Numis Corporation Plc

Half Year Results

for the six months ended 31 March 2022

London, 6 May 2022 Numis Corporation Plc (“Numis”, “Group” or “Company”) today announces unaudited interim results for the period ended 31 March 2022.

Highlights

- Advisory revenues up 39%, reflecting significant progress in our strategic objective to diversify our Investment Banking business
- Growth Capital Solutions, our private markets business, delivered a resilient performance in line with the prior year
- Capital markets revenues declined 61% due to the challenging backdrop for equity issuance
- In the Equities business, institutional income remained resilient but overall revenue decreased relative to a strong comparative period as a function of lower trading gains
- Interim dividend increased to 6.0p in accordance with sustainable upward re-based dividend pay-out announced last year
- Strong capital and liquidity position enabled the share buyback programme to be re-initiated in the first half; market purchases expected to increase in the second half
- Good start to the second half with a number of ongoing announced M&A mandates, as well as a strong pipeline of further deals
- International expansion progressing with Dublin office expected to commence trading during the second half, facilitating access to EU issuers and expanding access to EU-based investors

Financial highlights	**H1 2022**	H1 2021	Change
Revenue	£74.2m	£115.4m	(35.8)%
Underlying operating profit	£14.0m	£38.8m	(63.9)%
Profit before tax	£13.4m	£39.3m	(65.9)%
EPS	14.6p	25.7p	(43.1)%
Cash	£111.5m	£97.6m	14.2%
Net assets	£190.8m	£175.3m	8.9%

Operating highlights			
Corporate clients	183	185	(1)%
Average market cap of corporate clients	£1,225m	£1,341m	(9)%
Revenue per head (annualised)	£457k	£804k	(43)%
Operating margin	18.9%	33.6%	-14.7ppts
Spend on share repurchases	£6.5m	£11.5m	(43)%

Notes:

1) Revenue, Underlying operating profit, Operating margin and Revenue per head all exclude investment income
2) Diluted EPS
3) H1 FY22 Spend on share repurchases comprises £3.2m spend on market purchases (2021: £1.6m) and £3.4m spend on EBT tax offset purchases (2021: £9.9m)

On the strategic progress of the business, Alex Ham and Ross Mitchinson, Co-Chief Executive Officers, said:

“Five years ago we identified capturing M&A fees and building a private markets business as two strategic priorities to lead our ambition of building a more diversified investment banking group with reduced earnings volatility. We are pleased that progress against this objective has been further demonstrated in our first half performance this year – a period that has been characterised by a slowdown in equity capital markets activity globally. In the first six months, our Growth Capital Solutions and M&A products in aggregate achieved a record performance and contributed more than half of our Investment Banking revenues.

Over the coming months we look forward to expanding our European business from our new office in Dublin, subject to regulatory approvals. This will facilitate further geographical diversification of our revenues by leveraging both our UK capital markets track record and leading Equities platform. Alongside internationalisation, we also plan to recruit and develop talent across our business, maintaining a collaborative culture that has always been critical to our success."

On current trading they added:

"Capital markets activity has recovered to some extent following an exceptionally quiet three month period at the start of the year and we have completed both private and public markets capital raisings in recent weeks. The Equities business has continued to perform in line with the first half run-rate. However, investor confidence remains relatively fragile given continued inflation concerns and geo-political uncertainty and therefore the capital markets outlook remains difficult to predict.

Advisory activity remains strong, and our M&A pipeline is continuing to grow. We expect to complete a number of M&A transactions for corporate clients in the coming weeks and maintain the positive momentum in advisory revenues through the second half."

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Notes for Editors

Numis is a leading independent investment banking group offering a full range of research, execution, corporate broking and advisory services to companies and their investors. Numis is listed on AIM, and has offices in London, New York and Dublin.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

The information, statements and opinions contained in this announcement do not constitute a public offer under any applicable legislation or an offer to sell or solicit of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

There are a number of key judgement areas, which are based on models and which are subject to ongoing modification and alteration. The reported numbers reflect our best estimates and judgements at the given point in time.

Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar *meaning. Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but relate to events and depend upon circumstances in the future and you should not place reliance on them. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this announcement.*

Subject to our obligations under the applicable laws and regulations of any relevant jurisdiction, in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Nothing in this announcement constitutes or should be construed as constituting a profit forecast.

Business review

Following a sustained period of supportive markets across the prior 18 months, the six month period to 31 March 2022 featured growing investor caution culminating in an effective closure of global capital markets during the initial stages of the war in Ukraine. A detailed review of all clients and business operations completed at the start of the conflict confirmed we have no direct exposure to Russia or the related sanctions. Overall, revenues decreased 35.8% to £74.2m (2021: £115.4m) and Underlying operating profit decreased to £14.0m (2021: £38.8m) reflecting the operational gearing in the business. Profit before tax was £13.4m (2021: £39.3m) and included £0.4m of gains recognised on investments held outside of our market making business (2021: £2.0m gain). Our net assets increased over the period to £190.8m, and similarly our liquidity position was enhanced; cash balances were £111.5m (2021: £97.6m).

Market conditions

Inflation and interest rate concerns increasingly dominated investor sentiment during the first half, resulting in significant market movements and periods of elevated volatility. In particular, growth stocks suffered a broad de-rating as investors rotated their portfolios in response to emerging macro themes. The FTSE 250, which is most closely aligned to our business activities, declined 8% over the course of our first half, underperforming the FTSE 100 which increased 6%.

Corporate activity levels were adversely impacted by the cautious investor sentiment. This was compounded by the war in Ukraine which resulted in a pause in financing activity whilst markets assessed the impact of sanctions and the rapidly evolving geo-political landscape. As a result, IPO volumes and UK ECM activity were particularly weak during the second quarter.

Capital raising across global private markets was impacted by a more challenging and unpredictable pricing environment. However, whilst deal structures invariably required reassessment during this period, the private markets continued to function, and investors continued to deploy capital.

Appetite for M&A proved to be more resilient. In particular, bid activity amongst UK mid-market companies has been strong and private equity has been particularly active during the period.

Investment Banking

	H1 2022 **£m**	**H1 2021** **£m**	**%** **Change**
Capital Markets	24.7	63.3	(61.0)%
Advisory	17.2	12.4	38.8%
Corporate retainers	6.1	6.3	(2.9)%
Investment Banking revenue	**48.0**	**82.0**	**(41.4)%**

Investment Banking revenue for the first half was down 41.4% relative to the prior year which represented a record six month performance. The significant reduction in UK ECM volumes across the industry impacted our Capital markets revenue. In particular, IPO revenues, which underpinned revenues in the comparative period, were down 81%.

Whilst deal volumes in Q1 were in line with the strong prior year performance, there was a significant decline in activity in Q2 as the market backdrop became increasingly challenging. Relative to the prior year, there was a notable absence of large ECM transactions which resulted in average deal fees falling in the first half. Given the strength of the corporate client base and our Capital markets track record, we expect average deal fees to recover in line with any recovery in equity financing activity.

Our strategic priority for the Investment Banking business over the past five years has been diversification of deal revenues. We have consistently strengthened our M&A credentials through enhancing our sector based advisory capability and added greater capacity to our M&A execution capability. This has enabled the business to capitalise on the supportive M&A environment and deliver a strong Advisory performance in the first half, 38.8% ahead of the prior period. In addition, our Debt advisory product delivered its best six month revenue performance since its launch three years ago.

We continue to focus our M&A origination efforts on the retained corporate client base where we aim to deliver differentiated strategic advice alongside our comprehensive corporate broking service. During the period, all our M&A fees were earned from our corporate broking client base demonstrating the intrinsic value of these long standing and trusted relationships. We also continue to make positive progress in growing our share of M&A fees on transactions. During the first half we increased our average M&A fee by approximately 30% which partially offset the reduction in average fee size within our Capital markets business.

Growth Capital Solutions, our private markets business, represents another pillar of our Investment Banking diversification strategy. Our agile approach and ability to respond to a rapidly evolving valuation environment enabled us to maintain momentum in this business line and deliver revenues broadly in line with the prior period. This continues to represent an attractive growth opportunity. Our global reputation and track record have been further enhanced during this period of market uncertainty. All the Growth Capital Solutions deals executed in the period were for companies based outside the UK, similarly the majority of demand for these deals was generated from investors based outside the UK.

Our broader geographic expansion plans have progressed, and we expect our Dublin office to receive regulatory approval in the second half of the year. This will enable the business to advance its capital markets ambitions in Europe. The initial focus will be on securing IPO mandates where we can offer differentiated distribution and advice. Whilst European opportunities were restricted in the first half, we demonstrated our ability to leverage our expertise and distribution platform for companies listed overseas by acting on our first US IPO, the NYSE listing of Nubank.

Our UK corporate broking franchise remains at the core of our business model and developing our corporate client list remains a strategic focus. During the year we won a number of high quality FTSE350 clients although these wins have been offset numerically by client losses attributable to the buoyant M&A market. The average market capitalisation of our corporate client base was £1.2bn, which was down 9% compared to FY21, in line with the FTSE250 index performance over the same period.

Equities

	H1 2022 £m	H1 2021 £m	% change
Institutional income	19.6	21.9	(10.3)%
Trading	6.5	11.5	(43.7)%
Equities revenue	**26.1**	**33.4**	**(21.8)%**

Equities delivered revenue of £26.1m for the first half, representing a decline of 21.8% relative to the record performance of the prior period.

Institutional income was resilient, although down 10.3% compared to an exceptionally active period for global equities. Despite the challenging market backdrop, first half institutional income was ahead of H2 FY21 and represented one of our best six month performances since the introduction of MiFID II. This demonstrates the value of our strategy to focus on market share gains in UK equities through providing an exceptional level of service to institutional clients whilst also providing the best possible distribution platform for our Capital markets business. Recent market volatility and the increasing focus on macro issues has prompted high levels of engagement from institutions reflecting the quality and experience of our research and sales teams.

Our Electronic Trading product which was launched two years ago, continues to gather new clients and reported a record six month performance for the first half.

Whilst our Equities business has delivered good progress over recent years, the restrictions attributable to Brexit have limited our ability to engage with EU based institutions. We expect our Dublin office will enable those EU relationships to be re-established in the near term providing these investors with a high quality and dedicated service from the experienced team recruited in Dublin.

Trading gains were down 43.7% on the comparative period. The trading book generally delivered consistent profits across the six month period, save for the initial weeks of the Ukraine war when market volatility impacted performance. Subsequently the run-rate trading performance has returned to levels in line with prior years.

Investment portfolio

We continued to rotate the investment portfolio in the first half, exiting our holding in Oxford Nanopore Technologies plc subsequent to its IPO and completing a further disposal in the period. The proceeds were partially invested in two new companies, both of which are aligned with our private markets business. Notwithstanding the encouraging operating performance of many of our recent investments, market valuations and in particular the de-rating of global listed technology stocks resulted in downward valuation movements for a number of holdings in the second quarter. Overall, the portfolio delivered £0.4m of gains and is now valued at £17.6m representing approximately 9% of group net assets.

Costs and people

	H1 2022 £m	**H1 2021 £m**	**% Change**
Staff costs	36.0	55.2	(34.7)%
Share-based payments	3.0	5.8	(48.1)%
Non-staff costs	21.1	15.7	34.9%
Total administrative costs	**60.1**	**76.7**	**(21.5)%**
Period end headcount	325	287	13.2%
Average headcount	324	287	12.9%
Compensation ratio	52.6%	52.8%	(0.2)ppts

Average headcount increased during the period due to further hiring in Investment Banking where we continue to focus on junior recruitment and growing our capabilities in support of the diversification strategy. The completion of the initial phase of hiring for our Dublin office also contributed to the increase in the period.

Staff costs have declined 34.7% due to lower variable compensation reflecting the lower operating performance in the period. Fixed staff costs have increased marginally more than previous years in response to a period of elevated competition for talent in certain areas of the business. However, our staff attrition levels remain very low and not materially different to historic levels which we believe reflects the strong collaborative culture at Numis and the strategic progress the firm continues to achieve.

Our share based payment charge decreased 48.1% as a result of the vesting of a number of one-off equity awards at the end of the prior year. These vestings resulted in a one-off tax benefit in the first half. The compensation ratio remained in line with the prior period and well within our target range. The lower revenue performance of the business was offset by the lower share scheme charge. New regulations governing the remuneration of certain senior staff have been implemented by the FCA but will not impact Numis until FY23 when we expect to be required to defer a greater proportion of variable compensation and use more equity to reward staff.

Non-staff costs increased due to higher occupancy costs attributable to our move to larger offices which was completed at the end of FY21. In addition, we have incurred costs related to our new Dublin office and the ongoing regulatory application process. Other non-staff cost increases are generally attributable to the higher average headcount and the normalisation of costs which were previously supressed as a result of staff predominantly working remotely.

Capital and liquidity

Notwithstanding the lower profitability of the Group during this period of market uncertainty, we continue to operate significantly in excess of our regulatory capital and liquidity requirements. The Group's net assets increased 8.9% compared to FY21 to £190.8m. Our balance sheet strength enables the business to pursue its strategic priorities across market cycles and continue to invest in the platform during periods of lower deal activity. As a result we believe the business is able to emerge from each market downturn in a stronger position to benefit from future market recoveries.

A new regulatory capital regime for investment firms was implemented on 1 January 2022. Our Pillar 1 capital requirement is lower under the new regulation however we await the FCA's determination of our overall regulatory capital requirements under the new regime. During this transition phase there is no change to our regulatory capital requirement.

Our cash position was ahead of the comparative period and below the FY21 year end position. The profitable trading performance was offset by seasonal cash outflows largely related to the payment of FY21 variable compensation.

Dividends and share purchases

At the end of FY21 the Board reassessed the return capacity of the business and rebased the full year dividend to 13.5p, representing an increase of 12.5%. The rebased dividend provides sufficient flexibility to continue investing in the growth opportunities outlined above whilst also maintaining the balance sheet strength to continue supporting consistent shareholder returns in the future.

In accordance with the rebased dividend the Board has declared an interim dividend of 6.0p per share. The dividend will be paid on 21 June 2022 to shareholders on the register on 20 May 2022.

In addition market purchases of shares have been executed across the first six months of the year totalling £3.2m. This is supplemented by tax offset purchases by the EBT upon the vesting of share awards. The board has approved an increase to the market purchase programme for the second half.

Whilst the closing first half share count is in line with FY21, our intention remains to continue mitigating the impact of staff equity awards through buybacks and we expect the share count to decline over the course of the second half.

Current trading and outlook

April revenue was marginally ahead of the first half run-rate. Capital markets activity has recovered to some extent following an exceptionally quiet three month period and we have completed both private and public markets capital raisings in recent weeks. However, investor confidence remains relatively fragile given continued inflation concerns and geo-political uncertainty, therefore, the Capital markets outlook remains difficult to predict.

Advisory activity continues to be strong, and our M&A pipeline is continuing to grow. We expect to maintain the positive momentum in Advisory revenues through the second half supported by a number of M&A transactions for corporate clients which have been announced and will complete in the coming weeks.

Alex Ham & Ross Mitchinson

Co-Chief Executive Officers

6 May 2022

Consolidated Income Statement

UNAUDITED FOR THE 6 MONTHS ENDED 31 MARCH 2022

	Notes	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Revenue	3	74,153	115,426	215,582
Other operating income	4	442	1,974	8,715
Total income		**74,595**	**117,400**	**224,297**
Administrative expenses	5	(60,146)	(76,652)	(147,859)
Operating profit		**14,449**	**40,748**	**76,438**
Finance income	6	8	1	1
Finance costs	6	(1,032)	(1,422)	(2,289)
Profit before tax		**13,425**	**39,327**	**74,150**
Taxation	7	3,357	(9,549)	(16,303)
Profit after tax		**16,782**	**29,778**	**57,847**
Attributable to:				
Owners of the parent		16,782	29,778	57,847
Earnings per share	8			
Basic		15.1p	28.6p	54.2p
Diluted		14.6p	25.7p	49.1p

Consolidated Statement of Comprehensive Income
UNAUDITED FOR THE 6 MONTHS ENDED 31 MARCH 2022

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Profit for the period	16,782	29,778	57,847
Exchange differences on translation of foreign operations	85	(1)	10
Other comprehensive income for the period, net of tax	**85**	**(1)**	**10**
Total comprehensive income for the period, net of tax, attributable to the owners of the parent	**16,867**	**29,777**	**57,857**

Consolidated Balance Sheet
UNAUDITED AS AT 31 MARCH 2022

	Notes	31 March 2022 Unaudited £'000	31 March 2021 Unaudited £'000	30 September 2021 Audited £'000
Non-current assets				
Property, plant and equipment		10,086	3,680	10,044
Intangible assets		442	380	558
Right-of-use asset	10a	36,515	39,463	38,033
Deferred tax	10b	2,987	6,030	4,006
		50,030	**49,553**	**52,641**
Current assets				
Trade and other receivables	10c	280,226	410,415	467,799
Trading investments	10d	55,512	51,501	58,972
Stock borrowing collateral	10e	26,378	21,769	18,623
Current income tax receivable		10,185	1,060	3,171
Derivative financial instruments		216	-	629
Cash and cash equivalents	10g	111,513	97,619	134,125
		484,031	**582,364**	**683,319**
Current liabilities				
Trade and other payables	10c	(267,616)	(393,505)	(481,946)
Financial liabilities	10f	(35,031)	(23,322)	(27,217)
Lease liabilities	10a	(504)	(1,129)	(491)
		(303,151)	**(417,956)**	**(509,654)**
Net current assets		**180,880**	**164,408**	**173,665**
Non-current liabilities				
Lease liabilities	10a	(40,091)	(38,684)	(39,580)
Net assets		**190,819**	**175,277**	**186,726**
Equity				
Share capital		5,718	5,922	6,252
Capital redemption reserve		534	0	0
Other reserves		6,683	14,833	9,037
Retained earnings		177,884	154,522	171,437
Total equity		**190,819**	**175,277**	**186,726**

Consolidated Statement of Changes in Equity
UNAUDITED FOR THE 6 MONTHS ENDED 31 MARCH 2022

	Share capital £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 October 2021	**6,252**	**-**	**9,037**	**171,437**	**186,726**
Comprehensive income for the period	-	-	85	16,782	16,867
Dividends paid				(8,943)	(8,943)
Movement in respect of employee share plans			(2,439)	2,353	(86)
Deferred tax related to share-based payments				(562)	(562)
Net movement in Treasury shares	(534)	534		(3,183)	(3,183)
Transactions with shareholders	**(534)**	**534**	**(2,439)**	**(10,335)**	**(12,774)**
Balance at 31 March 2022	**5,718**	**534**	**6,683**	**177,884**	**190,819**

	Share capital £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 October 2020	**5,922**	**-**	**22,421**	**129,290**	**157,633**
Comprehensive income for the period	-	-	(1)	29,778	29,777
New shares issued					
Dividends paid				(6,825)	(6,825)
Movement in respect of employee share plans			(7,587)	(5,802)	(13,389)
Deferred tax related to share-based payments				905	905
Net movement in Treasury shares				7,176	7,176
Transactions with shareholders	**-**	**-**	**(7,587)**	**(4,546)**	**(12,133)**
Balance at 31 March 2021	**5,922**	**-**	**14,833**	**154,522**	**175,277**

	Share capital £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 October 2020	**5,922**	**-**	**22,421**	**129,290**	**157,633**
Comprehensive income for the year	-	**-**	10	57,847	57,857
New shares issued	330				330
Dividends paid				(12,726)	(12,726)
Movement in respect of employee share plans			(13,394)	(9.082)	(22,476)
Deferred tax related to share-based payments				(1,068)	(1,068)
Net movement in Treasury shares				7,176	7,176
Transactions with shareholders	**330**	**-**	**(13,394)**	**(15,700)**	**(28,764)**
Balance at 30 September 2021	**6,252**	**-**	**9,037**	**171,437**	**186,726**

Consolidated Statement of Cash Flows
UNAUDITED FOR THE 6 MONTHS ENDED 31 MARCH 2022

	Notes	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Cash flows from operating activities	11	(2,794)	3,988	77,115
Interest paid		(237)	(1,104)	(1,187)
Taxation paid		(3,200)	(8,785)	(17,599)
Cash paid in respect of lease arrangements - discount		(50)	(318)	(1,102)
Net cash (used in)/from operating activities		**(6,282)**	**(6,219)**	**57,227**
Investing activities				
Purchase of property, plant and equipment		(910)	(1,577)	(8,881)
Purchase of intangible assets		(13)	(49)	(310)
Interest received		8	1	1
Net cash (used in) investing activities		**(915)**	**(1,625)**	**(9,190)**
Financing activities				
Purchase of own shares – Employee Benefit Trust		(3,359)	(9,908)	(1,555)
Purchase of own shares – Treasury		(3,183)	(1,555)	(22,663)
Cash paid in respect of lease arrangements - principal		(263)	(1,493)	(1,811)
Dividends paid		(8,943)	(6,825)	(12,726)
Net cash used in financing activities		**(15,748)**	**(19,781)**	**(38,755)**
Net movement in cash and cash equivalents		**(22,944)**	**(27,625)**	**9,282**
Opening cash and cash equivalents		134,125	125,217	125,217
Net movement in cash and cash equivalents		(22,944)	(27,625)	9,282
Exchange movements		332	27	(374)
Closing cash and cash equivalents		**111,513**	**97,619**	**134,125**

Notes to the Financial Statements

1. Basis of preparation

Numis Corporation Plc is a UK AIM traded company incorporated and domiciled in the United Kingdom. The address of its registered office is 45 Gresham Street, London, EC2V 7BF. 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 2021, 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 2021. 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, no new standards or amendments to IFRS became effective.

2. Segmental reporting

Geographical information
The Group is managed as an integrated investment banking and equities 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:

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
United Kingdom	69,892	110,271	207,200
United States of America	4,261	5,155	8,382
	74,153	**115,426**	**215,582**

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

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
United Kingdom	44,682	40,887	46,109
United States of America	1,999	2,636	2,526
Republic of Ireland	361	-	-
	47,043	**43,523**	**48,635**

Other information
In addition, the analysis below sets out the income performance and net asset split between our investment banking and equities business and the equity holdings which constitute our investment portfolio.

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Equities income	26,111	33,386	60,711
Corporate retainers	6,111	6,293	12,471
Total corporate transactions revenues	41,931	75,747	142,400
Revenue (see note 3)	**74,153**	**115,426**	**215,582**
Investment activity net gains/(losses)	442	1,974	8,715
Contribution from investment portfolio	**442**	**1,974**	**8,715**
Total income	**74,595**	**117,400**	**224,297**

Net assets	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Investment banking and equities activities	61,683	61,434	30,818
Investing activities	17.623	16,224	21,783
Cash and cash equivalents	111,513	97,619	134,125
Total net assets	**190,819**	**175,277**	**186,726**

3. Revenue

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Net trading gains	6,478	11,507	19,754
Institutional income	19,633	21,879	40,957
Equities income	26,111	33,386	60,711
Corporate retainers	6,111	6,293	12,471
Advisory	17,246	12,428	30,884
Capital markets	24,685	63,319	111,516
Investment banking income	48,042	82,040	154,871
Total	**74,153**	**115,426**	**215,582**

4. Other operating income

Other operating income represents net gains or losses made on investments which are held outside of the market making portfolio. The gains or losses reflect price movements on quoted holdings and fair value adjustments on unquoted holdings. Our portfolio of unquoted investments was impacted by adverse valuation movements in the second quarter which largely offset the gains achieved in the first quarter.

5. Administrative expenses

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Wages and salaries	29,901	45,719	81,968
Social security costs	4,668	8,639	14,686
Pension costs	986	808	1,792
Share-based payments	3,025	5,824	9,634
Other staff costs	456	12	534
Staff costs	39,036	61,002	108,614

	6 months ended 31 March 2022 Unaudited	6 months ended 31 March 2021 Unaudited	Year ended 30 September 2021 Audited
Depreciation of property, plant and equipment	873	492	1,154
Depreciation of right-of-use assets	1,554	1,229	3,262
Amortisation of intangible assets	129	75	158
Other non-staff costs	18,554	13,854	34,671
Non-staff costs	21,110	15,650	39,245
	60,146	**76,652**	**147,859**

The average number of employees during the period has increased to 324 (31 March 2021: 287). Staff costs including share award related charges have decreased by 36.0% compared to the prior period due to the reduced operating performance resulting in lower variable compensation. Non-staff costs have increased by 34.9% compared to the prior period largely as a result of increased occupancy costs attributable to the office move.

6. Finance income and Finance costs

Finance income for the period:

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Interest income	8	1	1
Net foreign exchange gains	-	-	-
Other income	-	-	-
	8	**1**	**1**

Finance costs for the period:

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Interest expense	174	211	439
Unwind of lease liability discount	791	318	1,102
Net foreign exchange losses	67	893	721
Other finance costs	-	-	27
	1,032	**1,422**	**2,289**

7. Taxation

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Current Tax			
Corporation tax at 19.0% (2021: 19.0%)	3,611	5,251	10,865
Corporation tax surcharge at 8.0% (2021: 8.0%)	-	1,212	2,544
Adjustments in respect of prior years	(7,551)	2,291	2,351
Total current tax	(3,940)	8,754	15,760
Deferred tax			
Origination and reversal of timing differences	618	748	508
Changes in tax rate	(35)	47	35
Total tax (credit) / charge	(3,357)	9,549	16,303

The tax charge has benefitted from a one-off adjustment in the period related to share scheme vestings at the end of FY21.

8. Earnings per share

Basic earnings per share is calculated on profits after tax of £16,782,000 (31 March 2021: £29,778,000) and 111,295,087 (31 March 2021: 104,242,148) 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 2022 Unaudited Number Thousands	6 months ended 31 March 2021 Unaudited Number Thousands	Year ended 30 September 2021 Audited Number Thousands
Weighted average number of ordinary shares in issue during the period – basic	111,295	104,242	106,688
Dilutive effect of share awards	3,529	11,602	11,021
Diluted number of ordinary shares	**114,824**	**115,844**	**117,709**

9. Dividends

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Final dividend year ended 30 September 2020 (6.50p)		6,825	6,825
Interim dividend year ended 30 September 2021 (5.50p)			5,901
Final dividend year ended 30 September 2021 (8.00p)	8,943		
Distribution to equity holders of Numis Corporation Plc	**8,943**	**6,825**	**12,726**

The Board has approved the payment of an interim dividend of 6.00p per share (2021: interim 5.50p per share). This dividend will be payable on 21 June 2022 to shareholders on the register of members at the close of business on 20 May 2022. These financial statements do not reflect this dividend payable.

10. Balance sheet items

(a) Right-of-use asset and lease liabilities
The right-of-use asset and lease liabilities (current and non-current) represent the three property leases that the Group currently uses for its offices in London, New York and Dublin.

(b) Deferred tax
As at 31 March 2022 deferred tax assets totalling £2,987,000 (30 September 2021: £4,006,000) have been recognised reflecting management's 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 £11,827,000 (30 September 2021: £17,035,000).

(d) Trading investments
Included within trading investments is £17,623,000 (30 September 2021: £21,783,000) of investments held outside of the market making portfolio. The net decrease during the period is due to disposal proceeds exceeding new investment and unfavourable revaluation movements attributable to declining markets.

(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.

(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 higher than those reported as at 31 March 2021. The cash profits earned over the past year have more than offset cash outflows attributable to an increased dividend, elevated buyback spend in the second half of the prior year and investment in new offices.

11. Reconciliation of profit before tax to cash from operating activities

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	Year ended 30 September 2021 Audited £'000
Profit before tax	13,425	39,327	74,150
Net finance expense	1,024	1,421	2,288
Disposal of property, plant and equipment	-	-	279
Depreciation charge on property, plant and equipment	873	492	1,154
Depreciation charge on right-of-use asset	1,554	1,229	3,262
Amortisation charge on intangible assets	129	75	158
Share-based payments	3,025	5,252	9,634
(Increase)/decrease in current asset trading investments	3,460	(13,412)	(20,883)
(Increase)/decrease in trade and other receivables	187,573	(84,259)	(141,643)
(Increase)/decrease in stock borrowing collateral	(7,755)	(3,547)	(401)
Increase/(decrease) in trade and other payables	(206,516)	57,392	149,728
(Increase)/decrease in derivatives	413	18	(611)
Cash from operating activities	**(2,794)**	**3,988**	**77,115**

The decrease in cash from operating activities during the six months ended 31 March 2022 reflects a decrease in profitability for the period and outflows in respect of seasonal expense items which fall within the first half of our financial year.