

NUMIS CORPORATION PLC

(formerly Raphael Zorn Hemsley Holdings PLC)

The Group sold its investment management and private client stockbroking businesses in early 2000 to concentrate on its core activities of corporate finance, institutional sales, corporate broking, research and market making. It severed its links with the “Raphael” and “Zorn” names and was rebranded “Numis”.

FINANCIAL HIGHLIGHTS

	30 SEPTEMBER 2000	30 SEPTEMBER 1999
Profit on ordinary activities before taxation before the exceptional item	£4,004,959	£1,212,382
Profit on ordinary activities before taxation and after the exceptional item	£5,963,390	£1,212,382
Dividend per share	4.0p	3.0p
Earnings per share (basic)	27.9p	5.5p
Earnings per share (basic), excluding the exceptional item	18.2p	5.5p
Net assets	£12,495,483	£8,917,863

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DIRECTORS

DJA Craig	Chairman (Non Executive)
OA Hemsley	Chief Executive
CA Crick	Executive Director
TJ Leader	Executive Director, retired 14 December 2000
DBJ Sweetland FCA	Finance Director and Company Secretary
P Gaunt	Non Executive Director
Dr MJ Sinclair MBBS	Non Executive Director

CHAIRMAN'S STATEMENT

OVERVIEW

The Company has undergone considerable change during the course of the year to 30 September 2000 and has produced a record set of results. All parts of the ongoing business performed well and the Company has rationalised its operations allowing a greater focus on its core activities of corporate finance, institutional sales, corporate broking, research and market making.

RESULTS

During the financial year ended 30 September 2000, the Group's profit before tax and before an exceptional gain was £4.0m (compared with £1.2m for the previous period) and earnings per share rose to 18.2p (1999: 5.5p), on a pre-exceptional basis. The exceptional gain on the sale of the investment management and private client stockbroking business was £2.0m, taking the Group's profit before tax to £6.0m.

The Board recommends payment of a dividend of 4.0p per share (1999: 3.0p) that will be payable subject to shareholders' approval on 19 January 2001 (being the day after our Annual General Meeting) to all shareholders on the register on 3 January 2001.

The Group's net assets at 30 September 2000 have risen to £12.5m (1999: £8.9m). We continue to retain a high reserve of cash and near-cash investments. In addition, the Group has several significant investments, including 100,000 London Stock Exchange plc shares.

TRADING

Following the sale of our investment management and private client stockbroking business, we have made significant progress in growing our core investment banking business.

We have invested in staff and systems during the course of this year and expect to make significant further investments. Our Corporate Finance activities have grown substantially and we have carried out many fund raisings for companies throughout 2000.

We have increased the number of sectors where we specialize and the number of analysts covering them. However, we have been selective in the companies we have taken on as clients, thus, our entry into the technology sector has been in a measured way, a strategy that has proved successful both for our clients and the Company.

We are now rated in three sectors and are steadily adding to our areas of expertise to ensure that we provide a premium service to our clients. The number of institutional clients with whom we deal continues to increase.

Our market making department is expanding and we now make markets in 52 stocks.

We expect this expansion to continue in line with the increase in the number of sectors in which we specialise.

NORTH WEST OFFICE

The Company intends to open an office in the North West in the new year. The first regional office will enable us to widen our geographical presence and further strengthen our research and sales capabilities. A highly rated team has been recruited and we will announce more details in due course.

TERENCE LEADER

Terry Leader, who has been Director of Administration and Compliance, will retire at the end of this year after working tirelessly for the Group for over 40 years. His commitment, loyalty, experience and business acumen will be sorely missed and we wish him a long and happy retirement.

CHAIRMAN'S STATEMENT

(CONTINUED)

OUTLOOK

The current year has started well with a number of new corporate mandates. In the Company's Interim Statement for the six months ended 31 March 2000, I referred to the flotation of Tenon Group plc which is the first UK quoted accountancy-based business services company. That company has started its acquisition programme and we have already advised on its first four purchases.

Although to a significant extent we are dependent upon the stability of the financial markets, I am confident that during the coming year we will be able to report further progress in our aim of becoming a leading specialist investment banking and stockbroking business, operating in the UK smaller and mid-sized corporate arena. Building the Company's long-term future requires continuing investment in people and systems which we anticipate being at an accelerated level during the current year. Consequently, we will incur some additional up-front operating costs as we recruit new personnel.

Finally, I would like to thank our staff for their commitment and support, without which we could not have achieved our success to date.



David Craig
Chairman
18 December 2000

CORPORATE GOVERNANCE

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

THE BOARD AND MAIN COMMITTEES

THE BOARD

The Board of Numis Corporation Plc ("the Company" or "the Holding Company"), chaired by DJA Craig, normally meets every other month. It reviews trading performance, business strategy, investment and divestment opportunities and any other matters of significance to the Group.

MANAGEMENT COMMITTEE

The Management Committee, chaired by OA Hemsley, 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 and administration, finance and compliance matters.

RISK COMMITTEE

The Group has a risk committee, chaired by OA Hemsley, that meets regularly to discuss and manage market risk of the Group's trading book. The Risk Committee sets individual stock limits and overall trading book limits.

REMUNERATION COMMITTEE

The Remuneration Committee, chaired by MJ Sinclair, comprises the non-executive directors of the Company. It determines salary levels, discretionary bonuses and share option awards after it has received recommendations from the executive directors of the Company.

REPORTING

The Board has no appointed audit committee but appoints a delegation of the Board (usually comprising the executive directors) to ensure that the interim report and annual reports properly communicate the Group's position to shareholders and other interested parties.

INTERNAL FINANCE CONTROL

The Board is responsible for maintaining the Group's system of internal financial control. Internal financial control systems are designed to meet the risks that the Group is exposed to but cannot provide absolute assurance against material loss or misstatement. The internal financial controls include (but are not limited to) the following:

- The preparation of detailed budgets and plans that are approved by the Boards of the Company and its subsidiaries
- Regular review of (actual) results compared with budgets and forecasts
- Detailed project appraisals before the authorisation of significant capital expenditure
- An annual review of the Group's insurance cover

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 2000.

PRINCIPAL ACTIVITY

The principal activity of the Group is to provide integrated investment banking and capital market services. This activity encompasses corporate finance, institutional sales, corporate broking, research and market making. The Group has one principal operating subsidiary, Numis Securities Limited, which is regulated by the Securities and Futures Authority and is a member firm of the London Stock Exchange.

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 Chairman's statement.

RESULTS AND DIVIDENDS

The results, distributions and retained profits for the financial year are as follows:

	GROUP £
Retained profits at 30 September 1999	2,172,738
Profit for the year, after taxation	4,123,000
Dividends proposed	(599,680)
Retained profits at 30 September 2000	5,696,058

DIRECTORS AND THEIR INTERESTS

The Directors at 30 September 2000 and their interests in the ordinary shares of 25p each ("ordinary shares") of the Company, other than with respect to options over ordinary shares, were as follows:

	30 SEPTEMBER 2000 ORDINARY SHARES	30 SEPTEMBER 1999 ORDINARY SHARES
DJA Craig *	-	-
OA Hemsley	2,792,400	2,792,400
CA Crick	277,100	250,000
TJ Leader, retired 14 December 2000	140,000	140,000
DBJ Sweetland	45,000	28,000
P Gaunt *	20,000	20,000
MJ Sinclair *	723,392	723,392

* Non executive director

DIRECTORS' REPORT

(CONTINUED)

DIRECTORS AND THEIR INTERESTS (CONTINUED)

DJA Craig has a 9.69% interest in Northbridge Management Holdings Limited that holds 30,000 ordinary shares. On 28 March 2000, Great Northern Investment Holdings Limited, a company in which DJA Craig has a 45% interest, acquired 40,000 ordinary shares. Also on 28 March 2000, The Northbridge Fund, a company in which DJA Craig has a 9% interest, acquired 20,000 ordinary shares.

MJ Sinclair has a 25% interest in Montrose Securities Limited that holds 1,120,000 ordinary shares. He is also the beneficiary of Sinclair Montrose Trust that holds 86,400 ordinary shares and the beneficiary of Grovehill Pension Fund that holds 240,000 ordinary shares.

The directors, along with employees, have been granted options over ordinary shares. Details of the directors' interests in options over ordinary shares are disclosed in Note 6.

There have been no changes in the interests of directors in ordinary shares and options over ordinary shares during the period 30 September 2000 to 14 December 2000.

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 follows:

	REGISTERED HOLDING	% OF ISSUED SHARE CAPITAL
The Equitable Life Assurance Society	1,494,600	9.97
Mr MJC Stone and Mrs L Stone	1,105,700	7.38
Mr MS Rosenberg	452,992	3.02

AUDITORS

Pannell Kerr Forster changed its name to PKF on 1 November 2000 and has signed its audit report in its new name. PKF is eligible for reappointment as auditor to the Company and a resolution proposing its reappointment will be proposed at the Annual General Meeting.

SUPPLIERS

The Company 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. The Company has taken 28 days to pay suppliers during the past financial year.

CHARITABLE DONATIONS

During the year, the Group made charitable donations of £1,460 (1999: £970).

By order of the Board



DBJ Sweetland
Company Secretary
Cheapside House
138 Cheapside
London EC2V 6LH

14 December 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for that period. In preparing those financial statements the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF NUMIS CORPORATION PLC

We have audited the financial statements on pages 11 to 14 which have been prepared under the accounting policies set out on pages 15 and 16.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 9 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and Group'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 financial statements give a true and fair view of the state of affairs of the Company and the Group at 30 September 2000 and of the Group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PKF
Registered Auditors
London

14 December 2000

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2000

	NOTES	2000 £	1999 £
TURNOVER			
Continuing operations	2	9,405,277	4,385,926
Discontinued operation	2, 5	2,345,089	3,069,972
		11,750,366	7,455,898
Discontinued operations			
-shared commissions		(612,881)	(821,025)
GROSS PROFIT			
		11,137,485	6,634,873
Administrative expenses			
Continuing operations		(5,167,406)	(2,859,644)
Discontinued operations		(2,407,634)	(2,977,711)
Share of associated undertaking's operating profit	3	107,500	49,877
OPERATING PROFIT / (LOSS)			
Continuing operations		4,345,371	1,576,159
Discontinued operations		(675,426)	(728,764)
		3,669,945	847,395
Exceptional item			
- profit on sale of discontinued operations	5	1,958,431	-
Interest income	7	303,156	205,058
Investment income	8	41,362	166,665
Interest payable and similar charges	9	(9,504)	(6,736)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
		5,963,390	1,212,382
Tax on profit on ordinary activities	10	(1,840,390)	(395,598)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			
		4,123,000	816,784
Dividends paid and proposed	11	(599,680)	(447,780)
RETAINED PROFIT FOR THE YEAR			
		3,523,320	369,004
Earnings per share			
Basic	23	27.9p	5.5p
Diluted	23	26.9p	5.5p
Earnings per share, excluding the exceptional item			
Basic	23	18.2p	5.5p
Diluted	23	17.5p	5.5p

There were no other recognised gains or losses made during the years ended 30 September 2000 and 30 September 1999 other than the profits for those years.

A statement of movements on reserves is given in note 22.

The accompanying notes are an integral part of this consolidated profit and loss account.

CONSOLIDATED BALANCE SHEET

AT 30 SEPTEMBER 2000

	NOTES	2000 £	1999 £
FIXED ASSETS			
Tangible fixed assets	12	164,543	607,487
Fixed asset investments	13	592,222	113,162
Investment in associated undertaking	14	129,010	52,280
		885,775	772,929
CURRENT ASSETS			
Debtors	16	16,719,216	8,765,158
Investments	17	7,294,488	3,477,403
Cash at bank and in hand	18	4,024,693	5,238,020
		28,038,397	17,480,581
CREDITORS			
Amounts falling due within one year	19	(16,428,689)	(9,335,647)
NET CURRENT ASSETS		11,609,708	8,144,934
NET ASSETS		12,495,483	8,917,863
CAPITAL AND RESERVES			
Share capital	20	3,748,000	3,731,500
Share premium account	22	3,051,425	3,013,625
Profit and loss account	22	5,696,058	2,172,738
SHAREHOLDERS' FUNDS	21	12,495,483	8,917,863

Signed on behalf of the Board on 14 December 2000



OA Hemsley
Director



DBJ Sweetland
Director

A statement of movements on reserves is given in note 22.

The accompanying notes are an integral part of this consolidated balance sheet.

HOLDING COMPANY BALANCE SHEET

AT 30 SEPTEMBER 2000

	NOTES	2000 £	1999 £
FIXED ASSETS			
Fixed asset investments	13	266,412	112,400
Investment in associated undertaking	14	215,010	215,010
Investment in subsidiary undertakings	15	2,448,379	3,148,375
		2,929,801	3,475,785
CURRENT ASSETS			
Debtors	16	7,057,546	4,503,815
Cash at bank and in hand		20,328	102,322
		7,077,874	4,606,137
CREDITORS			
Amounts falling due within one year	19	(2,013,276)	(1,109,184)
NET CURRENT ASSETS		5,064,598	3,496,953
NET ASSETS		7,994,399	6,972,738
CAPITAL AND RESERVES			
Share capital	20	3,748,000	3,731,500
Share premium account	22	3,051,425	3,013,625
Profit and loss account	22	1,194,974	227,613
SHAREHOLDERS' FUNDS		7,994,399	6,972,738

Signed on behalf of the Board on 14 December 2000



OA Hemsley
Director



DBJ Sweetland
Director

A statement of movements on reserves is given in note 22.

The accompanying notes are an integral part of this Holding Company balance sheet.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2000

	NOTES	2000 £	1999 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	24a)	3,134,335	3,911,136
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		303,156	205,058
Interest paid		(9,504)	(6,736)
Dividends received		41,362	172,125
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		335,014	370,447
TAXATION			
Corporation tax paid (including advance corporation tax)		(792,536)	(1,182,632)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(61,522)	(185,079)
Purchase of fixed asset investments		(510,974)	(58,868)
Purchase of non-trading investments		(5,000,000)	-
Sale of tangible fixed assets		17,422	36,288
Sale of fixed asset investments		37,374	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(5,517,700)	(207,659)
DISPOSALS, NET OF CASH DISPOSAL	24b)	2,021,040	-
EQUITY DIVIDENDS PAID		(447,780)	(445,980)
FINANCING			
Issue of ordinary shares		54,300	18,000
INCREASE/(DECREASE) IN CASH IN THE YEAR		(1,213,327)	2,463,312
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/(decrease) in cash balances in the year		(1,213,327)	2,463,312
Net funds at the beginning of the year		5,238,020	2,774,708
NET FUNDS AT THE END OF THE YEAR		4,024,693	5,238,020

The accompanying notes are an integral part of this cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS

1

ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the accounts of the Group are described below.

a) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, modified by the inclusion of trading positions at market value and in accordance with applicable accounting standards.

b) BASIS OF CONSOLIDATION

The Group 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. In accordance with Financial Reporting Standard 10 (entitled goodwill and intangible assets) goodwill represents any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired and remains eliminated against reserves.

No profit and loss account is presented for the Company itself, as provided by Section 230 Companies Act 1985. The Company's profit for the financial year, determined in accordance with the Companies Act 1985, was £2,048,924 (1999: £450,751).

c) TURNOVER

Turnover comprises commission, fee income and net dealing profit or loss. Commission income is gross commission from stockbroking and is taken to the profit and loss account when transactions are executed. Fee income includes corporate finance fees and placing commissions, which are recognised in the profit and loss account once the corporate activity is substantially complete, and investment management fees and Lloyd's advisers fees which are recognised in the period to which they relate. Net dealing profit or loss is realised and unrealised profits and losses from current asset investments held for trading purposes.

The recognition of unrealised profit and losses in the profit and loss account, which is common for companies which make markets, represents a departure from the Companies Act 1985.

d) TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation on office and computer equipment and motor vehicles is provided for on a straight line method at the following rates:

Computer equipment	3 years
Motor vehicles	4 years
Office equipment	5 years

The depreciation method was changed 1 October 1999. Before this date depreciation was provided under a reducing balance method at an annual rate of 25% and the directors, in their opinion, believe that the straight line method is a more appropriate method to use. The change in depreciation method has resulted in an additional charge of £328,859 to the profit and loss amount in the year. Comparative results have not been restated.

e) INVESTMENTS

Fixed asset investments are stated at cost, less provision for any permanent diminution in value.

Current asset trading investments that are considered to be liquid represent the aggregate of net long positions in individual securities and are valued at the market's bid prices at the balance sheet date. Short trading positions that are considered to be liquid represent the aggregate of net short positions in individual securities and are valued at the market's offer prices at the balance sheet date. Positions in trading investments which are considered to be illiquid are included at cost less provision for any permanent diminution in value.

In the Group's financial statements, investments in associated undertakings are accounted for using the equity method. The consolidated profit and loss account includes the Group's share of this associated undertaking's profits less losses and the Group's share of the net assets, excluding goodwill which is written off against reserves, of the associated undertaking is shown in the consolidated balance sheet.

f) CLIENTS' DEPOSITS

All money held on behalf of clients has been excluded from the balances of cash at bank and in hand and amounts due to clients, brokers and recognised stock exchanges.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

1

ACCOUNTING POLICIES (CONTINUED)

g) 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 22 who have served the Group for at least 3 months.

Further information on pension costs is provided in note 25d).

h) OPERATING LEASES

The Group has entered into operating leases as described in note 25c).

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term even if the payments are not made on such a basis.

i) FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Exchange differences are taken to the profit and loss account directly.

j) TAXATION

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is only provided where, in the opinion of the directors, there is reasonable evidence that such taxation will become payable in the foreseeable future.

k) EMPLOYEE SHARE OWNERSHIP PLAN

The Group has an Employee Share Ownership Plan ("ESOP"). The ESOP 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. Costs of establishing and administering the ESOP are taken to the profit and loss account and disclosed under staff costs (see Note 6). Assets and liabilities held by the ESOP are recognised in the balance sheet of the Company.

2

SEGMENTAL INFORMATION

The analysis by class of the Group's turnover, profit on ordinary activities before taxation and net assets, is set out below:

	2000 £	1999 £
TURNOVER:		
Financial services	11,750,366	7,455,898
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:		
Exceptional gain on sale of discontinued operations	1,958,431	-
Financial services	3,856,097	995,840
Share of associated undertaking's operating profit	107,500	49,877
Investment income	41,362	166,665
	5,963,390	1,212,382
NET ASSETS:		
Financial services	12,366,473	8,865,583
Share of associated undertaking's net assets	129,010	52,280
	12,495,483	8,917,863

The Group's business arises mainly from the United Kingdom and amounts arising outside the United Kingdom are not significant to the Group's business.

3

SHARE OF ASSOCIATED UNDERTAKING'S OPERATING PROFIT

The Group's share of profit of the associated undertaking was as follows:

	2000 £	1999 £
Unlisted associated undertaking	107,500	49,877

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OPERATING PROFIT

Operating profit is stated after charging:

	2000 £	1999 £
Depreciation	470,354	217,808
Operating lease costs	125,350	134,353
Staff costs (see note 6)	5,175,834	3,763,139
Auditors' remuneration - audit related	28,000	28,000
- non-audit related	22,520	13,348

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EXCEPTIONAL ITEM – PROFIT ON SALE OF DISCONTINUED OPERATIONS

On 27 March 2000 the Company exchanged contracts with Savoy Asset Management Plc ("Savoy") for the sale of its investment management subsidiary, Raphael Asset Management Limited ("RAM"), together with the transfer of certain parts of its private client stockbroking function from its principal operating subsidiary. The principal operating subsidiary is winding down its remaining private client stockbroking business which will be substantially complete by the end of December 2000. The profit on sale of the discontinued operations is as follows:

	£
Consideration, received on completion on 28 April 2000	2,276,500
Consideration, received 24 November 2000	151,218
Net assets of RAM	(245,000)
Associated costs	(224,287)
	1,958,431

The effect on the taxation charge of the exceptional item is disclosed in Note 10.

In disposing of the business to Savoy, the Group severed its links with the "Raphael" and "Zorn" names and rebranded under the name of "Numis". The Company and several of its subsidiary companies changed their names, as set out in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

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STAFF COSTS

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

	2000 £	1999 £
EMPLOYEE COSTS DURING THE YEAR AMOUNTED TO:		
Wages and salaries	4,329,541	3,200,214
Social security costs	548,613	326,207
Compensation for loss of office	73,400	47,917
Other pension costs (see note 25d))	192,992	186,420
ESOP costs	31,288	2,381
	5,175,834	3,763,139

The average number of staff employed during the year was:

	NUMBER 2000	NUMBER 1999
Professional	30	35
Administration	24	32
	54	67

At the end of the year there were no non-salaried registered representatives (1999:8).

DIRECTORS' REMUNERATION

AGGREGATE REMUNERATION

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

	2000 £	1999 £
Emoluments	964,964	689,596
Money purchase contributions	52,870	49,226
	1,017,834	738,822

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6

STAFF COSTS (CONTINUED) DIRECTORS' EMOLUMENTS

	BASIC SALARY £	TAXABLE BENEFITS £	PERFORMANCE RELATED BONUS £	PENSION CONTRIBUTIONS £	2000 TOTAL £	1999 TOTAL £
EXECUTIVE						
DJA Craig	50,000	-	-	-	50,000	-
OA Hemsley	150,000	12,806	230,000	18,120	410,926	279,230
CA Crick	100,000	11,162	135,000	15,000	261,162	172,021
TJ Leader	71,667	9,486	4,000	8,500	93,653	127,593
DBJ Sweetland	75,000	10,843	60,000	11,250	157,093	114,978
Non-executive						
P Gaunt	30,000	-	-	-	30,000	30,000
MJ Sinclair	15,000	-	-	-	15,000	15,000
Aggregate emoluments	491,667	44,297	429,000	52,870	1,017,834	738,822

Performance related bonuses includes profit related pay under an Inland Revenue approved scheme and a discretionary bonus determined by the Remuneration Committee.

The emoluments, excluding pension contributions, of the directors included:

	2000 £	1999 £
HIGHEST PAID DIRECTOR		
Emoluments	392,806	262,504

DIRECTORS' PENSION ENTITLEMENTS

All directors are members of money purchase schemes. Contributions paid to those money purchase schemes by the Company in respect of these directors are shown above.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6

STAFF COSTS (CONTINUED) DIRECTORS' SHARE OPTIONS

Details of options to acquire ordinary shares in the Company granted to or held by the directors are as follows:

GRANT DATE	NUMBER OF OPTIONS	EXERCISE PRICE	EARLIEST EXERCISE DATE	LATEST EXERCISE DATE
DJA Craig				
28 March 2000	112,500	292.5p	28 MARCH 2003	28 MARCH 2010
OA Hemsley				
7 July 1997	200,000	105.0p	7 JULY 2000	7 JULY 2004
18 October 1999	50,000	107.5p	18 OCTOBER 2002	18 OCTOBER 2006
28 March 2000	225,000	292.5p	28 MARCH 2003	28 MARCH 2010
CA Crick				
7 July 1997	100,000	105.0p	7 JULY 2000	7 JULY 2004
18 October 1999	40,000	107.5p	18 OCTOBER 2002	18 OCTOBER 2006
28 March 2000	60,000	292.5p	28 MARCH 2003	28 MARCH 2010
TJ Leader				
7 July 1997	50,000	105.0p	7 JULY 2000	7 JULY 2004
DBJ Sweetland				
7 July 1997	25,000	105.0p	7 JULY 2000	7 JULY 2004
18 October 1999	40,000	107.5p	18 OCTOBER 2002	18 OCTOBER 2006
28 March 2000	40,000	292.5p	28 MARCH 2003	28 MARCH 2010
9 May 2000	30,000	252.5p	9 MAY 2003	9 MAY 2010
P Gaunt				
28 March 2000	50,000	292.5p	28 MARCH 2003	28 MARCH 2010
MJ Sinclair				
7 July 1997	25,000	105.0p	7 JULY 2000	7 JULY 2004
28 March 2000	112,500	292.5p	28 MARCH 2003	28 MARCH 2010

One half of the options granted to DJA Craig, OA Hemsley, P Gaunt and MJ Sinclair on 28 March 2000 are exercisable at 292.5p provided that the mid-market price of the Company's shares are in excess of 500p for any consecutive 60 day period from the date of grant of the options to 3 years after that date (and on the date of exercise) and that the Company's share price during that three year period and up to the day that the options are exercised, has outperformed the FT All Share Index.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6

STAFF COSTS (CONTINUED) DIRECTORS' SHARE OPTIONS (CONTINUED)

One half of the options granted to DJA Craig, OA Hemsley, P Gaunt and MJ Sinclair on 28 March 2000 are exercisable at 292.5p provided that the mid-market price of the Company's shares are in excess of 700p for any consecutive 60 day period from the date of grant of the options to 3 years after that date (and on the date of exercise) and that the Company's share price during that three year period and up to the day that the options are exercised, has outperformed the FT All Share Index.

The market price of the ordinary shares at 30 September 2000 was 214.0p and the range during the year was 97.5p to 311.0p.

7

INTEREST INCOME

	2000 £	1999 £
Interest receivable and similar income	303,156	205,058

8

INVESTMENT INCOME

	2000 £	1999 £
UK listed investments	41,362	166,665

9

INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On overdrafts repayable within five years not by instalments	9,504	6,736

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	2000 £	1999 £
Corporation tax at 31 % (1999:31%)	1,791,635	377,878
Corporation tax underprovided in the previous year	17,985	7,246
Share of tax of associated undertaking	30,770	10,474
	1,840,390	395,598

The tax effect in the profit and loss account relating to the exceptional item is a charge of £526,000.

DIVIDENDS PAID AND PROPOSED

	2000 £	1999 £
Dividends proposed of 4.0p (1999: 3.0p) per ordinary share	599,680	447,780

TANGIBLE FIXED ASSETS

The movement during the year was as follows:

	OFFICE AND COMPUTER EQUIPMENT £	MOTOR VEHICLES £	TOTAL £
COST			
At 30 September 1999	1,285,640	103,098	1,388,738
Additions	32,522	29,000	61,522
Disposals	(45,170)	(23,415)	(68,585)
At 30 September 2000	1,272,992	108,683	1,381,675
DEPRECIATION			
At 30 September 1999	723,318	57,933	781,251
Charge for year	435,884	34,470	470,354
Disposals	(20,936)	(13,537)	(34,473)
At 30 September 2000	1,138,266	78,866	1,217,132
NET BOOKVALUE			
At 30 September 1999	562,322	45,165	607,487
At 30 September 2000	134,726	29,817	164,543

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13

FIXED ASSET INVESTMENTS

a) Group and Holding Company

	2000 £	1999 £
OWN SHARES		
At 30 September 1999	62,400	59,755
Additions	185,926	8,106
Disposals	(31,914)	-
Reduction of holding to cost	-	(5,461)
At 30 September 2000	216,412	62,400

The number and market value of the ordinary shares held by the ESOP at 30 September 2000 was 217,000 (1999 : 64,000) and £464,380 (1999: £62,400).

b) Group

	2000 £	1999 £
OTHER UK UNLISTED INVESTMENTS		
At 30 September 1999	-	-
Additions	325,048	-
At 30 September 2000	325,048	-

c) Group and Holding Company

	2000 £	1999 £
OTHER UK UNLISTED INVESTMENTS		
At 30 September 1999	50,000	-
Additions	-	50,000
At 30 September 2000	50,000	50,000

d) Group

	2000 £	1999 £
NON UK UNLISTED INVESTMENTS		
At 30 September 1999	762	-
Additions	-	762
At 30 September 2000	762	762

e) Group

The Group holds 100,000 shares in London Stock Exchange plc, at nil cost. The market value of these shares at 30 September 2000 was £2,930,000.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

14 INVESTMENT IN ASSOCIATED UNDERTAKING

	2000 £	1999 £
GROUP		
At 30 September 1999	52,280	12,877
Share of associated undertaking's profit on ordinary activities after tax	76,730	39,403
At 30 September 2000	129,010	52,280
HOLDING COMPANY		
At 30 September 1999	215,010	215,010
Additions	-	-
At 30 September 2000	215,010	215,010

The investment in associated undertaking, Abbey Legal Holdings Limited, represents a 25% shareholding in the company that provides legal expenses and tax protection insurance products. Audited accounts of the company were drawn up to 31 March 2000.

15 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

a) Investment in subsidiary undertakings

The fixed asset investment in subsidiary undertakings represents the cost of the investments in Numis Securities Limited, Numis Leasing Limited, Numis Corporate Finance Limited, Insurance Analysis Limited, Zorn Nominees Limited, PrimeSearch Limited, Numis Nominees Limited, Star Nominees Limited and Ferder Limited.

	2000 £	1999 £
At 30 September 1999	3,148,375	2,848,375
Additions	200,004	300,000
Disposals	(900,000)	-
At 30 September 2000	2,448,379	3,148,375

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

15

INVESTMENT IN SUBSIDIARY UNDERTAKINGS (CONTINUED)

b) Subsidiary undertakings

The Company beneficially owns the whole of the issued share capital of the following companies, all of which are registered in England and Wales:

	PRINCIPAL ACTIVITY	EFFECTIVE PROPORTION OF SHARES HELD BY	
		GROUP	COMPANY
DIRECTLY HELD:			
Numis Securities Limited	FINANCIAL SERVICES	100	100
PrimeSearch Limited	RECRUITMENT	100	100
Numis Leasing Limited	LEASING	100	100
Numis Corporate Finance Limited	NON-TRADING	100	100
InsuranceAnalysis Limited	NON-TRADING	100	100
Ferder Limited	NON-TRADING	100	100
Star Nominees Limited	NON-TRADING	100	100
INDIRECTLY HELD:			
Zorn Nominees Limited	NON-TRADING	100	100
Numis Nominees Limited	NON-TRADING	100	100

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DEBTORS

The following items are included as debtors:

	2000 £	1999 £
GROUP		
Loans to clients	499,332	1,342,150
Due from clients, brokers and recognised stock exchanges	14,804,981	6,585,885
VAT	-	6,397
Other debtors	200,158	68,664
Corporation tax recoverable	-	3,061
Prepayments and accrued income		
- ACT recoverable	-	111,495
- Other	1,214,745	647,506
	16,719,216	8,765,158
HOLDING COMPANY		
Dividend due from subsidiary undertaking	600,000	440,000
Amounts due from subsidiary undertakings	6,299,434	3,947,508
Other debtors	151,218	-
Corporation tax recoverable	-	-
Prepayments and accrued income		
ACT recoverable	-	111,495
Other	6,894	4,812
	7,057,546	4,503,815

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

17

INVESTMENTS

	2000 £	1999 £
QUOTED UK INVESTMENTS		
- trading	2,294,488	3,477,403
QUOTED NON UK INVESTMENTS		
- non-trading	5,000,000	-
	7,294,488	3,477,403
Their aggregate market value was:		
- trading	2,294,488	3,477,403
- non-trading	5,013,626	-
	7,308,114	3,477,403
The tax liability if they were sold at this value would be	4,088	-

The quoted UK investments include £596,876 of listed UK investments (1999:£116,732)

The Group has invested £5,000,000 in a Royal Bank of Scotland International Money Market Fund.

18

CASH AT BANK AND IN HAND

	2000 £	1999 £
Cash at bank and in hand	4,024,693	5,238,020

The cash at bank and in hand at 30 September 2000 includes £4,114 (1999:£82,791) that is held in a designated bank account in trust for the Group's ESOP.

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 2000 held on deposit for clients was £22,028,035 (1999:£20,236,729).

19

CREDITORS

Amounts falling due within one year:

The following amounts are included in creditors:

	2000 £	1999 £
GROUP		
Amounts due to clients, brokers and recognised stock exchanges	12,287,610	7,226,988
Other creditors		
- UK corporation tax payable	1,181,676	269,878
- VAT	13,717	120,028
- Social security and PAYE	79,449	97,573
- Sundry creditors	47,095	25,658
Accruals	2,219,462	1,147,742
Dividend proposed	599,680	447,780
	16,428,689	9,335,647

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

CREDITORS (CONTINUED)

	2000 £	1999 £
HOLDING COMPANY		
Dividend proposed	599,680	447,780
Other creditors		
- UK corporation tax payable	297,000	3,440
- Other	47,752	-
Amounts due to subsidiary undertakings	1,068,844	657,964
	2,013,276	1,109,184

SHARE CAPITAL

	2000 £	1999 £
AUTHORISED		
20,000,000 (1999: 20,000,000) 25p ordinary shares	5,000,000	5,000,000
25,000 (1999: 25,000) 50% cumulative 10p preference shares	2,500	2,500
	5,002,500	5,002,500
ISSUED AND FULLY PAID		
Ordinary shares		
At 30 September 1999	3,731,500	3,716,500
Issued in the year	16,500	15,000
At 30 September 2000	3,748,000	3,731,500

During the year 66,000 ordinary shares were issued for a total consideration of £54,300 of which £37,800 has been included as share premium (see note 22 below).

At 30 September 2000 the following options granted to directors and employees to acquire ordinary shares in the Company were outstanding, as follows:

GRANT DATE	NUMBER OF OPTIONS OUTSTANDING	EXERCISE PRICE	EARLIEST EXERCISE DATE	LATEST EXERCISE DATE
7 July 1997	744,000	105.0p	7 JULY 2000	7 JULY 2004
28 May 1998	99,999	107.5p	28 MAY 2001	28 MAY 2005
18 October 1999	481,000	107.5p	18 OCTOBER 2002	18 OCTOBER 2006
28 March 2000	1,005,000	292.5p	28 MARCH 2003	28 MARCH 2010
9 May 2000	357,001	252.5p	9 MAY 2003	9 MAY 2010

The 1,005,000 options granted on 28 March 2000 include 500,000 options that were granted to directors that are subject to performance criteria, as set out in Note 6.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21 RECONCILIATION OF THE MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	4,123,000	816,784
Dividends proposed	(599,680)	(447,780)
New shares issued	54,300	18,000
Net addition to shareholders' funds	3,577,620	387,004
Opening shareholders' funds	8,917,863	8,530,859
Closing shareholders' funds	12,495,483	8,917,863

22 RESERVES

	SHARE PREMIUM ACCOUNT £	PROFIT AND LOSS ACCOUNT £
GROUP		
At 30 September 1999	3,013,625	2,172,738
Retained profit for the year	-	3,523,320
Premium on shares issued	37,800	-
At 30 September 2000	3,051,425	5,696,058
COMPANY		
At 30 September 1999	3,013,625	227,613
Retained profit for the year	-	967,361
Premium on shares issued	37,800	-
At 30 September 2000	3,051,425	1,194,974

The cumulative amount of goodwill written off against the Group's reserves, net of goodwill relating to undertakings acquired, is £1,291,984 (1999: £1,291,984).

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

23

EARNINGS PER SHARE

Earnings per share. Basic earnings per share is based on profit on ordinary activities after taxation of £4,123,000 (1999: £816,784) that has been adjusted to £4,116,490 (1999: £814,864) to remove dividends from shares held in the ESOP. Diluted earnings per share assumes that options outstanding at the end of the financial year were exercised at the beginning of the financial year, where the exercise price per share is less than the fair value of the share in the period.

Earnings per share, excluding the exceptional item. Basic earnings per share is based on profit on ordinary activities after taxation of £2,690,569 (1999: £816,784) that has been adjusted to £2,684,059 (1999: £814,864) to remove the exceptional item and dividends from shares held in the ESOP. Diluted earnings per share assumes that options outstanding at the end of the financial year were exercised at the beginning of the financial year, where the exercise price is less than the fair value of the price of the share in the period.

	2000 NUMBER	1999 NUMBER
Weighted average number of ordinary shares in issue during the year - basic	14,733,083	14,808,167
Effect of options over ordinary shares	587,949	74,652
Diluted number of ordinary shares	15,321,032	14,882,819

24

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	3,669,945	847,395
Share of associated undertaking's operating profit	(107,500)	(49,877)
Loss on sale of tangible fixed assets	16,690	14,186
Depreciation charges	470,354	217,808
Decrease/(increase) in debtors (excluding taxation receivable)	(8,068,614)	1,363,508
Net decrease in trading investments	1,182,915	1,985,769
(Decrease)/increase in creditors (excluding taxation payable and dividends payable)	5,970,545	(467,653)
Net cash inflow from operating activities	3,134,335	3,911,136

No split is provided between continuing and discontinued operations as it is not reasonably practical to do so.

£

SALE OF BUSINESS	
Net assets disposed of	
Debtors	213,827
Profit on disposal	1,958,431
	2,172,258
Satisfied by	
Cash	2,021,040
Deferred consideration	151,218
	2,172,258

The business sold during the year contributed £61,825 to the Group's net operating cashflows.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Capital commitments

	2000 £	1999 £
Contracted for but not provided for	-	-

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. The contingent liability arising therefrom cannot be quantified, although the directors do not believe that any material liability will arise under these indemnities.

The Company has given a guarantee to the Company's bankers, National Westminster Bank plc, for the debts of Numis Securities Limited, up to £10 million. As at 30 September 2000 that company did not have any indebtedness to the National Westminster Bank plc.

c) Operating leases

At 30 September 2000 the Group had annual commitments under operating leases as set out below:

	2000 £	PROPERTY 1999 £
Within one year	-	2,090
In two to five years	-	-
After five years	179,074	179,074
	179,074	181,164

d) Pension arrangements

The pension cost charge for the year was £192,992 (1999: £186,420). Outstanding contributions were £ Nil (1999: £Nil) at 30 September 2000.

The Group operated a defined contribution scheme (with a defined benefit guarantee for pensionable services prior to 1 April 1993) up to 5 April 1997. After seeking professional independent advice, the directors decided to effect a winding up of the defined contribution scheme and to secure members' benefits outside the scheme by means of individual policies or transfer to the Group Personal Pension Plan or some other suitable pension arrangements chosen by the member. The defined contribution scheme cost was assessed in accordance with the advice of a professionally qualified actuary. At the date of the last actuarial valuation, the value of the funds was £983,371. The winding up of the defined contribution scheme will take a number of months and the final costs associated with that winding up cannot be estimated with certainty at this time. The directors are of the opinion that adequate provision has been made, based on the current available information.

A Group Personal Pension Plan has been in operation from 6 April 1997 for all full-time employees of the Group over the age of 22 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

26 RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Group provided financial advice and securities dealing facilities to persons connected with the Group, on an "arms' length" basis.

27 FINANCIAL INSTRUMENTS

The Group's financial instruments comprise loans to clients, trading investments, cash balances and various items such as trade debtors and trade creditors that arise from the normal course of business.

Loans to clients are covered by collateral from clients and are advanced within the Group's internal policies.

Trading investments are current asset and short positions held as a result of proprietary trading in listed and AIM UK investments. These UK investments are equity securities and equity warrants. Trading investments are held at fair value, in accordance with the accounting policy provided in Note 1 e). The Group manages market risk through individual stock limits and overall trading book limits, as determined and monitored by the Risk Committee.

Sterling cash balances are invested in the Group's approved banks and a money market fund, subject to the Group's concentration risk parameters. The Group does not hold material foreign currency balances.

There is no disclosure of short term debtors and short term creditors, as required by FRS13 (entitled derivatives and financial instruments: disclosures).

Undrawn committed borrowing facilities

	2000 £	1999 £
Expiring within one year	250,000	250,000

28 NAME CHANGE

On 28 April 2000 the Company and several of its subsidiary companies changed their names, as follows:

Before and on 28 April 2000	After 28 April 2000
Raphael Zorn Hemsley Holding PLC	Numis Corporation Plc
Raphael Zorn Hemsley Limited	Numis Securities Limited
Raphael Zorn Hemsley Leasing Limited	Numis Leasing Limited
Raphael Corporate Finance Limited	Numis Corporate Finance Limited
Hemco Nominees Limited	Numis Nominees Limited

ADDITIONAL INFORMATION

FINANCIAL CALENDAR

December	Year end results announced
December	Annual report issued
January	Dividend paid
April	Interim results announced
May	Interim statement issued

COMPANY REGISTRATION NUMBER

2375296

NOMINATED BROKER

Numis Securities Ltd
Cheapside House
138 Cheapside
London
EC2V 6LH

NOMINATED ADVISER

Noble & Company Limited
1 Frederick's Place
London
EC2R 8AB

REGISTRAR

Computershare Services plc
P O Box 82
The Pavilions
Bridgwater Road
Bristol
BS99 7NH

AUDITORS

PKF
New Garden House
78 Hatton Garden
London
EC1N 8JA

BANKERS

National Westminster Bank plc
1 Princes Street
London
EC2R 8PH

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at Cheapside House, 138 Cheapside, London, EC2V 6LH on Thursday 18 January 2001, at 11.00am for the following purposes:

1. To receive the directors' report and accounts for the year ended 30 September 2000 and the auditors report thereon.
2. To declare a dividend.
3. To re-elect MJ Sinclair, who is retiring by rotation as a director.
4. To re-elect CA Crick, who is retiring by rotation, as a director.
5. To re-elect DBJ Sweetland, who is retiring by rotation, as director.
6. To reappoint PKF as auditors.
7. To authorise the directors to fix the remuneration of the auditors.
8. To transact any other ordinary business.

By order of the board on 14 December 2000



DBJ Sweetland
Company Secretary
Cheapside House
138 Cheapside
London
EC2V 6LH

A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not also be a member of the Company.

Forms of proxy must be deposited at the Company's registrars, Computershare Services plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 3FA, not less than 48 hours before the time fixed for the meeting.

A summary of the transactions of directors (and their family interests) in the share capital of the Company and copies of their service contracts will be available for inspection at the Company's registered office during normal business hours on each business day from the date of this notice up to the close of the Annual General Meeting and will be available for inspection at the place of the Annual General meeting for at least 15 minutes prior to and during the meeting.



PROXY FORM

I/We
of
being (a) member(s) of the above named company, hereby appoint the Chairman of the meeting

.....
as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Cheapside House, 138 Cheapside, London, EC2V 6LH on Thursday 18 January 2001 at 11.00am. I/We direct that my/our votes be cast on the resolutions set out in the Notice of Annual General Meeting as indicated by a tick in the appropriate spaces and, subject thereto, the proxy shall be entitled to vote or abstain from voting at his discretion on all matters arising at the meeting.

	FOR	AGAINST
1. To receive the directors' report and accounts for the year ended 30 September 2000 and the auditors report thereon		
2. To declare a dividend		
3. To re-elect MJ Sinclair, who is retiring by rotation as a director		
4. To re-elect CA Crick, who is retiring by rotation, as a director		
5. To re-elect DBJ Sweetland, who is retiring by rotation, as a director		
6. To reappoint PKF as auditors		
7. To authorise the directors to fix the remuneration of the auditors		
8. To transact any other ordinary business		

Date: Signature:

NOTES:

1. A member entitled to attend and vote may appoint one or more proxies of his own choice. A proxy need not be a member of the Company. If such an appointment is made, delete the words "the Chairman of the meeting" and insert the name of the person appointed proxy in the space provided.
2. If the form of proxy is executed by a corporation, this form of proxy must be under its common seal or under the hand of an officer or attorney duly authorised in that behalf.
3. In the case of joint holders the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. The most senior joint holder is he or she whose name appears first in the order in which the names stand in the register of the members in respect of the joint holder. The names of all the joint holders should be stated on the form of proxy.
4. If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.
5. To be effective, this form must be signed and, together with the power of attorney or any other written authority (if any) under which it is signed or an office or a notarially certified copy or a copy certified in accordance with the Power of Attorney Act 1971 of such power of authority, must be lodged with the Company Registrar, Computershare Services plc, P O Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7FA not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
6. The lodging of a form of proxy does not prevent a member from attending and voting at the meeting in person if he or she so wishes. In such a case any vote cast by the member will be accepted to the exclusion of those cast by the proxy holder.

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Business Reply Service
Licence No.SWB1002



Computershare Services plc
Numis Corporation Plc
P O Box 1075
The Pavilions
Bridgwater Road
Bristol
BS99 3FA

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1st Fold