



A leading independent investment banking and stockbroking group offering a full range of research, execution, corporate broking and corporate finance services to companies quoted in the UK and their investors.

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**Numis Smaller Companies Index**

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

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**Thomson Reuters Extel 2013 survey results**

**NUMIS No. 1**

UK Small & Mid Cap Brokerage Firm by company votes

**NUMIS No. 1**

UK Small & Mid Cap Brokerage Firm by fund manager votes

**NUMIS No. 3**

UK Broking Firm in the Pan European survey

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**Starmine FTSE 250 Best Recommendations**

**NUMIS No. 1**

for last six years based on brokers with the most FTSE 250 coverage each year

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**2013 UK Stock Market Awards**

**NUMIS VOTED**

"Best Advisor – Corporate Sponsor"

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**Acquisition International's 2013 Finance Awards**

**NUMIS VOTED**

"Institutional Stockbroking Firm of the Year – UK"

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01 / OVERVIEW

Financial Highlights

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## 01 / OVERVIEW

## Financial Highlights

Revenue

2013 H2: £45.3m

2013 H1: £32.4m

£51.5m

H113  
H114

Statutory basic earnings per share

2013 H2: 9.4p

2013 H1: 7.5p

12.6p

H113  
H114

Adjusted profit before tax\*

2013 H2: £15.8m

2013 H1: £9.2m

\* See reconciliation on page 12

£20.7m

H113  
H114

Net assets

Mar 2013: £100.7m

£115.3m

Mar 13  
Mar 14

Statutory profit before tax

2013 H2: £13.6m

2013 H1: £9.0m

£16.7m

H113  
H114

Cash balances

Mar 2013: £54.8m

£67.9m

Mar 13  
Mar 14

Adjusted basic earnings per share

2013 H2: 11.5p

2013 H1: 7.8p

16.0p

H113  
H114

Interim dividend

2013 Total: 9.00p

2013 H1: 4.00p

5.00p

H113  
H114

## 01 / OVERVIEW

## Financial Highlights – Continued

Corporate client base Sep 2013: 156

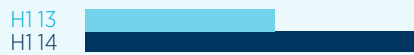
165

Number of FTSE 250 clients Sep 2013: 31

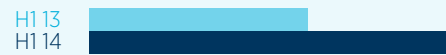
36

Number of equity issuance transactions completed 2013 H2: 25  
2013 H1: 13

23

Number of IPOs completed 2013 H2: 4  
2013 H1: 3

5

Record net institutional income 2013 H2: £18.2 m  
2013 H1: £19.0m

£23.5m

Headcount Sep 2013: 175

184



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**02 / CHIEF EXECUTIVE'S STATEMENT**


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## 02 / CHIEF EXECUTIVE'S STATEMENT

We are determined to build our franchise with the goal of becoming the pre-eminent independent broking and advisory business in the UK. The equity market has been resilient and there is a marked increase in the number of high quality companies seeking to access capital through an IPO in London. This increased activity together with our existing corporate clients gaining in confidence, is feeding through to our results and the wider economy

### Review of Performance

#### Overall Performance

The significant improvement in performance for the six months ended 31 March 2014 highlights the effectiveness of Numis' proven, relationship-driven business model. Against a background of favourable equity markets the business generated revenues of £51.5m (2013: £32.4m) and adjusted profit before tax of £20.7m (2013: £9.2m). In addition, there were £0.2m of losses (2013: £2.9m gains) recognised on investments held outside our market making business and £3.8m of charges (2013: £3.1m) relating to employee share scheme arrangements. This resulted in a statutory profit before tax for the period of £16.7m (2013: £9.0m). A reconciliation of the adjusted profit to the statutory result is set out in note 2. Our balance sheet remains strong with cash balances totalling £67.9m (March 2013: £54.8m) while net assets have increased to £115.3m (March 2013: £100.7m).

Encouraging economic indicators coupled with a strong IPO market has helped to underpin a buoyant and stable performance for UK equities. All the key FTSE indices have experienced gains over the six month period ended 30 March 2014 with the largest of these being for the AIM 50 (10.32%), FTSE 250 (9.16%) and FTSE Small Cap (6.10%). Similarly, the main Numis Smaller Companies Index generated returns of 12.1% over the same period demonstrating the continued strong performance in this sector of the market.

For the market as a whole, the value of secondary trading and equity fundraising on the London Stock Exchange has similarly improved. Secondary trading (by value) in main market stocks is up 4.2% on the same period last year and also up 5.2% on the six month period ended 30 September 2013. Over the same period, equity funds raised on AIM and the Main Market combined increased to £16.5bn during our first half compared to £9.9bn during our first half of 2013 reflecting the continued interest in good quality IPO prospects. Our market share of IPO's has also increased with Numis acting on over one quarter of main market deals coming to the London market during the period.

We have been able to take advantage of the momentum built up during the second half of our 2013 financial year and post a 59% increase in core revenues compared to the same period last year which also equates to a 14% increase on the six month period ended 30 September 2013. This includes a record half year for combined institutional commission & trading revenues which generated a 24% increase compared to the same period last year to end the first half at £23.5m (2013: £19.0m). Income from corporate and issuance transactions for the period was also significantly ahead at £24.2m (2013: £10.0m) benefiting from the completion of 24 transactions including 5 IPOs.

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 02 / CHIEF EXECUTIVE'S STATEMENT
 

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### Corporate Finance

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

Notable deals completed during the period include IPOs for AO World, McColl's Retail Group, Arrow Global Group, TwentyFour Select Monthly Income Fund and Custodian REIT. We also completed a number of sizable secondary raises for our corporate clients including Unite Group, Interserve and IP Group. In total we raised £1.1bn of equity finance during the period (H1 2013: £0.8bn) which equates to 6.6% (H1 2013: 5.8%) of total equity fund raising on the London Stock Exchange.

### Corporate Broking & Investor Relations

We continue to attract high quality corporate clients with 16 new clients added during the period bringing the total number for whom we act to 165 companies (September 2013: 156). This has helped to achieve a 13% increase in retainer fees versus the prior period, delivering an annual run rate of just under £8m.

The breadth and quality of our corporate client list is significant and includes 36 FTSE 250 clients, one FTSE 100 company, 65 FTSE Small Caps and 59 AIM companies. The offering to our corporate clients includes access to worldwide institutional investors, but also to a network of over 1,500 active private client fund managers (PCFM) providing alternative sources of liquidity and investor interaction. With access to over 70 regional PCFM houses throughout the UK our dedicated PCFM team continues to expand its reach and client base which now totals 41 clients (September 2013: 36).

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

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

### Research and Sales

High quality research and sales is at the heart of our business. It creates trust-based relationships with our institutional clients and is at the core of our powerful international distribution capability.

Our sector analysts cover approximately 350 companies across 16 sectors, including around 60 FTSE 100 stocks, over 150 FTSE 250 stocks (more than any other broker), and around 135 stocks either on AIM or outside the FTSE 350. Our Investment Funds research team covers around 400 investment companies and funds, focusing on funds with specialist or differentiated mandates, included quoted equity, private equity, hedge funds, property and other alternative assets. We continue to invest in our Research, adding to our team during the six months, and experience exceptionally strong staff retention.

Our very highly regarded sales team provides distribution to our 450+ active institutional clients across the UK, Europe, the Americas and Australasia. Data from external providers such as Starmine and TIM Ideas continues to demonstrate the very impressive value-add that we provide to our institutional clients, helping them to outperform. Our US office continues to provide an excellent service in marketing UK quoted companies to major US institutional investors and arranging road shows in the US for FTSE 350 companies. We are in the process of adding further depth to this US capability, which we believe is unmatched by our competitors.

External recognition of the quality of our service was reinforced in the 2013 UK Mid and Smallcap Thomson Reuters Extel survey. Within Research, out of 18 sectors covered by the survey, Numis analysts ranked number 1 in eight sectors, with no other broker achieving more than two number 1 analyst votes. Within Sales, Numis was voted the no.2 UK Small & Mid Cap sales team.

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**02 / CHIEF EXECUTIVE'S STATEMENT**

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**Execution**

We provide active execution services in over 600 stocks, of which almost 500 are listed on the main market. Importantly, we had the leading market share in 126 (full year 2013: 121) stocks across these markets, and was a top three service provider in a further 103 stocks (full year 2013: 103). With access to over 22 trading venues and liquidity providers we are able to deliver an exceptionally strong execution capability to our institutional clients who value the flexibility that our execution platform provides.

We remain in the top 5 brokers for FTSE 250 trade (by value traded) based on direct customer business via the London Stock Exchange, and are ranked no.1 in FTSE Small Cap trade on this basis. Our execution services are also highly ranked in external surveys.

**Principal Risks**

There has been no material change in the Group's overall risk profile since 30 September 2013 and the Board do not anticipate that the Group's risk profile will change materially during the remainder of the current financial year.

**Dividend**

The Board has approved the payment of an interim dividend of 5.00p per share (2013: interim 4.00p per share, total 9.00p per share). This dividend will be payable on 27 June 2014 to shareholders on the register of members at the close of business on 16 May 2014. Shareholders will be offered the option to receive shares instead of a cash dividend, the details of which will be explained in a circular to accompany our interim report.

**Current Trading and Outlook**

Our second half has started well with the successful completion of IPOs for Brit, Polypipe Group and Cambian Group. Our deal pipeline remains strong and our market share in secondary institutional flow along with corporate issuance and transaction activity is improving.

In an environment of rising interest rates, equities should outperform bonds which augers well for the firm. Our challenge is to continue demonstrating to owners of unquoted businesses that the stock market remains an excellent place to raise capital and show them the benefits of using an independent broker who is not only unconflicted but also able to provide them with the long term relationship they deserve.

**Oliver Hemsley**

Chief Executive Officer

6 May 2014

## Consolidated Income Statement

Unaudited for the 6 months ended 31 March 2014

	Note	<b>6 months ended 31 March 2014</b> Unaudited £'000	6 months ended 31 March 2013 Unaudited £'000	Year ended 30 September 2013 Audited £'000
Revenue	4	51,525	32,366	77,658
Other operating (loss)/income		(174)	2,897	3,550
<b>Total income</b>		<b>51,351</b>	<b>35,263</b>	<b>81,208</b>
Administrative expenses	5	(34,942)	(26,531)	(59,150)
<b>Operating profit</b>		<b>16,409</b>	<b>8,732</b>	<b>22,058</b>
Finance income	6	311	288	566
Finance costs		(3)	(3)	(5)
<b>Profit before tax</b>		<b>16,717</b>	<b>9,017</b>	<b>22,619</b>
Taxation		(3,115)	(1,050)	(4,555)
<b>Profit after tax</b>		<b>13,602</b>	<b>7,967</b>	<b>18,064</b>
<b>Attributable to:</b>				
Equity holders of Numis Corporation Plc		13,602	7,967	18,064
<b>Earnings per share</b>	7			
Basic		12.6p	7.5p	16.9p
Diluted		11.5p	6.9p	15.6p



## Consolidated Statement of Comprehensive Income

Unaudited for the 6 months ended 31 March 2014

	<b>6 months ended 31 March 2014</b> Unaudited £'000	6 months ended 31 March 2013 Unaudited £'000	Year ended 30 September 2013 Audited £'000
Profit for the period	13,602	7,967	18,064
Exchange differences on translation of foreign operations	(68)	80	(52)
<b>Other comprehensive income for the period, net of tax</b>	<b>(68)</b>	<b>80</b>	<b>(52)</b>
<b>Total comprehensive income for the period, net of tax, attributable to equity holders of Numis Corporation Plc</b>	<b>13,534</b>	<b>8,047</b>	<b>18,012</b>

## 03 / FINANCIAL STATEMENTS

## Consolidated Balance Sheet

Unaudited as at 31 March 2014

	Notes	<b>31 March 2014</b> Unaudited £'000	31 March 2013 Unaudited £'000	30 September 2013 Audited £'000
<b>Non-current assets</b>				
Property, plant and equipment		1,535	1,786	1,652
Intangible assets		113	55	124
Deferred tax	9a	3,076	2,159	2,715
		<b>4,724</b>	<b>4,000</b>	<b>4,491</b>
<b>Current assets</b>				
Trade and other receivables	9b	304,793	240,764	198,391
Trading investments	9c	41,090	29,288	36,203
Stock borrowing collateral	9d	239	834	292
Derivative financial instruments		771	515	779
Cash and cash equivalents		67,881	54,804	71,205
		<b>414,774</b>	<b>326,205</b>	<b>306,870</b>
<b>Current liabilities</b>				
Trade and other payables	9b	(286,638)	(215,486)	(193,125)
Financial liabilities	9e	(14,713)	(12,980)	(8,046)
Current income tax		(2,891)	(1,018)	(3,363)
		<b>(304,242)</b>	<b>(229,484)</b>	<b>(204,534)</b>
<b>Net current assets</b>		<b>110,532</b>	<b>96,721</b>	<b>102,336</b>
<b>Net assets</b>		<b>115,256</b>	<b>100,721</b>	<b>106,827</b>
<b>Equity</b>				
Share capital		5,905	5,808	5,865
Share premium		37,939	34,103	35,830
Other reserves		8,535	10,568	10,119
Retained earnings		62,877	50,242	55,013
<b>Total equity</b>		<b>115,256</b>	<b>100,721</b>	<b>106,827</b>

## 03 / FINANCIAL STATEMENTS

## Consolidated Statement of Changes in Equity

Unaudited for the 6 months ended 31 March 2014

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 October 2012	5,736	32,461	11,653	47,225	97,075
New shares issued	72	1,642	-	-	1,714
Dividends paid				(4,243)	(4,243)
Movement in respect of employee share plans			(1,165)	(981)	(2,146)
Deferred tax related to share based payments				272	272
Total comprehensive income for the period			80	7,967	8,047
Other				2	2
<b>Balance at 31 March 2013</b>	<b>5,808</b>	<b>34,103</b>	<b>10,568</b>	<b>50,242</b>	<b>100,721</b>
Balance at 1 October 2012	5,736	32,461	11,653	47,225	97,075
New shares issued	129	3,369	-	-	3,498
Dividends paid				(8,570)	(8,570)
Movement in respect of employee share plans			(1,482)	520	(962)
Deferred tax related to share based payments				1,043	1,043
Purchase of shares into Treasury				(3,269)	(3,269)
Total comprehensive (expense)/income for the period			(52)	18,064	18,012
<b>Balance at 30 September 2013</b>	<b>5,865</b>	<b>35,830</b>	<b>10,119</b>	<b>55,013</b>	<b>106,827</b>
Balance at 1 October 2013	5,865	35,830	10,119	55,013	106,827
New shares issued	40	2,109	-	-	2,149
Dividends paid				(5,443)	(5,443)
Movement in respect of employee share plans			(1,516)	2,347	831
Deferred tax related to share based payments				568	568
Purchase of shares into Treasury				(3,210)	(3,210)
Total comprehensive income for the period			(68)	13,602	13,534
<b>Balance at 31 March 2014</b>	<b>5,905</b>	<b>37,939</b>	<b>8,535</b>	<b>62,877</b>	<b>115,256</b>

## 03 / FINANCIAL STATEMENTS

## Consolidated Statement of Cash Flows

Unaudited for the 6 months ended 31 March 2014

	Notes	<b>6 months ended 31 March 2014</b> Unaudited £'000	6 months ended 31 March 2013 Unaudited £'000	Year ended 30 September 2013 Audited £'000
Cash from operating activities	10	5,744	20,335	46,338
Interest paid		(3)	(3)	(5)
Taxation paid		(3,380)	(497)	(1,442)
<b>Net cash from operating activities</b>		<b>2,361</b>	<b>19,835</b>	<b>44,891</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment		(81)	(9)	(88)
Purchase of intangible assets		(32)	-	(104)
Interest received		248	168	369
<b>Net cash from investing activities</b>		<b>135</b>	<b>159</b>	<b>177</b>
<b>Financing activities</b>				
Purchase of own shares - Employee Benefit Trust		-	(1,057)	(2,321)
Purchase of own shares - Treasury		(2,482)	-	(2,370)
Dividends paid		(3,294)	-	(5,072)
<b>Net cash used in financing activities</b>		<b>(5,776)</b>	<b>(1,057)</b>	<b>(9,763)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(3,280)</b>	<b>18,937</b>	<b>35,305</b>
Opening cash and cash equivalents		71,205	35,854	35,854
Net movement in cash and cash equivalents		(3,280)	18,937	35,305
Exchange movements		(44)	13	46
<b>Closing cash and cash equivalents</b>		<b>67,881</b>	<b>54,804</b>	<b>71,205</b>

## Notes to the financial statements

### 1. Basis of preparation

The consolidated financial information contained within these financial statements is unaudited and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. These financial statements have been prepared in accordance with AIM Rule 18. The statutory accounts for the year ended 30 September 2013, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, have been delivered to the Registrar of Companies. The report of the independent auditor on those statutory accounts contained no qualification or statement under Section 498(2) or (3) of the Companies Act 2006.

The preparation of these interim financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant judgements and estimates applied by the Group in these interim financial statements have been applied on a consistent basis with the statutory accounts for the year ended 30 September 2013. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those of estimates.

These interim financial statements are prepared on the historical cost basis, except for the revaluation of certain financial instruments.

These interim financial statements are prepared on a going concern basis as the directors have satisfied themselves that, at the time of approving these interim financial statements, the Group has adequate resources to continue in operational existence for at least the next twelve months.

The accounting policies applied in these interim financial statements are the same as those published in the Group's statutory accounts for the year ended 30 September 2013 with the addition of the following new standards:

IFRS 13 'Fair Value Measurement', aims to improve consistency by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. It also introduces new disclosure requirements for transfers between level 1, 2 and 3 assets as well as valuation sensitivities in respect of level 3 assets. The adoption of IFRS 13 by the Group has no material impact on the Group's income statement, statement of comprehensive income, balance sheet or cash flows. Furthermore, as these interim financial statements contain only condensed financial statements, full IFRS 13 disclosures are not required. The relevant IFRS 13 disclosures will be made in the Group's statutory accounts for the year ended 30 September 2014.

## Notes to the financial statements

### 2. Adjusted profit measures

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

	<b>6 months ended 31 March 2014</b> Unaudited £'000	6 months ended 31 March 2013 Unaudited £'000	Year ended 30 September 2013 Audited £'000
Statutory group profit before tax	16,717	9,017	22,619
Items not included within adjusted profit before tax:			
Other operating expense/(income)	155	(2,889)	(3,550)
Share scheme charge	2,486	2,434	4,494
National insurance provisions related to share scheme awards	1,334	630	1,474
<b>Adjusted group profit before tax</b>	<b>20,692</b>	<b>9,192</b>	<b>25,037</b>
Statutory group taxation	(3,115)	(1,050)	(4,555)
Tax impact of adjustments	(375)	113	106
Adjusted group taxation	(3,490)	(937)	(4,449)
<b>Adjusted group profit after tax</b>	<b>17,202</b>	<b>8,255</b>	<b>20,588</b>

	<b>31 March 2014</b>	31 March 2013	30 September 2013
Basic weighted average number of shares, number	107,600,602	106,200,389	106,924,245
Adjusted earnings per share, pence	16.0p	7.8p	19.3p

## 03 / FINANCIAL STATEMENTS

**3. Segmental reporting****Geographical information**

The Group is managed as an integrated investment banking business and although there are different revenue types (which are separately disclosed in note 4) the nature of the Group's activities is considered to be subject to the same and/or similar economic characteristics. Consequently the Group is managed as a single business unit, namely investment banking.

The Group earns its revenue in the following geographical locations:

	<b>6 months ended 31 March 2014</b> Unaudited £'000	6 months ended 31 March 2013 Unaudited £'000	Year ended 30 September 2013 Audited £'000
United Kingdom	47,482	29,042	70,252
United States	4,043	3,324	7,406
	<b>51,525</b>	<b>32,366</b>	<b>77,658</b>

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

	<b>6 months ended 31 March 2014</b> Unaudited £'000	6 months ended 31 March 2013 Unaudited £'000	Year ended 30 September 2013 Audited £'000
United Kingdom	1,472	1,580	1,567
United States	176	261	209
	<b>1,648</b>	<b>1,841</b>	<b>1,776</b>

## Notes to the financial statements

### 3. Segmental reporting (continued)

#### Other information

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

	<b>6 months ended 31 March 2014</b> Unaudited £'000	6 months ended 31 March 2013 Unaudited £'000	Year ended 30 September 2013 Audited £'000
Net institutional income	23,538	19,008	37,218
Total corporate transaction revenues	24,193	9,993	33,507
Corporate retainers	3,794	3,365	6,933
<b>Revenue from investment banking &amp; broking (see note 4)</b>	<b>51,525</b>	<b>32,366</b>	<b>77,658</b>
Investment activity net (losses)/gains	(174)	2,897	3,550
<b>Contribution from investing activities</b>	<b>(174)</b>	<b>2,897</b>	<b>3,550</b>
<b>Total</b>	<b>51,351</b>	<b>35,263</b>	<b>81,208</b>
<b>Net assets</b>			
Investment banking & broking	37,069	38,523	25,077
Investing activities	10,306	7,394	10,545
Cash and cash equivalents	67,881	54,804	71,205
<b>Total net assets</b>	<b>115,256</b>	<b>100,721</b>	<b>106,827</b>

### 4. Revenue

	<b>6 months ended 31 March 2014</b> Unaudited £'000	6 months ended 31 March 2013 Unaudited £'000	Year ended 30 September 2013 Audited £'000
Net trading gains	6,316	4,690	8,459
Institutional commissions	17,222	14,318	28,759
Net institutional income	23,538	19,008	37,218
Corporate retainers	3,794	3,365	6,933
Deal fees	5,345	1,355	6,015
Placing commissions	18,848	8,638	27,492
	<b>51,525</b>	<b>32,366</b>	<b>77,658</b>



## 03 / FINANCIAL STATEMENTS

**5. Administrative expenses**

	<b>6 months ended 31 March 2014</b> Unaudited £'000	6 months ended 31 March 2013 Unaudited £'000	Year ended 30 September 2013 Audited £'000
Staff costs	25,523	17,729	41,172
Non-staff costs	9,419	8,802	17,978
	<b>34,942</b>	<b>26,531</b>	<b>59,150</b>

The major constituents of non-staff costs comprise our technology platform, premises costs and expenses incurred through brokerage, clearing and exchange fees. Certain elements within non-staff costs increase with higher levels of activity across the Group which is reflected in the 2.6% increase compared to H2 2013.

Staff costs include share scheme related charges and incentive payment accruals.

**6. Finance income**

	<b>6 months ended 31 March 2014</b> Unaudited £'000	6 months ended 31 March 2013 Unaudited £'000	Year ended 30 September 2013 Audited £'000
Net foreign exchange gains	30	120	52
Interest income	281	168	514
	<b>311</b>	<b>288</b>	<b>566</b>

**7. Earnings per share**

Basic earnings per share is calculated on profits after tax of £13,602,000 (2013: £7,967,000) and 107,600,602 (2013: 106,200,389) ordinary shares being the weighted average number of ordinary shares in issue during the period. Diluted earnings per share takes account of contingently issuable shares arising from share scheme award arrangements where their impact would be dilutive. In accordance with IAS 33, potential ordinary shares are only considered dilutive when their conversion would decrease the profit per share or increase the loss per share from continuing operations attributable to the equity holders. Therefore shares that may be considered dilutive while positive earnings are being reported may not be dilutive while losses are incurred.

## Notes to the financial statements

### 7. Earnings per share (continued)

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

	<b>6 months ended 31 March 2014</b> Unaudited Number Thousands	6 months ended 31 March 2013 Unaudited Number Thousands	Year ended 30 September 2013 Audited Number Thousands
Weighted average number of ordinary shares in issue during the period – basic	107,601	106,200	106,924
Dilutive effect of share awards	11,049	9,078	8,718
<b>Diluted number of ordinary shares</b>	<b>118,650</b>	<b>115,278</b>	<b>115,642</b>

During the period the Company issued and allotted nil (2013: nil) new ordinary shares in order to fund awards made under the Group's share scheme arrangements.

### 8. Dividends

	<b>6 months ended 31 March 2014</b> Unaudited £'000	6 months ended 31 March 2013 Unaudited £'000	Year ended 30 September 2013 Audited £'000
Final dividend year ended 30 September 2012 (4.00p)		4,243	4,243
Interim dividend year ended 30 September 2013 (4.00p)			4,327
Final dividend year ended 30 September 2013 (5.00p)	5,443		
<b>Distribution to equity holders of Numis Corporation Plc</b>	<b>5,443</b>	<b>4,243</b>	<b>8,570</b>

The board approved the payment of an interim dividend of 5.00p per share (2013: 4.00p per share) on 6 May 2014 for payment on 27 June 2014. The dividend is payable to all shareholders on the register on 16 May 2014. These financial statements do not reflect this dividend payable.

### 9. Balance sheet items

#### (a) *Deferred tax*

As at 31 March 2014 deferred tax assets totalling £3,076,000 (30 September 2013: £2,715,000) have been recognised reflecting managements' confidence that there will be sufficient levels of future taxable gains against which these deferred tax asset can be utilised. The deferred tax asset principally comprises amounts in respect of share based payments.

#### (b) *Trade and other receivables and Trade and other payables*

Trade and other receivables and Trade and other payables principally comprise amounts due from and due to clients, brokers and other counterparties. Such amounts represent unsettled sold and unsettled purchased securities transactions and are stated gross. The magnitude of these balances does vary with the level of business being transacted around the reporting date and in the case of 30 March 2014 there were a number of primary transactions which completed during the last week of the period. This contributed to the higher balances seen at the period end. These balances subsequently reduced as the relevant trades settled. Included within Trade and other receivables are cash collateral balances held with securities clearing houses of £5,293,000 (30 September 2013: £3,111,000).

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**9. Balance sheet items** (continued)*(c) Trading investments*

Included within trading investments is £10,306,000 (30 September 2013: £10,545,000) of investments held outside of the market making portfolio. There have been no material additions or disposals during the period.

*(d) Stock borrowing / lending collateral*

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

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

*(e) Financial liabilities*

Financial liabilities comprise short positions in quoted stocks arising through the normal course of business in facilitating client order flow and form part of the market making portfolio.

**10. Reconciliation of profit before tax to cash from operating activities**

	<b>6 months ended 31 March 2014</b>	6 months ended 31 March 2013	Year ended 30 September 2013
	Unaudited £'000	Unaudited £'000	Audited £'000
Profit before tax	16,717	9,017	22,619
Net finance income	(308)	(285)	(561)
Depreciation charge on property, plant and equipment	190	202	397
Amortisation charge on intangible assets	43	27	62
Share scheme charges	2,486	2,434	4,494
(Increase)/decrease in current asset trading investments	(4,887)	9,308	2,393
(Increase)/decrease in trade and other receivables	(108,289)	(2,543)	39,584
Net movement in stock borrowing	53	3,677	4,219
Increase/(decrease) in trade and other payables	99,731	(1,059)	(26,162)
Decrease/(increase) in derivatives	8	(443)	(707)
<b>Cash from operating activities</b>	<b>5,744</b>	<b>20,335</b>	<b>46,338</b>

The reduction in cash from operating activities generated in the six months ended 31 March 2014 largely reflects routine operational inflows offset by outflows in respect of certain seasonal expense items. Outflows of this nature were significantly lower in the same period last year.

## Information for Shareholders

### Directors during the period

Sir David Arculus	Chairman
Oliver Hemsley	Chief Executive Officer
Lorna Tilbian	Executive Director
Simon Denyer	Group Finance Director
Tom Bartlam	Non-executive Director (retired 30 December 2013)
Geoffrey Vero	Non-executive Director
Gerald Corbett	Non-executive Director

### Financial Calendar

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

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2375296

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#### Nominated Adviser

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Riverside  
London  
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#### Registrar

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#### Independent Auditor

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