



NUMIS
CORPORATION

ANNUAL REPORT 2001

NUMIS CORPORATION PLC
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CONTENTS

Contents and directors	1
Chairman's and Chief Executive's statement	3
Corporate governance statement	4
Directors' report	5
Statement of directors' responsibilities	7
Auditors' report	8
Consolidated profit and loss account	9
Consolidated balance sheet	10
Holding Company balance sheet	11
Consolidated cash flow statement	12
Notes to the financial statements	13
Additional information	30
Notice of Annual General Meeting	31
Proxy form	33

DIRECTORS

DJA Craig	Chairman (Non Executive)
OA Hemsley	Chief Executive
CA Crick	Executive Director
DBJ Sweetland FCA	Finance Director and Company Secretary
P Gaunt	Non Executive Director

CHAIRMAN'S AND CHIEF EXECUTIVE'S STATEMENT

RESULTS

The Group's profit before tax and exceptional items for the year ended 30 September 2001 was £1.0m (compared with £4.0m for the previous period) with basic earnings per share, excluding exceptional items, of 4.8p (2000:18.2p). The Board recommends payment of a dividend of 4.25p per share (2000:4.0p) which will be payable subject to shareholders' approval on 25 January 2002 (being the day after the Annual General Meeting) to all shareholders on the register on 11 January 2002. The dividend increase of 6.25% reflects the Board's confidence in the future of the business.

TRADING OVERVIEW

Although it is disappointing to report a drop in full year profits, they were made against a background of falling equity markets and a difficult year for the Group with the disruption caused by a significant fire at our Cheapside offices. All areas of our business, corporate finance, research led institutional stockbroking and market making have suffered as a result.

BUSINESS DEVELOPMENT

The Group has been successful in attracting a number of well regarded teams and individuals. We are delighted that they have joined and believe that the environment we have created, where high quality executives can participate in the equity of the Group, will be of a major benefit to all shareholders in the future. Our specialist sectors now include media, insurance, financials, retail, food, consumer, support services and life sciences.

Our analytical expertise, both in London and Liverpool, has developed strongly during the course of the year and Numis Securities has consistently been ranked very highly in fund manager surveys. The dramatic rise in our profile

amongst institutional investors should bode well for the future of our business and provides an indication of the level of importance we attach to investing in high quality research for our clients.

We will, in the New Year, focus our attention on the creation of investment funds. These will concentrate on our specialist sectors, leveraging our existing expertise.

OUTLOOK

We have been busy creating an organisational structure for a strong investment banking and stockbroking business. Our professional staff head count has increased from 25 to 45 over the period under review and we expect this to increase further as we take advantage of the uncertainty in the markets to secure high quality individuals and teams who prefer a more dynamic and entrepreneurial culture.

The current year has started well and we have recently acted as adviser and broker for two clients in the insurance sector raising in excess of £180m. Although we remain cautious in current market conditions we are well placed to benefit from an upturn due to our relatively low cost base, our diverse range of specialist sectors and our strong balance sheet.

On 10 December 2001 we moved back into our refurbished offices in Cheapside. We are grateful to all our staff and clients for their forbearance during our enforced absence from Cheapside and we look forward to the future with confidence.



David Craig
Chairman



Oliver Hemsley
Chief Executive

14 December 2001

CORPORATE GOVERNANCE STATEMENT

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 AND CREDIT COMMITTEE

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

REMUNERATION COMMITTEE

The Remuneration Committee, chaired by DJA Craig, 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 FINANCIAL 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 2001.

PRINCIPAL ACTIVITY

The principal activity of the Group is to provide integrated investment banking and capital market 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 regulated by the Financial Services 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 2000	5,696,058
Profit for the year, after taxation	220,930
Dividends paid and proposed	(652,260)
Retained profit at 30 September 2001	5,264,728

DIRECTORS AND THEIR INTERESTS

The Directors serving during the year ended 30 September 2001 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 2001 ORDINARY SHARES	30 SEPTEMBER 2000 ORDINARY SHARES
DJA Craig *	-	-
OA Hemsley	2,792,400	2,792,400
CA Crick	277,100	277,100
DBJ Sweetland	45,000	45,000
P Gaunt *	20,000	20,000
MJ Sinclair * (resigned 2 July 2001)	723,392	723,392
TJ Leader (retired 14 December 2000)	140,000	140,000

* 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, a 45% interest in Great Northern Investment Holdings Limited that holds 40,000 ordinary shares and a 9% interest in the Northbridge Fund that holds 20,000 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 2001 to 14 December 2001.

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
Mr DJ Poutney	1,525,185	9.99
Montrose Securities Limited	1,120,000	7.33
Mr MJC Stone and Mrs L Stone	1,105,700	7.24
Mr MJ Sinclair	723,392	4.74

AUDITORS

The directors will place a resolution before the Annual General Meeting to reappoint PKF as auditors.

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 £250 (2000:£1,460).

By order of the Board



DBJ Sweetland
 Company Secretary
 Cheapside House
 138 Cheapside
 London EC2V 6LH
 14 December 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 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 then 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;
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

The maintenance and integrity of the Numis Corporation Plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF NUMIS CORPORATION PLC

We have audited the financial statements of Numis Corporation Plc for the year ended 30 September 2001 which comprise the Profit and Loss Account, the Balance Sheets, the 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 United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman's and Chief Executive's Statement, Corporate Governance Statement and Directors' 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 United Kingdom 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 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 the group's and the company's affairs as at 30 September 2001 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, UK

14 December 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2001

	NOTES	2001 £ ORDINARY ACTIVITIES	2001 £ EXCEPTIONAL ITEMS	2001 £ TOTAL	2000 £
TURNOVER					
Continuing Operations	2, 5	6,560,086	48,000	6,608,086	9,405,277
Discontinued Operations		-	-	-	2,345,089
		6,560,086	48,000	6,608,086	11,750,366
Discontinued Operations - shared commissions		-	-	-	(612,881)
GROSS PROFIT					
		6,560,086	48,000	6,608,086	11,137,485
Administrative expenses					
Continuing Operations	5	(6,112,422)	(1,553,500)	(7,665,922)	(5,167,406)
Discontinued Operations		-	-	-	(2,407,634)
OPERATING PROFIT/(LOSS)					
Continuing Operations		447,664	(1,505,500)	(1,057,836)	4,237,871
Discontinued Operations		-	-	-	(675,426)
		447,664	(1,505,500)	(1,057,836)	3,562,445
Share of associated undertaking's (loss)/profit	3	(43,474)	-	(43,474)	107,500
Exceptional items					
- profit on disposal of tangible fixed assets	5	-	761,086	761,086	-
- profit on disposal of fixed asset investments	5	-	1,504,560	1,504,560	-
- profit on sale of discontinued operations	5	-	-	-	1,958,431
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND AMOUNTS WRITTEN OFF INVESTMENTS					
		404,190	760,146	1,164,336	5,628,376
Interest receivable and similar income	7	604,119	-	604,119	344,518
Amounts written off investments	5	-	(1,460,614)	(1,460,614)	-
Interest payable and similar charges	8	(1,437)	-	(1,437)	(9,504)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION					
	2	1,006,872	(700,468)	306,404	5,963,390
Tax on profit on ordinary activities	9	(286,168)	200,694	(85,474)	(1,840,390)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION					
		720,704	(499,774)	220,930	4,123,000
Dividends paid and proposed	10	(652,260)	-	(652,260)	(599,680)
RETAINED (LOSS)/PROFIT FOR THE YEAR					
		68,444	(499,774)	(431,330)	3,523,320
Earnings per share					
Basic	22			1.4p	27.9p
Diluted	22			1.3p	26.9p
Earnings per share, excluding exceptional items					
Basic	22			4.8p	18.2p
Diluted	22			4.3p	17.5p

There were no other recognised gains or losses made during the years ended 30 September 2001 and 30 September 2000 other than the profits for those years. A statement of movements on reserves is given in note 21.

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

CONSOLIDATED BALANCE SHEET

AT 30 SEPTEMBER 2001

	NOTES	2001 £	2000 £
FIXED ASSETS			
Tangible fixed assets	11	614,245	164,543
Fixed asset investments	12	773,715	592,222
Investment in associated undertaking	13	241,696	129,010
		1,629,656	885,775
CURRENT ASSETS			
Debtors	15	19,850,956	16,719,216
Investments	16	7,604,284	7,294,488
Cash at bank and in hand	17	97,437	4,024,693
		27,552,677	28,038,397
CREDITORS			
Amounts falling due within one year	18	(16,823,680)	(16,428,689)
		10,728,997	11,609,708
NET CURRENT ASSETS			
		12,358,653	12,495,483
NET ASSETS			
CAPITAL AND RESERVES			
Share capital	19	3,818,000	3,748,000
Share premium account	21	3,275,925	3,051,425
Profit and loss account	21	5,264,728	5,696,058
SHAREHOLDERS' FUNDS			
	20	12,358,653	12,495,483

Signed on behalf of the Board on 14 December 2001



OA Hemsley
Director



DBJ Sweetland
Director

A statement of movements on reserves is given in note 21.

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

HOLDING COMPANY BALANCE SHEET

AT 30 SEPTEMBER 2001

	NOTES	2001 £	2000 £
FIXED ASSETS			
Fixed asset investments	12	272,913	266,412
Investment in associated undertaking	13	371,170	215,010
Investment in subsidiary undertakings	14	2,448,381	2,448,379
		3,092,464	2,929,801
CURRENT ASSETS			
Debtors	15	5,267,517	7,057,546
Cash at bank and in hand		31,194	20,328
		5,298,711	7,077,874
CREDITORS			
Amounts falling due within one year	18	(695,762)	(2,013,276)
NET CURRENT ASSETS		4,602,949	5,064,598
NET ASSETS		7,695,413	7,994,399
CAPITAL AND RESERVES			
Share capital	19	3,818,000	3,748,000
Share premium account	21	3,275,925	3,051,425
Profit and loss account	21	601,488	1,194,974
SHAREHOLDERS' FUNDS		7,695,413	7,994,399

Signed on behalf of the Board on 14 December 2001



OA Hemsley
Director



DBJ Sweetland
Director

A statement of movements on reserves is given in note 21.

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2001

	NOTES	2001 £	2000 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	23	(2,921,205)	3,134,335
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		549,630	303,156
Interest paid		(1,437)	(9,504)
Dividends received		54,489	41,362
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		602,682	335,014
TAXATION			
Corporation tax paid		(1,667,354)	(792,536)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(676,778)	(61,522)
Purchase of fixed asset investments		(587,648)	(510,974)
Purchase of non-trading investments		-	(5,000,000)
Sale of tangible fixed assets		126,867	17,422
Sale of fixed asset investments		1,504,560	37,374
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		367,001	(5,517,700)
CASH INFLOW ARISING FROM THE DISPOSAL OF RAPHAEL ASSET MANAGEMENT LTD.		-	2,021,040
EQUITY DIVIDENDS PAID		(602,880)	(447,780)
FINANCING			
Issue of ordinary shares		294,500	54,300
DECREASE IN CASH IN THE YEAR		(3,927,256)	(1,213,327)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Decrease in cash balances in the year		(3,927,256)	(1,213,327)
Net funds at the beginning of the year		4,024,693	5,238,020
NET FUNDS AT THE END OF THE YEAR		97,437	4,024,693

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 financial statements 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'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. 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 loss for the financial year, determined in accordance with the Companies Act 1985, was £593,486 (2000: profit £967,361).

(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. 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 basis at the following rates:

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

(e) INVESTMENTS

Fixed asset investments are stated at cost, less amounts written off in respect of any impairment 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 Scheme 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.

Further information on pension costs is provided in note 24d.

(h) OPERATING LEASES

The Group has entered into operating leases as described in note 24c.

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 before taxation and net assets, is set out below:

	2001 £	2000 £
TURNOVER:		
Financial services	6,560,086	11,750,366
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:		
Exceptional items	(700,468)	1,958,431
Financial services	446,227	3,552,941
Share of associated undertaking's operating (loss)/profit	(43,474)	107,500
Interest receivable and similar income	604,119	344,518
	306,404	5,963,390
NET ASSETS:		
Financial services	12,116,957	12,366,473
Share of associated undertaking's net assets	241,696	129,010
	12,358,653	12,495,483

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

INTEREST IN UNLISTED ASSOCIATED UNDERTAKING

The analysis of the Group's interest in the associated undertaking's turnover, profit, assets and liabilities is set out below:

	2001 £	2000 £
Turnover	2,007,445	1,232,886
(Loss)/profit for the year	(44,474)	107,500
Fixed assets	259,213	77,605
Current assets	1,674,534	786,898
Creditors: amounts falling due within one year	1,692,051	735,493

4

OPERATING PROFIT

Operating profit is stated after charging:

	2001 £	2000 £
Depreciation	118,204	470,354
Operating lease costs	198,329	125,350
Staff costs (see note 6)	3,651,318	5,175,834
Auditors' remuneration - audit related	31,000	28,000
- non-audit related	19,795	22,520

5

EXCEPTIONAL ITEMS

	2001 £	2000 £
CONTINUING OPERATIONS		
Profit on disposal of fixed assets following the fire at the Company's London office at Cheapside House in May 2001	761,086	-
Profit on disposal of fixed asset investment, being 475,000 London Stock Exchange Plc shares	1,504,560	-
Costs associated with recruiting senior executives of the Group	(1,553,500)	-
Provision against an investment of the Group and a loan made by the Company	(1,460,614)	-
Fire insurance claim for loss of earnings following the fire at the Company's London office at Cheapside House in May 2001 in respect of commission income and market making profits	48,000	-
DISCONTINUED OPERATIONS		
Profit on disposal of Raphael Asset Management Ltd., the Company's former private client stockbroking subsidiary	-	1,958,431
	(700,468)	1,958,431

The Group has yet to finalise its claim with insurers for loss of earnings following the fire at the Group's London office at Cheapside House in May 2001 in respect of corporate finance income.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6

STAFF COSTS

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

	2001 £	2000 £
EMPLOYEE COSTS DURING THE YEAR AMOUNTED TO:		
Wages and salaries	2,941,876	4,329,541
Social security costs	322,586	548,613
Compensation for loss of office	1,620	73,400
Other pension costs (see note 24d)	359,898	192,992
ESOP costs	25,338	31,288
	3,651,318	5,175,834

The average number of staff employed during the year was:

	NUMBER 2001	NUMBER 2000
Professional	35	30
Administration	15	24
	50	54

DIRECTORS' REMUNERATION AGGREGATE REMUNERATION

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

	2001 £	2000 £
Emoluments	538,821	964,964
Money purchase contributions	57,450	52,870
	596,271	1,017,834

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6

STAFF COSTS (CONTINUED) DIRECTORS' EMOLUMENTS (CONTINUED)

	BASIC SALARY £	TAXABLE BENEFITS £	PERFORMANCE RELATED BONUS £	PENSION CONTRIBUTIONS £	2001 TOTAL £	2000 TOTAL £
EXECUTIVE						
OA Hemsley	150,000	13,966	-	22,500	186,466	410,926
CA Crick	125,000	15,488	-	18,750	159,238	261,162
TJ Leader, retired 14/12/00	15,000	4,565	4,000	1,200	24,765	93,653
DBJ Sweetland	100,000	12,052	-	15,000	127,052	157,093
NON EXECUTIVE						
DJA Craig	50,000	-	-	-	50,000	50,000
P Gaunt	30,000	-	-	-	30,000	30,000
MJ Sinclair, resigned 2/7/01	18,750	-	-	-	18,750	15,000
Aggregate emoluments	488,750	46,071	4,000	57,450	596,271	1,017,834

T J Leader was awarded a discretionary bonus of £4,000 on his retirement. In January 2001 he was given his car (approximate value £3,000), on an ex-gratia basis.

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

	2001 £	2000 £
HIGHEST PAID DIRECTOR		
Emoluments	163,966	392,806

DIRECTORS' PENSION ENTITLEMENTS

All directors are members of money purchase schemes. Contributions paid 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
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
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
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

The market price of the ordinary shares at 30 September 2001 was 167.0p and the range during the year was 107.5p to 245.0p.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

7 INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £	2000 £
Interest receivable	549,630	303,156
Income from UK listed investments	54,489	41,362
	604,119	344,518

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
On overdrafts repayable within five years not by instalments	1,437	9,504

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	2001 £	2000 £
Corporation tax at 20% (2000:30%)	38,437	1,791,635
Corporation tax underprovided in the previous year	47,037	17,985
Share of tax of associated undertaking	-	30,770
	85,474	1,840,390

The tax effect in the profit and loss account relating to the exceptional items in Note 5 is a credit of £200,694 (2000 charge:£526,000).

10 DIVIDENDS PROPOSED

	2001 £	2000 £
Dividends proposed of 4.25p (2000:4.0p) per ordinary share	652,260	599,680

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

11

TANGIBLE FIXED ASSETS

The movement during the year was as follows:

	OFFICE AND COMPUTER EQUIPMENT £	MOTOR VEHICLES £	TOTAL £
COST			
At 30 September 2000	1,272,992	108,683	1,381,675
Additions	649,357	27,421	676,778
Disposals	(1,253,900)	(79,683)	(1,333,583)
At 30 September 2001	668,449	56,421	724,870
DEPRECIATION			
At 30 September 2000	1,138,266	78,866	1,217,132
Charge for year	114,216	3,988	118,204
Disposals	(1,152,634)	(72,077)	(1,224,711)
At 30 September 2001	99,848	10,777	110,625
NET BOOK VALUE			
At 30 September 2000	134,726	29,817	164,543
At 30 September 2001	568,601	45,644	614,245

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

12

FIXED ASSET INVESTMENTS

a) GROUP AND HOLDING COMPANY

	2001 £	2000 £
OWN SHARES		
At 30 September 2000	216,412	62,400
Additions	-	185,926
Disposals	-	(31,914)
At 30 September 2001	216,412	216,412

The number and market value of the ordinary shares held by the ESOP at 30 September 2001 was 217,000 (2000 : 217,000) and £362,390 (2000: £464,380).

b) GROUP

	2001 £	2000 £
OTHER UK LISTED INVESTMENTS		
At 30 September 2000	-	-
Additions	300,000	-
At 30 September 2001	300,000	-

The market value of these investments at 30 September 2001 was £305,624.

c) GROUP

	2001 £	2000 £
OTHER UK UNLISTED INVESTMENTS		
At 30 September 2000	325,048	-
Additions	124,989	325,048
Transferred to current assets	(249,997)	-
At 30 September 2001	200,040	325,048

During the year an investment was reclassified from fixed to current assets to reflect the Group's intentions in respect of the asset.

d) GROUP AND HOLDING COMPANY

	2001 £	2000 £
NON UK UNLISTED INVESTMENTS		
At 30 September 2000	50,000	50,000
Additions	6,501	-
At 30 September 2001	56,501	50,000

e) GROUP

	2001 £	2000 £
NON UK UNLISTED INVESTMENTS		
	762	762

f) GROUP

The Group holds 525,000 shares in London Stock Exchange plc, at nil cost. The market value of these shares at 30 September 2001 was £1,774,500.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13

INVESTMENT IN ASSOCIATED UNDERTAKING

	2001 £	2000 £
GROUP		
At 30 September 2000	129,010	52,280
Additions	156,160	-
Share of associated undertaking's (loss) / profit on ordinary activities after tax	(43,474)	76,730
At 30 September 2001	241,696	129,010
HOLDING COMPANY		
At 30 September 2000	215,010	215,010
Additions	156,160	-
At 30 September 2001	371,170	215,010

The investment in associated undertaking, Abbey Legal Holdings Limited, represents a 29.54% (2000:25.00%) shareholding in the company that provides legal expenses and tax protection insurance products. Audited accounts of the company were drawn up to 31 March 2001.

14

INVESTMENT IN SUBSIDIARY UNDERTAKINGS

a) 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 Numis Education Limited.

	2001 £	2000 £
At 30 September 2000	2,448,379	3,148,375
Additions	2	200,004
Disposals	-	(900,000)
At 30 September 2001	2,448,381	2,448,379

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

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
Numis Education 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

DEBTORS

The following items are included as debtors:

	2001 £	2000 £
GROUP		
Loans to clients	-	499,332
Due from clients, brokers and recognised stock exchanges	17,537,768	14,804,981
VAT	79,882	-
Other debtors	777,943	200,158
Corporation tax recoverable	400,402	-
Prepayments and accrued income	1,054,961	1,214,745
	19,850,956	16,719,216
HOLDING COMPANY		
Dividend due from subsidiary undertaking	610,880	600,000
Amounts due from subsidiary undertakings	4,641,402	6,299,434
Other debtors	-	151,218
Prepayments and accrued income	15,235	6,894
	5,267,517	7,057,546

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

16 CURRENT ASSET INVESTMENTS

	2001 £	2000 £
GROUP		
QUOTED UK INVESTMENTS		
- trading	2,315,639	2,294,488
QUOTED NON UK INVESTMENTS		
- non- trading	5,288,645	5,000,000
	7,604,284	7,294,488
Their aggregate market value was:		
- trading	2,315,639	2,294,488
- non-trading	5,288,645	5,013,626
	7,604,284	7,308,114
The additional tax liability if they were sold at this value would be	Nil	4,088

The quoted UK investments include £1,729,351 of listed UK investments (2000:£596,876). The Group has £5,288,645 invested in a Royal Bank of Scotland International Money Market Fund (2000:£5,000,000).

17 CASH AT BANK AND IN HAND

	2001 £	2000 £
GROUP		
Cash at bank and in hand	97,437	4,024,693

The cash at bank and in hand at 30 September 2001 includes £20,272 (2000: £4,114) 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 2001 held on deposit for clients was £285,316 (2000: £22,028,035).

18 CREDITORS

Amounts falling due within one year. The following amounts are included in creditors:

	2001 £	2000 £
GROUP		
Amounts due to clients, brokers and recognised stock exchanges	14,933,763	12,287,610
Other creditors		
- UK corporation tax payable	-	1,181,676
- VAT	79,725	13,717
- Social security and PAYE	183,504	79,449
- Sundry creditors	200,796	47,095
Accruals	776,832	2,219,462
Dividend proposed	649,060	599,680
	16,823,680	16,428,689

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

18

CREDITORS (CONTINUED)

	2001 £	2000 £
HOLDING COMPANY		
Dividend proposed	649,060	599,680
Other creditors		
- UK corporation tax payable	-	297,000
- Other	-	47,752
Amounts due to subsidiary undertakings	46,702	1,068,844
	695,762	2,013,276

19

SHARE CAPITAL

	2001 £	2000 £
AUTHORISED		
20,000,000 (2000:20,000,000) 25p ordinary shares	5,000,000	5,000,000
25,000 (2000:25,000) 50% cumulative 10p preference shares	2,500	2,500
	5,002,500	5,002,500
ISSUED AND FULLY PAID		
25p ordinary shares		
14,992,000 shares at 30 September 2000 (2000:14,926,000)	3,748,000	3,731,500
280,000 shares issued in the year (2000:66,000)	70,000	16,500
15,272,000 shares at 30 September 2001 (2000:14,992,000)	3,818,000	3,748,000

During the year 280,000 ordinary shares were issued for a total consideration of £294,500 of which £224,500 has been included as share premium (see note 21 below).

At 30 September 2001 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	459,000	105.0p	7 JULY 2000	7 JULY 2004
28 MAY 1998	99,999	107.5P	28 MAY 2001	28 MAY 2005
18 OCTOBER 1999	431,000	107.5P	18 OCTOBER 2002	18 OCTOBER 2006
28 MARCH 2000	430,000	292.5P	28 MARCH 2003	28 MARCH 2010
9 MAY 2000	292,001	252.5P	9 MAY 2003	9 MAY 2010
21 DECEMBER 2000	518,000	207.0P	21 DECEMBER 2003	21 DECEMBER 2010
15 MAY 2001	757,350	150.0P	15 MAY 2004	15 MAY 2011
15 AUGUST 2001	161,200	216.5P	15 AUGUST 2004	15 AUGUST 2011
3 SEPTEMBER 2001	44,650	224.0p	3 SEPTEMBER 2004	3 SEPTEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

20 RECONCILIATION OF THE MOVEMENT IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	220,930	4,123,000
Dividends paid and proposed	(652,260)	(599,680)
New shares issued	294,500	54,300
Net (deduction from) / addition to shareholders' funds	(136,830)	3,577,620
Opening shareholders' funds	12,495,483	8,917,863
Closing shareholders' funds	12,358,653	12,495,483

21 RESERVES

	SHARE PREMIUM ACCOUNT £	PROFIT AND LOSS ACCOUNT £
GROUP		
At 30 September 2000	3,051,425	5,696,058
Retained loss for the year	-	(431,330)
Premium on shares issued	224,500	-
At 30 September 2001	3,275,925	5,264,728
HOLDING COMPANY		
At 30 September 2000	3,051,425	1,194,974
Retained loss for the year	-	(593,486)
Premium on shares issued	224,500	-
At 30 September 2001	3,275,925	601,488

The cumulative amount of goodwill written off against the Group's reserves, net of goodwill relating to undertakings acquired, is £1,291,984 (2000: £1,291,984).

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

22

EARNINGS PER SHARE

Earnings per share. Basic earnings per share is based on profit on ordinary activities after taxation of £220,930 (2000:£4,123,000) that has been adjusted to £212,250 (2000:£4,116,490) to remove dividends from shares held in the ESOP. Diluted earnings per share assumes that options outstanding at 30 September 2001 were exercised at 1 October 2000, for options where the exercise price per share was less than the fair value share price during the year.

Earnings per share, excluding the exceptional items. Basic earnings per share is based on profit on ordinary activities after taxation of £720,704 (2000:£2,960,569) that has been adjusted to £712,024 (2000:£2,684,059) to remove dividends from shares held in the ESOP. Diluted earnings per share assumes that options outstanding at 30 September 2001 were exercised at 1 October 2000, for options where the exercise price was less than the fair value share price during the year.

	2001 NUMBER	2000 NUMBER
Weighted average number of ordinary shares in issue during the year - basic	14,932,500	14,733,083
Effect of options over ordinary shares	1,747,349	587,949
Diluted number of ordinary shares	16,679,849	15,321,032

23

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating (loss) / profit	(1,101,310)	3,669,945
Share of associated undertaking's loss / (profit)	43,474	(107,500)
(Profit) / loss on sale of tangible fixed assets	(17,995)	16,690
Depreciation charges	118,204	470,354
Increase in debtors (excluding taxation receivable)	(2,731,538)	(8,068,614)
Net (increase) / decrease in trading investments	(309,796)	1,182,915
Increase in creditors (excluding taxation and dividends payable)	1,527,287	5,970,545
EXCEPTIONAL ITEMS:		
- Current asset investment of the Group and loan made by the company, fully provided for in the year	(1,210,617)	-
- Profit on disposal of fixed assets following the fire at the company's London office at Cheapside House in May 2001	761,086	-
Net cash (outflow) / inflow from operating activities	(2,921,205)	3,134,335

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

24

GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Capital commitments

There were no capital commitments at 30 September 2001 or 30 September 2000.

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 ("Numis"), up to £10 million. As at 30 September 2001 that company did not have any indebtedness to the National Westminster Bank plc.

In 1999 Numis, the Company's principal operating subsidiary, acted as an adviser to a company which made a capacity offer in the Lloyd's market. This transaction is now being examined by Lloyd's as the relevant regulator and it is possible that in due course the conduct of Numis may fall to be criticised. Numis is explaining and robustly defending its actions.

c) Operating leases

At 30 September 2001 the Group had annual commitments under operating leases as set out below:

	2001 £	PROPERTY 2000 £
Within one year	-	-
In two to five years	-	-
After five years	248,283	179,074
	248,283	179,074

d) Pension arrangements

The pension cost charge for the year was £359,898 (2000:£192,992). There were outstanding contributions of £139,594 at 30 September 2001 (2000:nil).

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 £962,564. The winding up of the defined contribution scheme will be substantially complete in the next few 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 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25

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.

26

FINANCIAL INSTRUMENTS

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

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 and Credit 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 Derivatives and Financial Instruments: disclosures.

Undrawn committed borrowing facilities

	2001 £	2000 £
Expiring within one year	250,000	250,000

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 Limited
Cheapside House
138 Cheapside
London
EC2V 6LH

NOMINATED ADVISER

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

REGISTRAR

Computershare Investor 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 24 January 2002, at 11 am for the following purposes:

ORDINARY BUSINESS

1. To receive the directors' report and accounts for the year ended 30 September 2001 and the auditors report thereon.
2. To declare a dividend.
3. To re-elect P Gaunt, who is retiring by rotation, as a director.
4. To re-elect OA Hemsley, who is retiring by rotation, as director.
5. To reappoint PKF as auditors.
6. To authorise the directors to fix the remuneration of the auditors.
7. To transact any other ordinary business.

SPECIAL BUSINESS

8. That in place of all existing authorities the directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to allot relevant securities (within the meaning of Section 80) up to a maximum aggregate nominal value of £5,002,500. This authority to expire at the earlier of the conclusion of the Annual General Meeting to be held in 2006 and five years from the date of passing of this resolution.

By order of the board on 14 December 2001



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 Investor Services plc, PO Box 82, The Pavilions, Bridgewater 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 24 January 2002 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 2001 and the auditors report thereon		
2. To declare a dividend		
3. To re-elect P Gaunt, who is retiring by rotation as a director		
4. To re-elect OA Hemsley, who is retiring by rotation, as a director		
5. To reappoint PKF as auditors		
6. To authorise the directors to fix the remuneration of the auditors		
7. To transact any other ordinary business		
SPECIAL BUSINESS		
8. That in place of all existing authorities the directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to allot relevant securities (within the meaning of Section 80) up to a maximum aggregate nominal value of £5,002,500. This authority to expire at the earlier of the conclusion of the Annual General Meeting to be held in 2006 and five years from the date of passing of this resolution.		

Date: Signature:

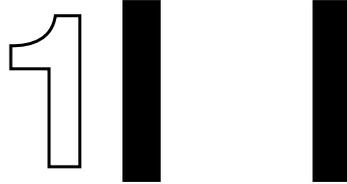
NOTES:

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 Investor 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.
7. Pursuant to Regulation 34 of the Uncertificated Securities Regulation 1995, the Company gives notice that only those shareholders entered on the register of members of the Company at the close of business on 22 January 2002 will be entitled to attend and to vote at the aforesaid meeting in respect of the number of shares registered in their name at that time. Changes in the entries on the register after the close of business on 22 January 2002 will be disregarded in determining the rights of any person to attend or vote at the meeting.



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Business Reply Service
Licence No. SWB1002



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

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3rd Fold and tuck in

