359	285
Adjustments in respect of previous years	(546)	582
Amounts recognised on share based payments – equity	(877)	(516)
At 30 September	1,840	2,904
Deferred tax assets comprise:		
In respect of share based payments	1,313	2,190
In respect of tax allowances in excess of depreciation	251	125
In respect of other timing differences	276	589
	1,840	2,904

19 Trade and Other Receivables

The following amounts are included within trade and other receivables:	2007 £'000	2006 £'000
Group		
Due from clients, brokers and other counterparties	146,586	142,586
VAT	–	17
Loans	2,687	1,327
Other debtors, including corporate finance receivables	4,712	3,425
Prepayments and accrued income	1,370	963
	155,355	148,318
Holding Company		
Amounts due from subsidiaries	19,549	32,227
Other debtors	277	248
	19,826	32,475

20 Trading Investments

	2007 £'000	2006 £'000
Group		
Listed on the LSE main market	6,487	7,006
Listed on AIM	20,721	10,706
Listed overseas	1,274	340
Unlisted UK investments	8,021	5,245
Unlisted overseas investments	1,427	153
Other	176	746
	38,106	24,196
Holding Company		
Listed on AIM	8,971	–
Unlisted UK investments	7,422	171
	16,393	171

Notes to the Financial Statements

21 Cash and Cash Equivalents	2007 €'000	2006 €'000
Cash and cash equivalents included in current assets	78,397	74,899

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

The balances exclude interest-bearing deposits of clients' monies placed by the Group with banks on an agency basis. All such deposits are designated by the banks as clients' funds and are not available to the banks to satisfy any liability the Group may have with them at that time. The balance on 30 September 2007 held on deposit for private clients was €80,652 (2006: €69,715). Cash held in segregated bank accounts in respect of placings undertaken for corporate clients amounted to €5.61m (2006: €0.12m)

22 Trade and Other Payables	2007 €'000	2006 €'000
Group		
Amounts due to clients, brokers and other counterparties	142,265	139,495
Other creditors		
– VAT	515	100
– Social security and PAYE	558	511
– Sundry creditors	2,212	502
Accruals	23,539	19,699
	169,089	160,307
Holding Company		
Other creditors	–	249
Amounts due to subsidiaries	1,415	–
	1,415	249

23 Provisions

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

	LTIP €'000	Dilapidation €'000	Total €'000
Group			
At 1 October 2006	3,207	200	3,407
Amounts charged against provisions		(200)	(200)
Recognised in the income statement	1,097	–	1,097
At 30 September 2007	4,304	–	4,304
	LTIP €'000	Dilapidation €'000	Total €'000
At 1 October 2005	2,368	–	2,368
Amounts charged against provisions	–	–	–
Recognised in the income statement	839	200	1,039
At 30 September 2006	3,207	200	3,407

	2007 €'000	2006 €'000
Included in current liabilities	2,377	200
Included in non current liabilities	1,927	3,207
	4,304	3,407

Dilapidation provisions were fully utilised following the move into new premises during the year ended 30 September 2007.

The LTIP provision relates to the cash settled element of the LTIP arrangements, and is determined with reference to all the unvested awards that are expected to vest (taking into account management estimates regarding fulfilment of vesting conditions) and the year end share price. The weighted average life of the non current portion of the liability is 2.74 years (2006: 2.28 years).

24 Share Capital	2007 £'000	2006 £'000
Authorised		
140,500,000 (2006: 140,500,000) 5p ordinary shares	7,025	7,025
Allotted, issued and fully paid		
106,472,996 (2006: 105,902,506) 5p ordinary shares	5,324	5,295

During the year 570,490 ordinary shares were issued for a total consideration £1,677,503 of which £1,648,978 has been included as share premium. All shares issued during the year were in respect of scrip dividend elections. No share issuance has been made during the year in respect of the ESOP (2006: Nil).

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

	2007		2006	
	Average exercise price (pence per share)	Outstanding options	Average exercise price (pence per share)	Outstanding options
At 1 October	35.53	3,147,025	35.62	3,726,025
Exercised	29.78	(1,266,000)	36.07	(579,000)
At 30 September	39.41	1,881,025	35.53	3,147,025

The date range over which the above options may be exercised is set out in the table below. The overall weighted average life of the remaining options is 3.35 years (2006: 3.15 years).

At 30 September 2007 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
28 March 2000	370,000	58.5p	28 March 2004	28 March 2010
9 May 2000	250,000	50.5p	9 May 2004	9 May 2010
15 May 2001	1,136,025	30.0p	15 May 2005	15 May 2011
8 August 2002	125,000	46.2p	8 August 2005	8 August 2012

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

25 Shares Held in Trust for Employee Share Schemes

The Company has an established employee benefit trust in respect of the LTIP scheme which is funded by the Group and has the power to acquire shares in the open market to meet the Group's future obligations under these schemes. As at 30 September 2007 the trust owned 7,470,040 ordinary 5p shares in the Company (2006: 5,877,024) with a market value of £20.3m as at 30 September 2007 (2006: £15.7m).

	2007 Number of shares	2006 Number of shares
As at 1 October	5,877,024	4,591,053
Acquired during the year	2,859,016	1,839,971
Shares used to satisfy options exercised	(1,266,000)	(554,000)
As at 30 September	7,470,040	5,877,024

At 30 September the number of shares held by the EBT in respect of awards made to, but not yet vested in, employees totalled 4,211,389 (2006: 3,793,081). During the year further awards of 1,133,363 shares were granted at a share price of 287.8p. The market price on grant date was 333.0p.

Notes to the Financial Statements

26 Earnings per Share

The calculation of basic earnings per ordinary share is calculated on profit after taxation for the year of £27,631,000 (2006: £25,460,000) and 100,389,740 (2006: 100,712,107) ordinary shares being the weighted average number of ordinary shares in issue during the year. Diluted earnings per share assumes that options outstanding at 30 September 2007 were exercised at 1 October 2006, for options where the exercise price was less than the average price of the share during the year.

Basic earnings per share, excluding non-recurring property costs, for the year ended 30 September 2007 is calculated on profit after taxation of £28,707,000 (2006: £25,558,000). Diluted earnings per share assumes that options outstanding at 30 September 2007 were exercised at 1 October 2006, for options where the exercise price was less than the average price of the share during the year.

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

	2007 Number £'000	2006 Number £'000
Weighted average number of ordinary shares in issue during the year – basic	100,390	100,712
Effect of options over ordinary shares	2,713	3,730
Diluted number of ordinary shares	103,103	104,442

27 Consolidated Cash Flow Statement

Group		2007 £'000	2006 £'000
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		33,495	31,267
Impairment of property, plant and equipment		553	108
Depreciation charges on property, plant and equipment		681	597
Amortisation of intangible assets		229	202
(Increase)/decrease in current asset trading investments		(13,910)	(5,437)
(Increase)/decrease in trade and other receivables		(4,584)	(29,061)
(Increase) in collateral		(546)	(202)
(Decrease)/increase in trade and other payables and provisions		12,492	41,505
(Increase) in derivatives		(2,399)	(2,143)
Other non-cash movements		13	(606)
Net cash from operating activities		26,024	36,230

Holding Company

The Company does not hold any cash balances, and cash based transactions are effected on its behalf by Numis Securities Limited, a subsidiary. The operating profit of the Company comprises non-cash changes in fair values of investments of £1,374,000 (2006: nil), and investing activity related solely to dividend income of £7,364,000 (2006: £150,000) that passed through intercompany accounts. The issuance of shares in the period were scrip and hence no cash flows were involved.

28 Guarantees and Other Financial Commitments

a) Capital commitments

Amounts contracted for but not provided in the accounts amounted to £nil for the Group (2006: £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 2007 (2006: 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 has given guarantees to the Company's bankers, Barclays Bank plc and National Westminster Bank plc, for the debts of Numis Securities Limited, up to £10m in the case of National Westminster Bank plc and unlimited in the case of Barclays Bank plc. As at 30 September 2007 that company did not have any indebtedness to either Barclays Bank plc or National Westminster Bank plc (2006: nil).

The Company has given a guarantee to Pershing LLC for any indebtedness of Numis Securities Inc., an indirect wholly owned subsidiary of the Company. Pershing LLC provides securities clearing and settlement services to Numis Securities Inc. for its broker activities. As at 30 September 2007 that company did not have any indebtedness to Pershing LLC (2006: nil).

28 Guarantees and Other Financial Commitments continued

c) Operating leases

At 30 September 2007 the Group had annual commitments under operating leases of £1,462,000 (2006: £610,000).

The leases to which these amounts relate expire as follows:

	Property 2007 £'000	Property 2006 £'000
Within one year	32	32
In two to five years	58	578
After five years	1,372	–
	1,462	610

d) Pension arrangements

The pension cost charge for the year was £510,693 (2006: £507,441).

A defined contribution Group Personal Pension Plan has been in operation from 6 April 1997 for all full-time employees of the Group over the age of 18 who have served the Group for at least 3 months. 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 who join the Group Personal Pension Plan are eligible for death-in-service benefits.

29 Financial Instruments

The Group's financial instruments comprise trading investments, financial liabilities, cash and cash equivalent balances, derivative financial instruments and various items such as trade receivables and trade payables that arise from the normal course of business.

Trading investments and financial liabilities are long and short positions respectively held as a result of market making activities in listed investments and holdings in unlisted investments. These investments are equity securities. Trading investments and financial liabilities are held at fair value, in accordance with the accounting policy provided in Note 1(i).

Derivative financial instruments are equity options and warrants over listed and unlisted securities. Derivative financial instruments are held at fair value in accordance with the accounting policy provided in Note 1(j).

Sterling and foreign currency cash balances are invested in the Group's approved banks. Foreign currency balances arise from trading in foreign currency denominated securities.

As at 30 September 2007 the Group had no undrawn committed borrowing facilities (2006: Nil).

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

Risk management

The Financial Risk Committee, which reports to the Board, is charged with managing the various risks faced by the Group, including market, currency, interest rate, credit, liquidity, operational, and regulatory risks. The Board has approved all risk management policies and the Audit Committee reviews the internal controls and risk management systems.

Market risk

The Group is affected by conditions in the financial markets and the wider economy through its holdings in equity investments, which arise through the market making and trading activities.

The Group manages the potential for changes in the market value of trading investment positions through individual stock limits and trading book limits, which are approved and monitored daily by the Finance Department. Breaches of stock and book limits are reported to the Financial Risk Committee and are addressed as required. This Committee also reviews "stress test" analyses based on catastrophic market conditions on a periodic basis.

The table below shows the highest, lowest and average total long, short, gross and net positions in listed securities during the year, together with the positions at year end. Positions are calculated daily as part of limit monitoring.

	Long £'000	Short £'000	Gross £'000	Net £'000
Highest position	37,063	(9,309)	44,036	31,677
Lowest position	20,330	(5,229)	25,559	15,101
Average position	31,645	(7,313)	38,959	24,332
As at 30 September 2007	30,911	(8,237)	39,148	22,674

Notes to the Financial Statements

29 Financial Instruments continued

Currency risk and hedging

Currency risks arise from the exposure to changes in foreign exchange spot and forward prices and volatilities of currency rates. The Group is exposed to the risk that the GBP value of the net assets or the GBP value of the profit and loss could change as a result of foreign exchange movements.

The Group's policy is to minimise exposure to currency risk. The Group hedges all significant transactional foreign exchange exposures arising from trading activities using forward exchange contracts or FX swaps.

Derivative financial instruments held to manage currency risk as at 30 September 2007 had a fair value of Nil (2006: £3,000).

The Group hedges balance sheet foreign exchange translation risk where a significant exposure is considered to exist. The Group does not enter into foreign exchange transactions to hedge the translation risk of its foreign subsidiaries, Numis Securities Inc and Numis Caspian Limited LLP. There are no other hedging activity related financial instruments than those reflected above.

The Group's net assets by currency as at 30 September 2007 was as follows:

	Net foreign currency monetary assets/(liabilities)					
	Sterling £'000	Euro £'000	Canadian \$ £'000	US \$ £'000	Other £'000	Total £'000
2007 Sterling	101,800	647	283	6,241	65	109,036
2006 Sterling	92,305	385	218	673	(10)	93,571

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 as cash or cash equivalents. The Group has no debt.

Currency	2007			2006		
	Cash and cash equivalents £'000	Listed equity investments £'000	Total £'000	Cash and cash equivalents £'000	Listed equity investments £'000	Total £'000
Sterling	69,962	20,119	90,081	72,839	12,906	85,745
US Dollars	6,939	1,359	8,298	546	8	554
Euro	805	140	945	255	(44)	211
Canadian Dollars	484	362	846	(43)	288	245
Kazakhstan Tenge	25	469	494	1,269	-	1,269
Other	182	225	407	33	-	33
At 30 September	78,397	22,674	101,071	74,899	13,158	88,057
Floating Rate	78,397	-	78,397	74,899	-	74,899

In addition, collateral balances of £8,605,000 (2006: £8,059,000) generate floating rate interest. Management believe interest rate risk to be immaterial as cash is held short term on floating rate terms with banks and placed on overnight or short-term deposit. Equity investments are not interest bearing but have an indirect sensitivity to significant changes in and volatility of interest rates and therefore are shown in the table above.

29 Financial Instruments continued

Liquidity risk

The Group's approach to liquidity risk is to ensure that sufficient liquidity is available to meet foreseeable requirements, investing cash resources for 90 days or less with good credit quality banks and, if appropriate, in high quality liquid funds and financial investments.

In addition to the Group's cash resources, the Company has a £5m uncommitted facility provided by our bankers, Barclays Bank plc.

Credit Risk

Credit risk is the potential loss that Numis would incur if a counterparty fails to settle under its contractual obligations or there is the failure of a deposit taking institution or fund.

The Financial Risk Committee reviews new and existing counterparties and sets credit limits on each one. Intraday reports are generated which monitor the credit risk exposures and are reviewed by the Finance Department. Credit limit exposures are investigated and reported to the Financial Risk Committee and appropriate action is taken.

Numis further manages credit risk with the use of "stress test" analyses.

Where possible, Numis seeks to enter into netting agreements with counterparties that permit the offset of receivables and payables with those counterparties. The Group has concentrations of credit risk in relation only to monies placed on deposit with banks and as a result of trading activity through LCH.

Numis is exposed to credit risk from our counterparty to a security transaction during the period between the trade date and the settlement date. This period is generally 3 business days but can be longer in some markets. In addition, Numis has credit exposure that extends beyond the original settlement date if the counterparty fails either to make payment or to deliver securities. The majority of these security transactions are with other financial institutions, primarily located in the UK. Numis seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit limits and enforcing credit standards based upon a review of the counterparty's financial condition.

Settlement risk is substantially mitigated as a result of the delivery versus payment mechanism operated by Crest. Residual settlement risk is reduced further by using the services of major clearing banks for non-Crest settlements and by actively monitoring outstanding trades as part of the Group's management of working capital.

Risk exposures in relation to the failure of bank or deposit funds are reduced by credit quality limits and diversification of deposits across banks and funds.

Valuation techniques

The fair value of certain financial assets has been determined using valuation techniques as described in accounting policy note 1(a). The combined fair value of such financial assets as at 30 September 2007 was £14,519,000 and the movement in fair value recognised in the income statement during the year amounted to £5,044,00.

30 Post Balance Sheet Events

a) Final dividend

A final dividend of 5.00p per share (2006: 3.75p) was proposed by the directors at their meeting on 5 December 2007. These financial statements do not reflect this dividend payable.

b) New premises in New York

On 6 November 2007 our New York subsidiary signed a lease to take 8,697 square feet of space at 275 Madison, New York. This will increase our underlying occupation costs by approximately £0.2m per annum and will also result in one-off costs of the move and capital expenditures estimated at a combined total of £0.2m. The exit arrangements agreed with the landlords of the previous office premises are such that no dilapidation liabilities arise and furthermore any write-offs in respect of the carrying value of leasehold improvements or other assets of the Group will not be material.

c) Abbey Protection Group

On 29 November 2007 the Group's 29.41% holding in Abbey Protection Group Limited was reduced to 13.1% following the IPO of Abbey Protection Group Limited on that date. The net profit attributable to the Group resulting from the transaction was £8.8m.

Notes to the Financial Statements

31 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:

	2007 £'000	2006 £'000
Salaries and short-term employee benefits	6,051	5,595
Post-employment benefits	62	116
Gains made on exercise of share options	2,976	604
Share-based payments	1,023	709
	10,112	7,024

The above amounts include those paid to directors of the holding company.

c) LTIP and USRSP loans

Under the terms of the LTIP and USRSP equity incentive schemes participants may be offered a loan in order to fund their purchased shares. The loans outstanding to key management as at 30 September 2007 amounted to £282,000 (2006: £120,000). Such loans are made at market rates and the amounts outstanding are unsecured 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.

Holding 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 below:

	2007 £'000	2006 £'000
Dividends received	6,750	-

Amounts owed to the Company from subsidiaries are disclosed in note 19 and amounts owed by the Company to subsidiaries are disclosed in note 22.

b) Key management compensation

The compensation paid to key management is set out below.

	2007 £'000	2006 £'000
Salaries and short-term employee benefits	2,967	2,805
Post-employment benefits	21	18
Gains made on exercise of share options	2,899	604
Share-based payments	330	259
	6,217	3,686

32 IFRS Reconciliation

An explanation of how the transition from UK GAAP to Adopted IFRSs has affected the Group's financial position, financial performance and cash flows together with the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

A detailed explanation of the reconciling items was provided in The Impact of International Financial Reporting Standards (IFRS) presentation dated 2 May 2007 and published on our website <http://numiscorp.com>.

32 IFRS Reconciliation continued

(a) Income statement for the year ended 30 September 2006 – effect of IAS1 “Presentation of Financial Statements” on UK GAAP balances

UK GAAP balances in UK GAAP format	£'000	IFRS adjustments £'000	£'000	UK GAAP balances in IFRS format
Operating income	73,060	(73,060)	–	
	–	72,993	72,993	Revenue
		181	181	Other operating income
Administrative expenses	(41,127)	–	(41,127)	Administrative expenses
Operating profit	31,933	114	32,047	Operating profit
Share of associated undertaking's operating profit	2,165	(665)	1,500	Share of results of associates
Interest receivable and similar income	3,149	–	3,149	Finance income
Interest payable and similar charges	(41)	(114)	(155)	Finance costs
Profit on ordinary activities before tax	37,206	(665)	36,541	Profit before tax
Tax on profit on ordinary activities	(11,183)	665	(10,518)	Taxation
Profit on ordinary activities after taxation	26,023	–	26,023	Profit after tax
Attributable to:				Attributable to:
Equity holders of the parent	26,023	–	26,023	Equity holders of the parent
Memo – Dividends	(3,845)	–	(3,845)	Memo – Dividends
Earnings per share				Earnings per share
Basic	25.8p	–	25.8p	Basic
Diluted	24.9p	–	24.9p	Diluted

(b) Income statement for the year ended 30 September 2006 – effect of other standards

UK GAAP balances in IFRS format	£'000	Financial instruments IAS39 £'000	Liquidity provision IAS39 £'000	IFRS adjustments Employee benefits IAS19 £'000	Provisions IAS37 IFRS 2 £'000	Foreign exchange IAS21 £'000	IFRS £'000
Revenue	72,993	111	(1,076)	–	–	–	72,028
Other operating Income	181	–	–	–	–	–	181
Total revenue	73,174						72,209
Administrative expenses	(41,127)	–	–	15	170	–	(40,942)
Operating profit	32,047	111	(1,076)	15	170	–	31,267
Share of results of associates	1,500	–	–	–	–	–	1,500
Finance income	3,149	–	–	–	–	–	3,149
Finance costs	(155)	–	–	–	–	(68)	(223)
Profit before tax	36,541	111	(1,076)	15	170	(68)	35,693
Taxation	(10,518)	(33)	323	(5)	–	–	(10,233)
Profit after tax	26,023	78	(753)	10	170	(68)	25,460
Attributable to:							
Equity holders of the parent	26,023	78	(753)	10	170	(68)	25,460
Memo – Dividends	(3,845)	–	–	–	–	–	(3,845)
Earnings per share							
Basic	25.8p	–	–	–	–	–	25.3p
Diluted	24.9p	–	–	–	–	–	24.4p

Notes to the Financial Statements

32 IFRS Reconciliation continued

(c) Balance sheet as at 30 September 2006 – effect of IAS1 “Presentation of Financial Statements” on UK GAAP balances

UK GAAP balances in UK GAAP format	£'000	Debtors £'000	Investments £'000	IFRS adjustments Creditors £'000	Provisions £'000	£'000	UK GAAP balances in IFRS format
Fixed assets							Non-current assets
Tangible fixed assets	1,802	–	–	–	–	1,802	Property, plant and equipment
Investment in associated undertakings	2,209	–	–	–	–	2,209	Associate
			1,606	–	–	1,606	Derivative financial instruments
		1,073	–	–	–	1,073	Deferred tax
	4,011	1,073	1,606	–	–	6,690	
Current assets							Current assets
Debtors	104,492	(9,132)	–	–	–	95,360	Trade and other receivables
Investments	25,742	–	(2,673)	–	–	23,069	Trading Investments
		8,059	–	–	–	8,059	Collateral
			1,066	–	–	1,066	Derivative financial instruments
Cash at bank and in hand	74,898	–	1	–	–	74,899	Cash and cash equivalents
	205,132	(1,073)	(1,606)	–	–	202,453	
Creditors							Current liabilities
Amounts falling due within one year	115,191	–	–	(7,774)	–	107,417	Trade and other payables
				5,424	–	5,424	Financial liabilities
						–	Derivative financial instruments
					200	200	Provisions
				2,350	–	2,350	Current income tax
	115,191	–	–	–	200	115,391	
Net current assets	89,941	(1,073)	(1,606)	–	(200)	87,062	
							Non-current liabilities
Provisions	2,263	–	–	–	(200)	2,063	Provisions
Net assets	91,689	–	–	–	–	91,689	
Capital and reserves							Equity
Share capital	5,295	–	–	–	–	5,295	Share capital
Share premium account	20,727	–	–	–	–	20,727	Share premium account
						–	Capital reserves
Profit and loss account	65,667	–	–	–	–	65,667	Retained earnings
Shareholders' funds	91,689	–	–	–	–	91,689	Equity attributable to equity holders of the parent

32 IFRS Reconciliation continued

(d) Balance sheet as at 30 September 2006 – effect of other standards

UK GAAP balances in IFRS format	IFRS adjustment									IFRS
	Opening balance sheet IFRS adj* £'000	Financial instruments IAS39 £'000	Gross up IAS32 £'000	Liquidity provision IAS39 £'000	Employee benefits IAS19 £'000	Provisions IAS37 IFRS2 £'000	Foreign exchange IAS21 £'000	Intangible assets IAS38 £'000	£'000	
Non-current assets										
Property, plant and equipment	1,802	(309)	-	-	-	-	-	-	(105)	1,388
Intangible assets		309	-	-	-	-	-	-	105	414
Associate	2,209	-	-	-	-	-	-	-	-	2,209
Derivative financial instruments	1,606	-	-	-	-	-	-	-	-	1,606
Deferred tax	1,073	2,062	(33)	-	323	(5)	(516)	-	-	2,904
	6,690	2,062	(33)	-	323	(5)	(516)	-	-	8,521
Current assets										
Trade and other receivables	95,360	33,899	-	19,044	-	15	-	-	-	148,318
Trading investments	23,069	2,092	111	-	(1,076)	-	-	-	-	24,196
Collateral	8,059	-	-	-	-	-	-	-	-	8,059
Derivative financial instruments	1,066	-	-	-	-	-	-	-	-	1,066
Cash and cash equivalents	74,899	-	-	-	-	-	-	-	-	74,899
	202,453	35,991	111	19,044	(1,076)	15	-	-	-	256,538
Current liabilities										
Trade and other payables	107,417	33,846	-	19,044	-	-	-	-	-	160,307
Financial liabilities	5,424	-	-	-	-	-	-	-	-	5,424
Provisions	200	-	-	-	-	-	-	-	-	200
Current income tax	2,350	-	-	-	-	-	-	-	-	2,350
	115,391	33,846	-	19,044	-	-	-	-	-	168,281
Net current assets	87,062	2,145	111	-	(1,076)	15	-	-	-	88,527
Non-current liabilities										
Provisions	2,063	1,314	-	-	-	-	(170)	-	-	3,207
Net assets	91,689	2,893	78	-	(753)	10	(346)	-	-	93,571
Equity										
Share capital	5,295	-	-	-	-	-	-	-	-	5,295
Share premium account	20,727	-	-	-	-	-	-	-	-	20,727
Capital reserves	-	-	-	-	-	-	-	68	-	68
Retained earnings	65,667	2,893	78	-	(753)	10	(346)	(68)	-	67,481
Equity attributable to equity holders of the parent	91,689	2,893	78	-	(753)	10	(346)	-	-	93,571

* As at 1 October 2005

Notes to the Financial Statements

32 IFRS Reconciliation continued

(e) Cash flow statement for the year ended 30 September 2006 – effect of IFRS on UK GAAP cash flow statement

	£'000	Balance sheet reclass £'000	Financial instruments IAS32 & 39 £'000	Liquidity provision IAS39 £'000	Employee benefits IAS19 £'000	Provisions IAS37 IFRS2 £'000	£'000
Operating profit	32,047	–	111	(1,076)	15	170	31,267
Impairment of property, plant and equipment	108	–	–	–	–	–	108
Impairment of non-current asset investments	27	–	(27)	–	–	–	–
Transfer from non-current to current asset investments	7,232	–	(7,232)	–	–	–	–
Depreciation and amortisation	799	–	–	–	–	–	799
Increase in debtors	(11,067)	(17,994)	–	–	–	–	(29,061)
Increase in current asset trading investments	(10,347)	2,381	1,453	1,076	–	–	(5,437)
Increase in collateral	(202)	–	–	–	–	–	(202)
Increase in derivatives	–	(2,143)	–	–	–	–	(2,143)
Other non-cash movements	(606)	–	–	–	–	–	(606)
Increase in creditors and provisions	23,934	17,756	–	–	(15)	(170)	41,505
Cash flows from operating activities							
Cash generated from operations	41,925	–	(5,695)	–	–	–	36,230
Interest paid	(41)	–	–	–	–	–	(41)
Taxation paid	(14,009)	–	–	–	–	–	(14,009)
Net cash from operating activities	27,875	–	(5,695)	–	–	–	22,180
Investing activities							
Purchase of property, plant and equipment	(805)	–	–	–	–	–	(805)
Purchase of intangible assets	(306)	–	–	–	–	–	(306)
Purchase of non-current asset investment	(5,695)	–	5,695	–	–	–	–
Interest received	3,149	–	–	–	–	–	3,149
Dividends/capital distributions received from associates	150	–	–	–	–	–	150
Net cash (used in)/from investing activities	(3,507)	–	5,695	–	–	–	2,188
Financing activities							
Proceeds from issue of share capital	130	–	–	–	–	–	130
Purchase of own shares by the Employee Benefit Trust	(6,508)	–	–	–	–	–	(6,508)
Dividends paid	(2,642)	–	–	–	–	–	(2,642)
Net cash (used in)/from financing	(9,020)	–	–	–	–	–	(9,020)
Net increase in cash and cash equivalents	15,348	–	–	–	–	–	15,348
Net cash and cash equivalents at the beginning of the period	59,551	–	–	–	–	–	59,551
Net increase in cash and cash equivalents	15,348	–	–	–	–	–	15,348
Net cash and cash equivalents at the end of the period	74,899	–	–	–	–	–	74,899

32 IFRS Reconciliation continued

(f) Statement of changes in equity for the year ended 30 September 2006 – effect of IFRS on UK GAAP balances

	Share capital £'000	Share premium £'000	Capital reserves £'000	Retained profit £'000	Total £'000
Balance as at 1 October 2005 – UK GAAP	5,258	19,341	–	48,727	73,326
IFRS re-statement:					
IAS 39 Financial instruments	–	–	–	1,464	1,464
IAS 19 Employee Benefits	–	–	–	37	37
IFRS 2 Share based payments	–	–	–	(1,314)	(1,314)
IAS 12 Tax	–	–	–	2,706	2,706
Balance as at 1 October 2005 – IFRS	5,258	19,341	–	51,620	76,219
New shares issued	37	1,386	–	–	1,423
Profit for the period	–	–	–	25,460	25,460
Dividends paid	–	–	–	(3,845)	(3,845)
Deferred tax	–	–	–	(516)	(516)
Foreign Exchange on consolidation	–	–	68	–	68
Adjustment in respect of employee share plans	–	–	–	(5,238)	(5,238)
Balance as at 30 September 2006 – IFRS	5,295	20,727	68	67,481	93,571
Equity attributable to equity holders of the parent	5,295	20,727	68	67,481	93,571

Notes to the Financial Statements

32 IFRS Reconciliation continued

(g) Balance sheet as at 1 October 2005 (opening balance sheet) – effect of IAS1 “Presentation of Financial Statements” on UK GAAP balances

UK GAAP balances in UK GAAP format	£'000	Debtors £'000	Investments £'000	IFRS adjustments Creditors £'000	Provisions £'000	£'000	UK GAAP balances in IFRS format
Fixed assets							Non-current assets
Tangible fixed assets	1,598	–	–	–	–	1,598	Property, plant and equipment
Fixed asset investments	1,546	–	–	–	–	1,546	Other investments
Investment in associated undertakings	859	–	–	–	–	859	Associate
		491	–	–	–	491	Deferred tax
	4,003	491	–	–	–	4,494	
Current assets							Current assets
Debtors	92,103	(8,348)	–	–	–	83,755	Trade and other receivables
Investments	17,812	–	(2,947)	–	–	14,865	Trading investments
		7,857	–	–	–	7,857	Collateral
			529	–	–	529	Derivative financial instruments
Cash at bank and in hand	57,133	–	2,418	–	–	59,551	Cash and cash equivalents
	167,048	(491)	–	–	–	166,557	
Creditors							Current liabilities
Amounts falling due within one year	96,671	–	–	(10,676)	–	85,995	Trade and other payables
				5,186	–	5,186	Financial liabilities
				5,490	–	5,490	Current income tax
	96,671	–	–	–	–	96,671	
Net current assets	70,377	(491)	–	–	–	69,886	
							Non-current liabilities
Provisions	1,054	–	–	–	–	1,054	Provisions
Net assets	73,326	–	–	–	–	73,326	
Capital and reserves							Equity
Share capital	5,258	–	–	–	–	5,258	Share capital
Share premium account	19,341	–	–	–	–	19,341	Share premium account
Profit and loss account	48,727	–	–	–	–	48,727	Retained earnings
Shareholders' funds	73,326	–	–	–	–	73,326	Equity attributable to equity holders of the parent

32 IFRS Reconciliation continued

(h) Balance sheet as at 1 October 2005 (opening balance sheet) – effect of other standards

UK GAAP balances in IFRS format	Employee Benefits IAS19 £'000	Provisions IAS37 IFRS2 £'000	IFRS adjustment Gross up IAS32 £'000	Liquidity provision IAS39 £'000	Intangible Assets IAS38 £'000	IFRS £'000
Non-current assets						
Property, plant and equipment	1,598	–	–	–	(309)	1,289
Intangible assets					309	309
Other investments	1,546	–	–	–	–	1,546
Associate	859	–	–	–	–	859
Deferred tax	491	(16)	2,706	–	(628)	2,553
	4,494	(16)	2,706	–	(628)	6,556
Current assets						
Trade and other receivables	83,755	53	–	33,846	–	117,654
Trading investments	14,865	–	–	–	2,092	16,957
Collateral	7,857	–	–	–	–	7,857
Derivative financial instruments	529	–	–	–	–	529
Cash and cash equivalents	59,551	–	–	–	–	59,551
	166,557	53	–	33,846	2,092	202,548
Current liabilities						
Trade and other payables	85,995	–	–	33,846	–	119,841
Financial liabilities	5,186	–	–	–	–	5,186
Current income tax	5,490	–	–	–	–	5,490
	96,671	–	–	33,846	–	130,517
Net current assets	69,886	53	–	–	2,092	72,031
Non-current liabilities						
Provisions	1,054	–	1,314	–	–	2,368
Net assets	73,326	37	1,392	–	1,464	76,219
Equity						
Share capital	5,258	–	–	–	–	5,258
Share premium account	19,341	–	–	–	–	19,341
Capital reserves	–	–	–	–	–	–
Retained earnings	48,727	37	1,392	–	1,464	51,620
Equity attributable to equity holders of the parent	73,326	37	1,392	–	1,464	76,219

Notes to the Financial Statements

32 IFRS Reconciliation continued

(i) Set out below is a summary of the reconciliation from UK GAAP to IFRS of the opening Equity as at 1 October 2005, the Equity as at 30 September 2006 and the Profit before Tax for the year ended 30 September 2006 for the holding company

Equity	30 September 2006 £'000	1 October 2005 £'000
Reported under UK GAAP	25,808	33,501
Opening equity adjustment	3,338	–
Financial instruments IAS 39	42	–
Share based payments IFRS 2	5,238	3,338
Reported under IFRS	34,426	36,839

Profit before tax

	2006 £'000
Profit before tax for the period under UK GAAP	(33)
Financial instruments IAS 39	42
Reported under IFRS	9

(j) Set out below is a brief explanation of the significant differences between UK GAAP and IFRS which impact the Group and the Company.

IAS 39 Financial Instruments – provisions previously held against large, slow moving security positions are no longer permitted. Furthermore, financial assets and liabilities are generally required to be held at fair value.

IAS 32 Financial Instruments: Presentation – requires that financial assets and financial liabilities should only be offset and the net amount reported when there is both a legally enforceable right and intention to settle on a net basis.

IFRS2 Share-Based Payments – requires obligations under cash settled schemes to be based on the fair value of the instruments granted and subsequent re-measurement of the fair value at each reporting date after taking into account the share price of the underlying equity instrument and the number of instruments expected to ultimately vest.

IAS 19 Employee Benefits – requires recognition of short-term benefits such as “holiday pay accruals”.

IAS 21 The Effects of Changes in Foreign Exchange Rates – requires exchange differences arising on the translation of monetary items which form part of the net investment on foreign operations to be recognised as a separate component of equity in the consolidated financial statements.

IAS 12 Tax – requires a deferred tax asset to be recognised in respect of future corporate tax deductions arising on unexercised options issued through share-based payment schemes, irrespective of whether these options give rise to an accounting charge in the income statement.

IAS 38 Intangible Assets – requires that computer software such as licences is disclosed as an intangible asset.

IAS 28 Investments in Associates – requires that, when accounting for associates on an equity basis, the share of the profit or loss of the associate is shown on a post-tax basis.

Notice of Annual General Meeting

See notes starting on page 58 for a brief explanation of each of the resolutions

Notice is hereby given that the Annual General Meeting of the Company will be held at The London Stock Exchange Building, 10 Paternoster Square London EC4M 7LT on Tuesday 29 January 2008, at 11.00am for the following purposes:

Ordinary business

To receive and, if thought fit, pass the following resolutions numbered 1-5 (inclusive) as ordinary resolutions:

1. To receive and adopt the Company's annual accounts for the year ended 30 September 2007, together with the directors' report and auditors' report on those accounts.
2. To declare a final dividend for the year ended 30 September 2007 of 5.0p per 5p ordinary share payable to shareholders on the register at the close of business on 14 December 2007.
3. To reappoint Mr M A Spencer, who is retiring by rotation in accordance with the Company's Articles of Association, as a director and being eligible, offers himself for election.
4. To reappoint Mr W E J Trent, who is retiring by rotation in accordance with the Company's Articles of Association, as a director and being eligible, offers himself for election.
5. To reappoint PricewaterhouseCoopers LLP as auditors, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at which accounts are laid and to authorise the directors to fix their remuneration.

Special business

To consider and, if thought fit, pass the following resolutions of which resolutions 6, 7, 10, 11 and 12 will be proposed as ordinary resolutions, and resolutions 8, 9 and 13 will be proposed as special resolutions:

Ordinary resolution

6. That the Company may send or supply any document or information to shareholders of the Company by making it available on a website. This resolution, if passed, will allow the Company both to communicate with shareholders using email and to make information and documents available to them through the website, rather than through the post, in accordance with the Companies Act 2006 and the new Disclosure Rules and Transparency Rules.

Ordinary resolution

7. That in place of all existing authorities the directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) of the Company up to a maximum aggregate nominal amount of £1,756,804.43 provided that:

- a) this authority shall expire at the conclusion of the next Annual General Meeting of the Company unless previously revoked or renewed by the Company in 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 any relevant securities pursuant to such offer or agreement as if such authority had not expired; and
- c) all prior authorities to allot relevant securities be revoked but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.

Special resolution

8. That, subject to and conditional upon the passing of resolution 7 the directors be granted power pursuant to section 95 of the Act to allot equity securities (as defined in section 94 of the Act) for cash pursuant to the authority conferred by the said resolution as if section 89(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 favour of ordinary shareholders on the register on a date fixed by the directors where the equity securities respectively attributable to the interest of all such shareholders are proportionate (as nearly as may be) to the respective numbers of the ordinary shares held by them on that date but subject to such exclusions and other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or other legal or practice difficulties under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or as regards shares in issue in uncertified form; and

b) the allotment (otherwise than pursuant to sub-paragraph a) above) of any equity securities having an aggregate nominal amount, not exceeding in aggregate £266,182.50 representing approximately 5% of the current issued ordinary share capital of the Company.

and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or (if earlier) from the date of the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Special resolution

9. That, the Company be unconditionally and generally authorised in accordance with section 166 of the Act to make market purchases (within the meaning of section 163(3) of the Act) on the London Stock Exchange plc's market for Alternative Investment Market securities, of ordinary shares of 5p each in the capital of the Company provided that:

- a) the maximum number of ordinary shares hereby authorised to be purchased is limited to an aggregate of 10,647,299 such shares (representing 10 per cent of the Company's issued ordinary share capital at the date of this resolution).
- b) the minimum price, exclusive of any expenses, which may be paid for each ordinary share is 5p;
- c) the maximum price, exclusive of any expenses, which may be paid for each share is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased;
- d) this authority shall expire on the earlier date of the conclusion of the next Annual General Meeting of the Company or unless such authority is revoked or renewed prior to such time; and

Notice of Annual General Meeting

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

Ordinary Resolution

10. That the Company be and is hereby authorised to adopt and implement a new employee share incentive plan, the Numis Corporation Plc Restricted Stock Unit Plan ("RSU Plan"), the principal terms of which are summarised in Appendix 1 accompanying this document, subject to such modifications as the directors may consider necessary or desirable to take account of any legal or regulatory requirements or otherwise, and the directors be authorised to do all acts and things which they consider necessary, desirable or expedient for the purposes of carrying the same into effect.

Ordinary Resolution

11. That the Company be and is hereby authorised to adopt and implement a new employee share incentive plan, the Revised Numis Corporation Plc Long Term Incentive Plan ("Revised LTIP"), the principal terms of which are summarised in Appendix 2 accompanying this document, subject to such modifications as the directors may consider necessary or desirable to take account of any legal or regulatory requirements or otherwise, and the directors be authorised to do all acts and things which they consider necessary, desirable or expedient for the purposes of carrying the same into effect.

Ordinary Resolution

12. That the directors be and are hereby authorised pursuant to Article 129 of the Company's Articles of Association to resolve, at their discretion, that the holders of ordinary shares be entitled to elect to receive an allotment of ordinary shares as credited as fully paid in lieu of any interim or final dividend (or part thereof) declared in respect of each financial year from and including the year ended 30 September 2007 up to and including the financial year ending 30 September 2011 and any interim dividend (or part thereof) declared in respect of each financial year up to and including the financial year ended 30 September 2012, provided that such resolution of the directors is in accordance with, and subject to, the provisions of Article 129 of the Company's Articles of Association.

Special Resolution

13. That the Articles of Association of the Company be altered to permit the Board to determine the manner of authentication and execution of share certificates issued by the Company in respect of its share, stock debenture and other securities. That Article 139 of the Company's articles of association be altered by the deletion of the last sentence in that paragraph and that the following be inserted: -

"That Company certificates for shares, stock, debentures or other securities of the Company issued from time to time by or on behalf of the Company may, but need not, be sealed with the common or official seal of the Company and that, if such certificates are signed, they be signed by two directors of the Company or a director and the secretary, or by any director or the secretary alone, and that facsimiles of such signatures may be applied to or printed on such certificates by mechanical or electronic means in place of any actual signature. The Company's Registrar, Computershare Investor Services Plc, and any of its agents used from time to time in the production and printing of the Company's certificates, be and is hereby authorised to retain facsimile copies of the signatures of those authorised to sign such certificates on behalf of the Company and to apply or print such facsimile signatures on to the relevant certificates by any mechanical or electronic means."

By order of the Board

WEJ Trent
Company Secretary
5 December 2007

Registered Office
10 Paternoster Square
London
EC4M 7LT

Notes

(1) A member of the Company entitled to attend and vote at the above-mentioned Annual General Meeting is entitled to appoint one or more proxies and, on a poll, vote on his behalf. A proxy need not also be a member.

(2) A Proxy Form is enclosed. To be valid, the Proxy Form [together with the Power of Attorney or other authority under which it signed, or a notarially certified copy thereof] must be received at the office of the Company's Registrars, Computershare Investor Services Plc, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, by not later than 10.00 am Friday 25 January 2008 or, in the case of any adjournment, not later than 48 hours prior to the time fixed for the adjourned meeting at which the proxy is to vote.

(3) Completing and returning the Proxy Form does not preclude a member from attending and voting at the meeting.

(4) Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, only those holders of Ordinary Shares who are registered on the Company's Share Register as at 5.00pm on Friday 25 January 2008 shall be entitled to attend the Annual General Meeting and to vote in respect of the number of shares registered in their names at that time. Changes to the entries on the Share Register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting. Explanatory Notes to the Notice of Annual General Meeting

Explanatory Notes to the Notice of Annual General Meeting

Resolution 1 – report and accounts

The directors are required to present the accounts for the year ended 30 September 2007 to the meeting.

Resolution 2 – declaration of dividend

A final dividend can only be paid if it is recommended by the directors and approved by the shareholders at a general meeting. The directors propose that a final dividend of 5.0p per ordinary share be paid on 8 February 2008 to ordinary shareholders who are on the register at the close of business on 14 December 2007. Shareholders are being offered the option to receive new ordinary shares as an alternative to cash in respect of this dividend.

Resolution 3 – reappointment of director

The Articles of Association of the Company require one third of the directors to retire at

Explanatory Notes to the Notice of Annual General Meeting

each Annual General Meeting. At this meeting, Mr M A Spencer will retire by rotation and seek re-election.

Resolution 4 – reappointment of director

The Articles of Association of the Company require one third of the directors to retire at each Annual General Meeting. At this meeting, Mr W E J Trent will retire by rotation and seek re-election.

Resolution 5 – reappointment of auditors

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

Resolution 6 – authority to post shareholder communications on a website and by other electronic means

This resolution will provide the Company with authority to, if it wishes, to use email or other electronic means to communicate with its shareholders. The Company will first write to shareholders requesting their agreement to (i) the Company communicating with them by email and (ii) the Company's use of a website for the purpose of providing documents and other information. The Company would continue to communicate in the usual way with those shareholders who do not agree to email communications and would continue to provide documents and information through the post in the usual way to shareholders who are not treated under the Companies Act 2006 as having agreed to their provision through the website.

Resolution 7 - authority to allot the relevant securities

The Company requires the flexibility to allot equity securities from time to time. Accordingly, resolution 7 seeks to grant (until the next Annual General Meeting or unless such authority is revoked or renewed prior to such time) the directors authority to allot equity securities up to an aggregate nominal amount of £1,756,804.43 being approximately 33% of the current issued ordinary share capital. Save in respect of the issue of new ordinary shares pursuant to the share incentive schemes, 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 8 – disapplication of section 89(1) of the Companies Act 1985

This resolution seeks to disapply the pre-emption rights provisions of section 89 of the Companies Act 1985 in respect of the allotment of equity securities pursuant to rights issues and other preemptive issues and in respect of other issues of equity securities for cash up to an aggregate nominal value of £266,182.50, being approximately 5% of the current issued ordinary share capital. If given this power will expire at the same time as the authority referred to in resolution 7. The directors consider this power desirable due to the flexibility afforded by it. The directors have no present intention of issuing any equity securities pursuant to this disapplication.

Resolution 9 – 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 other consents required by law. Such purchases must be authorised by the shareholders at a general meeting. This resolution seeks to grant (until the next Annual General Meeting or unless such authority is revoked or renewed prior to such time if sooner) the directors authority to purchase the Company's own shares up to a maximum of 10% of the issued ordinary share capital of the Company. In proposing this resolution, the directors consider that it is in the best interests of the Company and its shareholders that the directors should keep the ability to make market purchases of the Company's own shares without the cost and delay of an extraordinary general meeting to seek specific authority for a share purchase. It is only exercisable if to do so would increase earnings per share and it is in the best interest of shareholders generally. The Company may hold in treasury any of its own shares that it purchases in accordance with the Companies Act 1985 and the authority conferred by this resolution. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and provide the Company with greater flexibility in the management of its capital base.

Resolution 10 – authority to adopt and implement a new employee share incentive plan the - Numis Corporation Plc Restricted Stock Unit Plan ("RSU Plan")

That the Company be authorised to adopt and implement a new employee share incentive plan, subject to such modifications as the directors may consider necessary or desirable to take account of any legal or regulatory requirements or for the purposes of implementing or giving

effect to the RSU Plan. The RSU Plan is intended to complement Numis' existing employee share incentive arrangements and will provide further incentivisation to staff to encourage greater and wider share ownership amongst them. Further details of the proposed RSU Plan are set out in Appendix 1 accompanying this document.

Resolution 11 – authority to adopt and implement a new employee share incentive plan the – Revised Numis Corporation Plc Long Term Incentive Plan ("Revised LTIP")

That the Company be authorised to adopt and implement a new employee share incentive plan, subject to such modifications as the directors may consider necessary or desirable to take account of any legal or regulatory requirements or for the purposes of implementing or giving effect to the Revised LTIP. The Revised LTIP is intended to complement Numis' existing employee share incentive arrangements and will provide further incentivisation to staff to encourage greater and wider share ownership amongst them. Further details of the proposed Revised LTIP Plan are set out in Appendix 2 accompanying this document.

Resolution 12 – to renew authority for the continuance of the Scrip Dividend Scheme for holders of ordinary shares

Under the Articles of Association, the directors may, with the authority of the Company in general meetings, offer to holders of ordinary shares the opportunity to elect to receive dividends in the form of New Shares instead of cash. The directors obtained such authority at the Annual General Meeting of the Company held on 6 February 2003 and wish to renew the authority as the directors believe that the offer of the Scheme is advantageous to shareholders and allows shareholders to increase their shareholding in the Company in a simple manner without paying dealing costs or stamp duty.

Resolution 13 – authority to alter the Articles of Association of the Company to permit using laser image signatures and laser image sealing of share certificates

The Company proposes to move to using laser image signatures and laser image sealing of share certificates to minimise the risk of fraud and take advantage of the enhanced features of the new share certificate including UV feature in the paper, chemical reagents, micro line and stock control numbering.

Information for Shareholders

Financial Calendar

December	Year end results announced
January	Annual report issued
February	Final dividend paid
May	Interims announced and Interim statement issued
July	Interim dividend paid

Company Registration Number

2375296

Nominated Broker

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10 Paternoster Square
London
EC4M 7LT

Nominated Adviser

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1 Embankment Place
London
WC2N 6RH

Registrar

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