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## Financial Highlights

### 1.0 Overview

Revenue 2016 H1: £56.8m  
2017 H1: £52.4m

£52.4m



Total income 2016 H1: £56.9m  
2017 H1: £53.8m

£53.8m



Listed on AIM and with offices in London and New York, Numis is one of the UK's most respected independent corporate advisory and stockbroking businesses.

Profit before tax 2016 H1: £16.8m  
2017 H1: £10.5m

£10.5m



Earnings per share 2016 H1: 12.2p  
2017 H1: 8.0p

8.0p



Interim dividend 2016 H1: 5.5p  
2017 H1: 5.5p

5.5p



Cash balances 2016 H1: £72.0m  
2017 H1: £71.2m

£71.2m



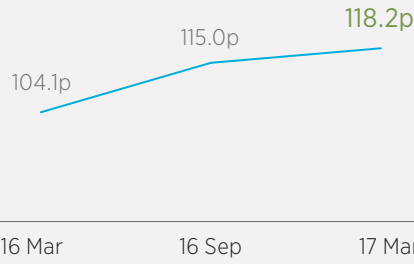
Net assets 2016 H1: £116.5m  
2017 H1: £130.7m

£130.7m

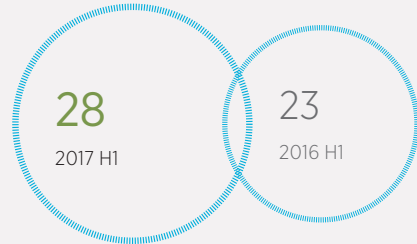


## Financial Highlights *(continued)*

Net asset value per share



Non-IPO deal volume



Revenue per head

2016 H1: £267,000  
2016 H2: £261,000

£245,000



Equities revenue

2016 H1: £17.8m  
2016 H2: £20.6m

£23.4m



Corporate client base average market capitalisation

2016 Mar: £534m  
2016 Sep: £560m

£637m



## Chief Executives' Statement

### 2.0 Chief Executives' Statement

#### Review of Performance

##### Overall Performance

We are pleased to report that the business has delivered a credible performance during the six months ended 31 March 2017 against a mixed market backdrop and record levels of income recorded in the comparative prior period. During the six months ended 31 March 2017, total income decreased by 5% to £53.8m (2016: £56.9m) and profit before tax decreased by 38% to £10.5m (2016: £16.8m). Profit before tax includes £1.4m of net gains recognised on investments held outside of our market making business (2016: £0.2m). Our balance sheet remains strong with cash balances totalling £71.2m (2016: £72.0m) while net assets have increased to £130.7m (2016: £116.5m).

##### Market Conditions

For the period from 1 October 2016 to 31 March 2017, all major UK equity indices recorded growth of 6% or more with the small cap sector approaching double-digit growth. Much of this performance was evenly spread across the period as the markets consolidated their view on Brexit and the US Presidential election result. During the period, the Numis Smaller Companies Index generated returns of +10.3%, and the Numis UK Mid Cap Index +7.7%, reflecting the relatively strong performance of this sector of the market.

For the market as a whole, the value of secondary trading on the London Stock Exchange has shown an improvement on the comparable six month period. However, equity issuance across the market has not experienced any appreciable upturn, with equity funds raised on AIM and the Main Market combined totalling £13.6bn, down 1% versus the comparable prior period. M&A activity across the market has also been muted although, as we are seeing within our own client base, the continued relative weakness of sterling combined with increasing availability of cheap finance is beginning to fuel M&A activity.

##### Corporate Broking & Advisory ('CB&A')

We believe in building long-term relationships with our corporate clients, endeavouring to provide them with service of exceptional quality, which is tailored to their needs. We pride ourselves on the strength of these relationships, which we believe is reflected in the momentum that we enjoy both in client numbers, as well as longevity of relationship and in fee generation over time.

Revenue from CB&A activities for the period totalled £29.0m (2016: £38.9m). We have seen a scarcity of primary equity issuance in the UK market as a whole and M&A activity has yet to fully benefit our top line. Whilst we are not immune to such conditions, our corporate division has experienced higher transaction volumes in non-primary activity than the same period last year, reflecting the quality of our client base. During the period we carried out 2 IPOs, 18 secondary fund raises, 17 advisory mandates primarily in M&A and 9 block trades and secondary sell-downs. Our market share of UK ECM activity remains intact and we are ranked 4th in the UK ECM league tables for the six month period ending 31 March 2017.

We continue to attract high quality corporate clients in order to offset inevitable departures resulting from M&A and ended the period with 199 companies for whom we act as broker. The market capitalisation of our client list now averages around £637m, but it is important to note that the median is £276m and we remain as committed as ever to the small cap space. This is reflected in our wins during the period, which have included businesses from £48m market cap to well over £1bn market cap. We remain ranked #2 Broker and #2 Adviser overall by total number of stock market clients as per the most recent Corporate Advisers Rankings Guide.

Notable deals completed during the period included IPOs for Luceco and Premier Asset Management and a number of secondary raises for our corporate clients including INPP, Learning Technologies Group, Bluefield Solar Income Fund and John Menzies. In addition, we raised £150m through a private placement for Accelerated Digital Ventures and now act as financial advisor to two unquoted companies. In total, we raised £0.7bn of equity capital during the period (2016: £1.2bn).

Building our corporate advisory capabilities remains a major area of focus. We completed 17 pure advisory roles during the period including the acquisition by the McColl's Retail Group of 298 stores from the Co-operative Group, John Menzies acquisition of ASIG and the recommended offer by Madison Dearborn Partners for Powerflute.

The business delivered a credible performance despite muted primary issuance market-wide.

## 2.0 Chief Executives' Statement

### Chief Executives' Statement (*continued*)

**Equities revenue performance matched the highest level recorded by the Group for a half year.**

We have also built up a strong track record in the successful execution of block trades and secondary sell downs. During the period, we executed 9 such transactions with an aggregate value of £1.1bn. We continue to develop our ability to conduct private placements. There is an ever deeper and more developed pool of capital that is happy to own unlisted securities, and often private companies want to access this capital without going through an IPO. In November we took part in a £150m private placement in Accelerated Digital Ventures and helped to raise money privately for Oxford Science & Innovation. This is an exciting growth area, which plays well to our strengths in matching up UK growth companies with sophisticated and long-term investors. Our Venture Broking team spend a significant amount of time and energy filtering those private companies, and we continue to expand our network of investors in this space as well as the resource that we devote to those opportunities.

#### Equities

High quality research and sales is at the heart of our Equities business. It creates relationships based on trust with our institutional clients and is at the core of our powerful international distribution capability. Our sector analysts cover approximately 370 companies across 16 sectors, whilst our Investment Funds research team covers around 400 investment companies and funds. Our highly regarded sales team provides a service to more than 440 active institutional clients across the UK, Europe, the Americas and Australia. Data from Starmine and the various alpha capture systems continue to demonstrate the very impressive value we add to our institutional clients.

Our US office continues to provide a best-in-class service in marketing UK equities to major North American institutional investors, including managing a significant number of roadshows and reverse roadshows. Our distribution offering also extends to the Private Client Fund Managers ("PCFM") through our PCFM team, who access a network of over 3,000 active fund managers at 200 PCFM houses in the UK, who collectively can be a very powerful pool of liquidity.

We provide execution services in over 670 stocks, of which over 500 are listed on the Main Market of the London Stock Exchange. During the period we had #1 market share in 129 stocks (FY 2016: 127) across these markets, and were a top 3 provider in a further 80 stocks (FY 2016: 92). With access to multiple trading venues and liquidity providers, we are able to deliver an exceptionally strong execution capability to our institutional clients.

Combined institutional commission & trading revenues for the period were impressive, totalling £23.4m (2016: £17.8m), an increase of 31%, and matched the highest level recorded by the Group for a half year period. Whilst there was an overall increase in market volume and value traded, we continue to gain market share of direct customer business and to prosper despite the rise of electronic trading systems and dark pools of liquidity.

Our well-resourced market-making and sales-trading teams ensure that we are very well placed to source liquidity on behalf of our institutional clients, which often requires skill and human effort that cannot be found in a dark pool or standalone electronic trading venue. The growth in institutional commissions was achieved despite the changes to the institutional broker payment model as they look to embrace MiFID II, which is due to be implemented in January 2018. Our trading revenues saw a healthy increase and were achieved on moderately lower levels of capital usage.

#### Costs and People

Administrative expenses for the period totalled £43.3m (2016: £40.4m). Compensation costs as a percentage of revenue have increased to 58% (2016: 50%). This is wholly attributable to an increase in share award related charges which, in part, reflects the increase in the Company's share price over the six month period ending 31 March 2017. Despite this, compensation costs are marginally below that recorded in the second half of 2016.

Non-compensation costs comprise expenses incurred in the normal course of business, the most significant of which relate to technology, information systems, market data, brokerage, clearing and exchange fees and occupancy. The current non-compensation cost run-rate is 3% above that seen in the second half of 2016 and is likely to experience upward pressure as we increasingly commit resource to the implementation of MiFID II amongst other regulatory and business initiatives.

Average headcount remained stable at 214 (2016: 213) and we ended the period with a headcount of 217 (end 2016: 220). The calibre and dedication of our people was instrumental in Numis being voted #1 UK Small & Mid Cap Brokerage Firm by both companies and institutions for the fourth year in succession in the 2016 Thomson Reuters Extel Survey.

### Strategic Investments

The value of our strategic investments total £32.3m (30 September 2016: £29.8m). Of this value, £17.1m is in quoted and fairly liquid securities, whilst £15.2m is invested in unquoted securities. The movement during the period reflects new investments and follow-on funding totalling £1.3m coupled with £1.2m of net fair value uplifts of which the majority came from our unquoted investments. We continue to believe the majority of these investments are complementary to our existing core business and that they offer an exciting opportunity for the Group to grow its presence in areas in which it has expertise or a relevant network of investors. Going forward, we will explore opportunities for re-cycling the portfolio where we see attractive investment propositions which are strategically relevant.

### Financial Position

Our balance sheet strengthened further during the period, with cash balances totalling £71.2m (2016: £72.0m), while net assets have increased to £130.7m (2016: £116.5m). Cash balances remain broadly unchanged to those reported at 31 March 2016 but are down £17.8m on that reported as at 30 September 2016. The cash used in operating activities during the six months ended 31 March 2017 reflects the lower operational inflows, principally due to lower cash-based revenues, combined with outflows in respect of seasonal expense items which fall within the first half of our financial year and an increase in the cash margin placed in respect of secondary trading activity.

We have been able to maintain dividend distributions (£7.3m cash outflow) in addition to the repurchase of shares into Treasury and the Employee Benefit Trust (£5.3m cash outflow) during the period. This combined cash outflow to shareholders is at its highest in the Group's history for a half year period and, in respect of the buy-back activity, compares to a £6.7m spend during the whole of our 2016 financial year.

### Board Changes

On 21 March 2017, the Company announced the appointment of Alan Carruthers as Non-Executive Chairman. Alan replaced Gerald Corbett who stepped down from the Board on the same date. We are delighted to welcome Alan and feel certain that he will make a significant contribution to the continued development and success of Numis.

### Dividend

The Board has approved the payment of an interim dividend of 5.50p per share (2016: interim 5.50p per share, 2016 total: 12.00p per share). This dividend will be payable on 23 June 2017 to shareholders on the register of members at the close of business on 19 May 2017. Shareholders have the option to elect to use their cash dividend to buy additional shares in Numis through a Dividend Re-Investment Plan (DRIP).

### Current Trading and Outlook

Our second half has started very well with the completion of 10 fund raises generating fees of over £10m. Equities revenues continue to run at the high levels seen in the first half. The recent call for a general election in the UK during the summer as well as geo-political events further afield will undoubtedly cause an element of uncertainty.

We will continue to focus our efforts on providing high quality independent advice to our clients. We have a robust balance sheet, a quality corporate client base and a strong deal pipeline all of which positions Numis well to enjoy future success and gives us confidence that the business will have a satisfactory outcome for the full year.

### Alex Ham & Ross Mitchinson

Co-Chief Executives

8 May 2017

## 3.0 Financial Statements

## Consolidated Income Statement

Unaudited for the  
6 months ended  
31 March 2017

	Notes	6 months ended 31 March 2017 Unaudited £'000	6 months ended 31 March 2016 Unaudited £'000	Year ended 30 September 2016 Audited £'000
Revenue	3	52,388	56,769	112,335
Other operating income	4	1,441	156	3,759
<b>Total income</b>		<b>53,829</b>	<b>56,925</b>	<b>116,094</b>
Administrative expenses	5	(43,340)	(40,353)	(83,600)
<b>Operating profit</b>		<b>10,489</b>	<b>16,572</b>	<b>32,494</b>
Finance income	6	179	224	427
Finance costs	6	(203)	(31)	(390)
<b>Profit before tax</b>		<b>10,465</b>	<b>16,765</b>	<b>32,531</b>
Taxation		(1,636)	(3,093)	(6,132)
<b>Profit after tax</b>		<b>8,829</b>	<b>13,672</b>	<b>26,399</b>
<b>Attributable to:</b>				
Owners of the parent		8,829	13,672	26,399
<b>Earnings per share</b>	7			
Basic		8.0p	12.2p	23.5p
Diluted		7.6p	11.6p	22.4p



## Consolidated Statement of Comprehensive Income

3.0 Financial Statements

	<b>6 months ended 31 March 2017</b>	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited £'000	Unaudited £'000	Audited £'000
Profit for the period	8,829	13,672	26,399
Exchange differences on translation of foreign operations	11	174	630
<b>Other comprehensive income for the period, net of tax</b>	<b>11</b>	<b>174</b>	<b>630</b>
<b>Total comprehensive income for the period, net of tax, attributable to the owners of the parent</b>	<b>8,840</b>	<b>13,846</b>	<b>27,029</b>

Unaudited for the  
6 months ended  
31 March 2017

## 3.0 Financial Statements

## Consolidated Balance Sheet

Unaudited as at  
31 March 2017

		<b>31 March 2017</b>	31 March 2016	30 September 2016
	Notes	Unaudited £'000	Unaudited £'000	Audited £'000
<b>Non-current assets</b>				
Property, plant and equipment	9a	3,479	4,118	3,734
Intangible assets		78	178	122
Deferred tax	9b	2,502	1,923	1,666
		<b>6,059</b>	<b>6,219</b>	<b>5,522</b>
<b>Current assets</b>				
Trade and other receivables	9c	272,151	179,680	170,490
Trading investments	9d	49,003	46,075	48,453
Stock borrowing collateral	9e	11,154	4,041	3,901
Derivative financial instruments		682	709	616
Cash and cash equivalents	9g	71,199	71,990	89,002
		<b>404,189</b>	<b>302,495</b>	<b>312,462</b>
<b>Current liabilities</b>				
Trade and other payables	9c	(259,720)	(178,449)	(173,031)
Financial liabilities	9f	(17,606)	(10,567)	(12,293)
Current income tax		(2,198)	(3,171)	(3,571)
		<b>(279,524)</b>	<b>(192,187)</b>	<b>(188,895)</b>
<b>Net current assets</b>		<b>124,665</b>	<b>110,308</b>	<b>123,567</b>
<b>Non current liabilities</b>				
Deferred tax	9b	(11)	(4)	(12)
<b>Net assets</b>		<b>130,713</b>	<b>116,523</b>	<b>129,077</b>
<b>Equity</b>				
Share capital		5,922	5,922	5,922
Share premium		38,854	38,854	38,854
Other reserves		10,183	6,611	8,238
Retained earnings		75,754	65,136	76,063
<b>Total equity</b>		<b>130,713</b>	<b>116,523</b>	<b>129,077</b>

## Consolidated Statement of Changes in Equity

3.0 Financial Statements

	Share capital	Share premium	Other reserves	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2015	5,922	38,854	5,631	65,112	115,519
Profit for the period				13,672	13,672
Other comprehensive income			174	-	174
<b>Total comprehensive income for the period</b>	-	-	174	13,672	13,846
Dividends paid				(12,861)	(12,861)
Movement in respect of employee share plans			806	1,230	2,036
Deferred tax related to share based payments				(158)	(158)
Net movement in Treasury shares				(1,859)	(1,859)
Transactions with shareholders	-	-	806	(13,648)	(12,842)
<b>Balance at 31 March 2016</b>	<b>5,922</b>	<b>38,854</b>	<b>6,611</b>	<b>65,136</b>	<b>116,523</b>
Balance at 1 October 2015	5,922	38,854	5,631	65,112	115,519
Profit for the year				26,399	26,399
Other comprehensive income			630	-	630
<b>Total comprehensive income for the year</b>	-	-	630	26,399	27,029
Dividends paid				(12,861)	(12,861)
Movement in respect of employee share plans				1,470	1,470
Deferred tax related to share based payments			1,977	(3,559)	(1,582)
Net movement in Treasury shares				(498)	(498)
Transactions with shareholders	-	-	1,977	(15,448)	(13,471)
<b>Balance at 30 September 2016</b>	<b>5,922</b>	<b>38,854</b>	<b>8,238</b>	<b>76,063</b>	<b>129,077</b>
<b>Balance at 1 October 2016</b>	<b>5,922</b>	<b>38,854</b>	<b>8,238</b>	<b>76,063</b>	<b>129,077</b>
Profit for the period				8,829	8,829
Other comprehensive income			11	-	11
<b>Total comprehensive income for the period</b>	-	-	11	8,829	8,840
Dividends paid				(7,307)	(7,307)
Movement in respect of employee share plans			1,934	(1,199)	735
Deferred tax related to share based payments				271	271
Net movement of shares into Treasury				(903)	(903)
<b>Transactions with shareholders</b>	-	-	1,934	(9,138)	(7,204)
<b>Balance at 31 March 2017</b>	<b>5,922</b>	<b>38,854</b>	<b>10,183</b>	<b>75,754</b>	<b>130,713</b>

Unaudited for the  
6 months ended  
31 March 2017

## 3.0 Financial Statements

## Consolidated Statement of Cash Flows

Unaudited for the  
6 months ended  
31 March 2017

	Notes	6 months ended 31 March 2017 Unaudited £'000	6 months ended 31 March 2016 Unaudited £'000	Year ended 30 September 2016 Audited £'000
Cash (used in)/from operating activities	10	(1,217)	23,139	53,398
Interest paid		(34)	(2)	(182)
Taxation paid		(3,576)	(1,768)	(4,481)
<b>Net cash (used in)/from operating activities</b>		<b>(4,827)</b>	<b>21,369</b>	<b>48,735</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment		(344)	(174)	(346)
Interest received		179	219	430
<b>Net cash (used in) / from investing activities</b>		<b>(165)</b>	<b>45</b>	<b>84</b>
<b>Financing activities</b>				
Purchase of own shares – Employee Benefit Trust		(2,114)	(410)	(3,000)
Purchase of own shares - Treasury		(3,215)	(1,859)	(3,719)
Dividends paid		(7,307)	(6,713)	(12,861)
<b>Net cash used in financing activities</b>		<b>(12,636)</b>	<b>(8,982)</b>	<b>(19,580)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(17,628)</b>	<b>12,432</b>	<b>29,239</b>
Opening cash and cash equivalents		89,002	59,591	59,591
Net movement in cash and cash equivalents		(17,628)	12,432	29,239
Exchange movements		(175)	(33)	172
<b>Closing cash and cash equivalents</b>		<b>71,199</b>	<b>71,990</b>	<b>89,002</b>

## Notes to the Financial Statements

### 3.0 Financial Statements

#### 1. Basis of preparation

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Numis Corporation Plc is a UK AIM traded company incorporated and domiciled in the United Kingdom. The address of its registered office is 10 Paternoster Square, London, EC4M 7LT. The Company is incorporated in the United Kingdom under the Companies Act 2006 (company registration No. 2375296).

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 2016, 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 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 2016. 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.

During the period, a number of amendments to IFRS became effective and were adopted by the Company and the Group. None of these amendments have a material impact on the Group's income statement, statement of comprehensive income, balance sheet, statement of changes in equity or statement of cash flows.

Notes to the Financial Statements (*continued*)

## 2. Segmental reporting

## Geographical information

The Group is managed as an integrated corporate advisory and stockbroking business and although there are different revenue types (which are separately disclosed in note 3) 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.

The Group earns its revenue in the following geographical locations:

	<b>6 months ended 31 March 2017</b>	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited £'000	Unaudited £'000	Audited £'000
United Kingdom	47,778	51,670	102,684
United States of America	4,610	5,099	9,651
	<b>52,388</b>	<b>56,769</b>	<b>112,335</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 2017</b>	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited £'000	Unaudited £'000	Audited £'000
United Kingdom	3,482	4,160	3,744
United States of America	75	136	112
	<b>3,557</b>	<b>4,296</b>	<b>3,856</b>

## Other information

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

	<b>6 months ended 31 March 2017</b>	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited £'000	Unaudited £'000	Audited £'000
Net institutional income	23,433	17,832	38,419
Total corporate transaction revenues	23,340	34,446	64,293
Corporate retainers	5,615	4,491	9,623
<b>Revenue (see note 3)</b>	<b>52,388</b>	<b>56,769</b>	<b>112,335</b>
Contribution from investment portfolio	1,441	156	3,759
<b>Total income</b>	<b>53,829</b>	<b>56,925</b>	<b>116,094</b>

## 3.0 Financial Statements

## 2. Segmental reporting (continued)

## Net assets

	<b>6 months ended 31 March 2017</b>	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited £'000	Unaudited £'000	Audited £'000
Corporate advisory & broking	27,262	19,128	10,243
Investing activities	32,252	25,405	29,832
Cash and cash equivalents	71,199	71,990	89,002
<b>Total net assets</b>	<b>130,713</b>	<b>116,523</b>	<b>129,077</b>

## 3. Revenue

	<b>6 months ended 31 March 2017</b>	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited £'000	Unaudited £'000	Audited £'000
Net trading gains	4,997	1,780	6,496
Institutional commissions	18,436	16,052	31,923
Net institutional income (Equities)	23,433	17,832	38,419
Corporate retainers	5,615	4,491	9,623
Advisory fees	6,890	8,514	16,261
Placing commissions	16,450	25,932	48,032
Net corporate income (CB&A)	28,955	38,937	73,916
	<b>52,388</b>	<b>56,769</b>	<b>112,335</b>

## 4. Other operating income

Other operating income represents net gains made on investments which are held outside of the market making portfolio. The gains reflect price movements on quoted holdings, fair value adjustments on unquoted holdings and related dividend income. Broadly, half of the net gains recorded in the current period result from fair value adjustments on unquoted holdings.

Notes to the Financial Statements (*continued*)

## 5. Administrative expenses

	<b>6 months ended 31 March 2017</b>	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited £'000	Unaudited £'000	Audited £'000
Staff costs	30,254	28,281	58,882
Non-staff costs	13,086	12,072	24,718
	<b>43,340</b>	<b>40,353</b>	<b>83,600</b>

The average number of employees during the period has increased marginally to 214 (H1 2016: 213). Staff costs excluding share award related charges have reduced by 6% compared to the prior period. However, an increase in the Company's share price between 30 September 2016 and 31 March 2017 (219.0p to 246.5p) combined with the granting of performance based share awards within the last seven months has resulted in an overall increase in staff costs versus H1 2016. Despite this, staff costs are marginally below that recorded for H2 2016.

The major components 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 activity levels, particularly brokerage, clearing and exchange fees which account for almost half of the increase seen versus the prior period. This is in-line with the 15% increase seen in institutional commission over the same period. The current non-staff cost run-rate is 3% above that seen in H2 2016 and is likely to experience upward pressure as we increasingly commit resource to the implementation of MiFD II amongst other regulatory and business initiatives.

## 6. Finance income and Finance costs

## Finance income for the period:

	<b>6 months ended 31 March 2017</b>	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited £'000	Unaudited £'000	Audited £'000
<b>Interest income</b>	<b>179</b>	<b>224</b>	<b>427</b>

## Finance costs for the period

	<b>6 months ended 31 March 2017</b>	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited £'000	Unaudited £'000	Audited £'000
Net foreign exchange losses	167	24	380
Interest expense	36	7	10
	<b>203</b>	<b>31</b>	<b>390</b>



## 3.0 Financial Statements

## 7. Earnings per share

Basic earnings per share is calculated on profits after tax of £8,829,000 (2016: £13,672,000) and 110,544,897 (2016: 111,887,475) 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.

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

	6 months ended 31 March 2017	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited Number Thousands	Unaudited Number Thousands	Audited Number Thousands
Weighted average number of ordinary shares in issue during the period – basic	110,545	111,887	112,255
Dilutive effect of share awards	6,184	6,356	5,755
<b>Diluted number of ordinary shares</b>	<b>116,729</b>	<b>118,243</b>	<b>118,010</b>

## 8. Dividends

	6 months ended 31 March 2017	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited £'000	Unaudited £'000	Unaudited £'000
Final dividend year ended 30 September 2015 (6.00p)		6,713	6,713
Interim dividend year ended 30 September 2016 (5.50p)		6,148	6,148
Final dividend year ended 30 September 2016 (6.50p)	7,307		
<b>Distribution to equity holders of Numis Corporation Plc</b>	<b>7,307</b>	<b>12,861</b>	<b>12,861</b>

The Board has approved the payment of an interim dividend of 5.50p per share (2016: interim 5.50p per share). This dividend will be payable on 23 June 2017 to shareholders on the register of members at the close of business on 19 May 2017. These financial statements do not reflect this dividend payable.

## Notes to the Financial Statements (*continued*)

### 9. Balance sheet items

#### (a) Property, plant and equipment

The Group's offices in London underwent a program of refurbishment during 2015. No material additions have been made since then.

#### (b) Deferred tax

As at 31 March 2017 deferred tax assets totalling £2,502,000 (30 September 2016: £1,666,000) have been recognised reflecting managements' confidence that there will be sufficient levels of future taxable profits against which these deferred tax asset can be utilised. The deferred tax asset principally comprises amounts in respect of unvested share based payments.

#### (c) 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 such balances varies with the level of business being transacted around the reporting date. Included within Trade and other receivables are cash collateral balances held with securities clearing houses of £10,430,000 (30 September 2016: £7,670,000).

#### (d) Trading investments

Included within trading investments is £32,252,000 (30 September 2016: £29,832,000) of investments held outside of the market making portfolio. The increase during the period is evenly split between net fair value adjustments and additional investments, some of which were follow-on raises.

#### (e) Stock borrowing collateral

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

In the rare event that trading investments are 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 three months or less, which are reported within cash and cash equivalents with the value of security pledged disclosed separately.

#### (f) Financial liabilities

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

#### (g) Cash and cash equivalents

Cash balances are at similar levels to those reported at 31 March 2016. This has been achieved whilst maintaining dividend distributions (£7.3m cash outflow) and the repurchase of shares into Treasury and the Employee Benefit Trust (£5.3m cash outflow). This combined cash outflow to shareholders is at its highest in the Group's history for a half year period.

## 3.0 Financial Statements

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

	<b>6 months ended 31 March 2017</b>	6 months ended 31 March 2016	Year ended 30 September 2015
	Unaudited £'000	Unaudited £'000	Audited £'000
Profit before tax	10,465	16,765	32,531
Net finance (expense)/income	24	(193)	(37)
Depreciation charge on property, plant and equipment	604	554	1,126
Amortisation charge on intangible assets	44	69	125
Share scheme charges	4,975	2,513	6,229
(Increase)/decrease in current asset trading investments	(550)	11,546	9,168
Increase in trade and other receivables	(101,665)	(19,183)	(10,476)
Net movement in stock borrowing	(7,253)	(3,219)	(3,079)
Increase in trade and other payables	92,205	14,313	17,744
(Increase)/decrease in derivatives	(66)	(26)	67
<b>Cash (used in)/from operating activities</b>	<b>(1,217)</b>	<b>23,139</b>	<b>53,398</b>

The cash used in operating activities during the six months ended 31 March 2017 reflects the lower operational inflows, principally due to lower cash-based revenues, combined with outflows in respect of seasonal expense items which fall within the first half of our financial year and an increase in the cash margin placed in respect of secondary trading activity directed through the London Clearing House.

## 4.0 Other Information

## Information for Shareholders

## Directors during the period

Gerald Corbett	Non-executive Chairman ( <i>resigned 21 March 2017</i> )
Alan Carruthers	Non-executive Chairman ( <i>appointed 21 March 2017</i> )
Alex Ham	Co-Chief Executive Officer
Ross Mitchinson	Co-Chief Executive Officer
Marcus Chorley	Executive Director
Simon Denyer	Group Finance Director and Company Secretary
Oliver Hemsley	Executive Director ( <i>resigned 8 May 2017</i> )
Lorna Tilbian	Executive Director
Geoffrey Vero	Non-executive Director
Catherine James	Non-executive Director
Robert Sutton	Non-executive Director

## Financial Calendar

## 2016-2017

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

## Company Information

**Company Registration Number**

2375296

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London EC4M 7LT**Nominated Broker**Numis Securities Ltd  
10 Paternoster Square  
London EC4M 7LT**Nominated Adviser**Grant Thornton LLP  
30 Finsbury Square  
London EC2P 2YU**Registrar**Computershare Investor Services plc  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ**Independent Auditors**PricewaterhouseCoopers LLP  
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