

NUMIS SECURITIES LIMITED
COMPANY NUMBER 2285918
ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2008



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NUMIS SECURITIES LIMITED
(Registered Number 2285918)
ANNUAL REPORT
YEAR ENDED 30 SEPTEMBER 2008

CONTENTS

DIRECTORS, OFFICERS AND REGISTERED OFFICE	1
DIRECTORS' REPORT	2 - 5
STATEMENT OF DIRECTORS' RESPONSIBILITIES	6
INDEPENDENT AUDITORS' REPORT	7
INCOME STATEMENT	8
BALANCE SHEET	9
STATEMENT OF CHANGES IN EQUITY	10
CASH FLOW STATEMENT	11
NOTES TO THE FINANCIAL STATEMENTS	12 - 34

**NUMIS SECURITIES LIMITED
DIRECTORS, OFFICERS AND REGISTERED OFFICE**

DIRECTORS

OA Hemsley	(Chairman & Chief Executive)
AL Heath	
HGE Jenkins	(resigned 18 June 2008)
RHW Morecombe	(resigned 7 July 2008)
JSJ Mundi	(resigned 24 September 2008)
DJ Poutney	
CWV Robins	
AL Shields	(appointed 5 August 2008)
WEJ Trent	(resigned 31 December 2008)
LM Tilbian	
The Hon PNN Turner	(resigned 30 November 2007)
W Wallis	
MJ Chorley	(appointed 10 December 2008)
S Denyer	(appointed 31 December 2008)

SECRETARY

S Denyer (appointed 31 December 2008)

REGISTERED OFFICE

The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

AUDITORS

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hays Lane
London
SE1 2RD

NUMIS SECURITIES LIMITED DIRECTORS' REPORT

The directors present their report on the affairs of the Company, together with the financial statements and auditors' report, for the year ended 30 September 2008.

PRINCIPAL ACTIVITY

The principal activity of the Company is to provide integrated investment banking services. This activity encompasses a full range of research, execution, corporate broking and corporate finance services to companies quoted in the UK and their investors. The Company is a member firm of the London Stock Exchange and is regulated by the Financial Services Authority.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company is a wholly owned subsidiary undertaking of Numis Corporation Plc, a United Kingdom registered company. It is a leading independent investment banking and stockbroking firm offering a full range of investment banking services.

The Company has effective ownership of 100% of the issued share capital of the following companies:

Subsidiary	Country of incorporation	Principal activity
Numis Securities Inc	United States of America	Financial services
Numis Nominees (NSI) Limited	United Kingdom	Dormant
Numis Nominees Limited	United Kingdom	Dormant

The directors are pleased to report another profitable year for the Company, a creditable performance in very challenging conditions. For the year ended 30 September 2008 revenue was £46.6m (2007: £81.6m) and profit before tax for the year was £7.0m (2007: £35.1m). Profit after tax for the year was £5.7m (2007: £24.4m) while net assets increased to £92.3m (2007: £87.0m).

There can be no doubt that a virtual cessation of capital markets activity coupled with a lack of liquidity present an extraordinarily challenging business environment. Therefore, it is pleasing to note that, against this back-drop, our secondary market business continues to generate resilient levels of income, both in the UK and US. Numis has also made great strides in building its franchise and whilst maintaining a very healthy balance sheet and appropriate cost control, we have been successful in recruiting some first class people during the year. We are particularly pleased to note the arrival of our new Investment Trust team and our increased capacity in program trading, both of which are developing into successful businesses. Since the year end we have attracted the pre-eminent mid-cap sales team together with industry leading corporate brokers and top ranked analysts.

Our investing activities have not been immune to the deterioration in market conditions, the result for the year being an aggregate loss of £1.5m (2007: £0.5m gain). The investment portfolio held by the Company was valued at £0.7m as at 30 September 2008 and includes a small number of quoted and private company holdings. We continue to monitor the performance of these investments and, where prudent and appropriate to do so, explore their monetisation.

Numis' focus on balance sheet strength and risk management has proved its worth during the recent banking failures. It has enabled us to provide and maintain an excellent service to institutional and corporate clients during volatile and uncertain market conditions. Whilst we have avoided any exposure to the sub-prime and other credit markets, we are not immune from the challenging stock market conditions, but we are well positioned and remain committed to building the business during the downturn.

Our corporate broking and advisory results this year clearly have been affected by a much reduced equity capital raising activity. Total equity money raised on the LSE main and junior markets excluding bank rescues is 51% lower than last year. Therefore we are pleased to report that our clients raised a total of £654m (2007: £1,182m) through 20 transactions (2007: 40). Numis' ability to source mandates for private placements as well as for primary and secondary market offerings has continued to make a difference to our performance. The number of corporate clients for whom we act has risen over the year to 111 (September 2007: 109) and has resulted through 21 new corporate brokerships being won, partially offset by losses attributable, in the main, to M&A and takeover activity.

Our research and execution services are recognised as being exceptional. In the 2008 Thomson Extel survey, Numis was rated 2nd overall broker for UK companies of up to £1bn market capitalisation. Our research teams were ranked in the top 3 in a majority of sectors that we cover. Our highly rated independent analysts produce research on nearly 300 companies and we have a recognised capability in 14 sectors, including aerospace & defence, building & property, engineering, consumer goods, media, metals & mining, new energy & emissions, non-life insurance, retail, speciality financials, support services, technology, travel & leisure, and investment trusts & funds.

NUMIS SECURITIES LIMITED
DIRECTORS' REPORT
(continued)

Our execution services continue to make a major contribution to the development of our reputation and the resilience of our institutional commissions. It is pleasing to note that, in the FTSE 250 stocks in which we trade, our market share has shown significant improvement throughout the year. Our execution business is focused on client facilitation, rather than generating proprietary trading profits and was rewarded with a 2nd place in the 2008 Thomson Extel survey. Having developed algorithmic and other electronic trading capabilities during the course of last year we continue to seek best execution for our institutional clients across multiple execution venues.

Sales & Trading is a competitive area with pressure on commission levels for trades in liquid stocks from electronic trading. However, clients have a strong demand for independent and well-researched ideas combined with high quality execution. We believe our platform is well placed to improve performance for our 450+ institutional clients across the UK, Europe and the USA.

Although market conditions remain challenging to both our securities and investment activities, Numis will use this period of market dislocation to attract high quality staff and corporate clients to the organisation. During the previous downturn of 2001 to 2003, Numis expanded significantly, building the business whilst others were retrenching. Our ability to act in a contracyclical fashion is what sets us apart from our competitors and is the reason why we have maintained very strong cash balances in the Company. We cannot predict when conditions will improve but we can use this very difficult period to our advantage. We are increasingly confident that Numis will emerge from this financial turmoil as a key player in the UK investment banking and stockbroking arena.

POST BALANCE SHEET EVENTS

Details of post balance sheet events are set out in note 28 to the financial statements.

RESULTS AND DIVIDENDS

The Directors do not propose to pay a dividend (2007: nil). The results of the Company for the financial year are set out in the income statement on page 8.

DIRECTORS AND THEIR INTERESTS

No director had any direct interest in the shares of the Company during the year ended 30 September 2008. All the directors served throughout the year other than the following:

HGE Jenkins	(resigned 18 June 2008)
RHW Morecombe	(resigned 7 July 2008)
JSJ Mundi	(resigned 24 September 2008)
AL Shields	(appointed 5 August 2008)
The Hon PNN Turner	(resigned 30 November 2007)

Shareholdings in parent company

The directors' beneficial interests in the ordinary shares of 5p each of the holding company, Numis Corporation Plc, other than those who were also directors of Numis Corporation Plc (their interests being disclosed in the Group financial statements of that company), are disclosed below:

	30 September 2008 *		30 September 2007+	
	No. of ordinary shares	%	No. of ordinary shares	%
HGE Jenkins *	96,987	0.09%	80,000	0.05%
RHW Morecombe *	2,477,475	2.30%	2,477,475	2.33%
JSJ Mundi *	1,004,932	0.93%	837,658	0.79%
DJ Poutney	7,529,000	7.00%	7,612,409	7.15%
AL Heath	141,018	0.13%	94,049	0.09%
CWV Robins	986,880	0.92%	119,271	0.11%
AL Shields +	-	-	-	-
W Wallis	57,708	0.05%	55,747	0.05%
	12,294,000	11.43%	11,276,609	10.59%

+ Or date of appointment if later, * or date of resignation if sooner

NUMIS SECURITIES LIMITED
DIRECTORS' REPORT
(continued)

Directors' interests under the Group's share incentive plans

The disclosures for directors' remuneration and other benefits paid by the Company has been included in note 7.

The directors of the Company at 30 September 2008 who were not directors of the holding company, Numis Corporation Plc, held interests in the ordinary shares of Numis Corporation plc under the share incentive plans of the Group. The interests of those who were also directors of Numis Corporation Plc are disclosed in the Group financial statements. The interests of the remaining directors in the matching shares to which they are prospectively entitled under the share incentive arrangements were as follows:

	No. held as at 01 Oct 2007 +	Awarded during the Year	Vested during the year	Forfeited during the year	No. held as at 30 Sept 2008 *
RHW Morecombe	142,855	-	(142,855)	-	-
JSJ Mundi	799,251	107,758	(693,344)	(213,665)	-
DJ Poutney	31,745	-	(31,745)	-	-
AL Heath	93,457	75,430	-	-	168,887
CWV Robins	119,271	867,609	-	-	986,880
AL Shields +	-	-	-	-	-
W Wallis	55,747	17,241	-	-	72,988
	<u>1,242,326</u>	<u>1,068,038</u>	<u>(867,944)</u>	<u>(213,665)</u>	<u>1,228,755</u>

+ Or date of appointment if later, * or date of resignation if sooner

The interests outlined above are subject to vesting conditions requiring the continued employment of the director. The earliest vesting date for these interests is 15 February 2009.

Directors' share options

The directors of the Company at 30 September 2008 (other than those who were also directors of Numis Corporation plc) had no share option interests in the ordinary shares of the holding company. During the year HGE Jenkins exercised options over 40,000 ordinary shares of the holding company at a gain of £54,600. His interests in options at the date of his resignation was 80,000 shares.

Loans to directors

Details of loans to directors (made in respect of share incentive arrangements and on the same terms as all other employees) were as follows:

	30 September 2008 £	30 September 2007 £
AL Heath	-	2,500
CWV Robins	1,635,699	159,227
W Wallis	96,000	120,000
	<u>1,731,699</u>	<u>281,727</u>

All loans are repayable out of future bonuses but ultimately payment terms are at the discretion of the Company. All loans must be repaid in full on termination of employment.

NUMIS SECURITIES LIMITED
DIRECTORS' REPORT
(continued)

AUDITORS

PricewaterhouseCoopers LLP is eligible for reappointment as auditor to the Company and a resolution proposing its reappointment will be proposed at the AGM on 16 February 2009.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the Board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the audit or preparation of their auditors report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

TRADE RECEIVABLES

The Company does not extend credit terms to its clients. On average the Company's clients have taken 3 days to settle (2007: 3 days).

TRADE PAYABLES - SUPPLIERS

The Company agrees terms and conditions for its goods or services with suppliers. Payment is then made based on these terms and conditions, subject to the agreed terms and conditions being met by the supplier. On average the Company has taken 14 days (2007: 17 days) to pay suppliers during the past financial year.

CHARITABLE DONATIONS

During the year, the Company made charitable donations of £nil to UK charities (2007: £50,000).

EMPLOYMENT POLICY

The Company's employment policies are based on a commitment to equal opportunities from the selection and recruitment process through to training, development, appraisal and promotion.

RISK MANAGEMENT

The major business and financial risks to which the Company is exposed along with the controls in place to minimise these risks are described in note 27 to the financial statements.



BY ORDER OF THE BOARD

S Denyer
Company Secretary
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

20 January 2009

NUMIS SECURITIES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the report of the independent auditors, set out on page 8, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are responsible for preparing the financial statements. They are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for the financial year. In preparing those financial statements, the directors are required to:

- 1 select suitable accounting policies and then apply them consistently;
- 2 make judgments and estimates that are reasonable and prudent;
- 3 state whether applicable accounting standards have been followed; and
- 4 prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors consider that the Company has adopted suitable accounting policies and except as set out in note 2, they have been used and applied consistently. They also confirm that reasonable and prudent judgments and estimates have been made in preparing the financial statements for the year ended 30 September 2008 and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with company law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NUMIS SECURITIES LIMITED

We have audited the financial statements of Numis Securities Limited for the year ended 30 September 2008 which comprise the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRS) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the remuneration report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 September 2008 and of its profits and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
21 January 2009

NUMIS SECURITIES LIMITED
INCOME STATEMENT
YEAR ENDED 30 SEPTEMBER 2008

		2008	2007
		£	£
Continuing operations			
	Notes		
Revenue	4	46,563,993	81,629,901
Other operating (losses) / income	5	(1,480,482)	479,002
Administrative expenses		(44,012,455)	(50,752,844)
Operating profit		1,071,056	31,356,059
Analysed as:			
Operating profit before exceptional non-recurring property costs		1,071,056	33,551,747
Exceptional non-recurring property costs	6	-	(2,195,688)
Operating profit		1,071,056	31,356,059
Finance income	8	5,957,715	4,161,914
Finance costs	9	(58,814)	(390,695)
Profit before tax		6,969,957	35,127,278
Taxation	10	(1,314,115)	(10,750,636)
Profit after tax		5,655,842	24,376,642
Attributable to:			
Equity holders of the Company		5,655,842	24,376,642
 Memo - dividends	11	-	(6,750,000)

All amounts shown in the profit and loss account derive from continuing operations of the Company.


The accompanying notes are an integral part of these financial statements

NUMIS SECURITIES LIMITED
BALANCE SHEET
30 SEPTEMBER 2008

		2008	As restated 2007
	Notes	£	£
Non current assets			
Property, plant and equipment	12	2,570,146	3,042,625
Intangible assets	13	290,584	382,438
Investment in subsidiaries	14	3,116,679	2,365,878
Deferred tax	16	-	1,839,715
		5,977,409	7,630,656
Current assets			
Trade and other receivables	17	237,353,368	174,345,456
Trading investments	18	10,406,705	21,243,611
Stock borrowing collateral		91,968	8,604,520
Derivative financial instruments	15	1,165,927	2,928,918
Current income tax		836,296	-
Cash and cash equivalents	19	56,411,996	75,155,979
		306,266,260	282,278,484
Current liabilities			
Trade and other payables	20	(218,006,858)	(187,441,929)
Financial liabilities		(1,284,839)	(8,236,761)
Provisions	21	(76,728)	(2,377,249)
Current income tax		-	(2,970,850)
		(219,368,425)	(201,026,789)
Net current assets		86,897,835	81,251,695
Non current liabilities			
Provisions	21	(614,566)	(1,927,045)
Net assets		92,260,678	86,955,306
Equity			
Share capital	22	2,000,000	2,000,000
Retained profits		90,260,678	84,955,306
Equity attributable to equity holders of the Company		92,260,678	86,955,306

The accompanying notes are an integral part of these financial statements.

Signed on behalf of the Board 20 January 2009



S Denyer
Director

NUMIS SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 SEPTEMBER 2008

	Share Capital £	Retained Profits £	Total £
Attributable to equity holders of the Company at 1 October 2007	2,000,000	84,955,306	86,955,306
Profit after tax		5,655,842	5,655,842
Deferred tax related to share-based payments		(1,312,957)	(1,312,957)
Movements in respect of employee share plans		962,487	962,487
Attributable to equity holders of the Company at 30 September 2008	2,000,000	90,260,678	92,260,678
Attributable to equity holders of the Company at 1 October 2006	2,000,000	67,066,653	69,066,653
Profit after tax		24,376,642	24,376,642
Dividends paid		(6,750,000)	(6,750,000)
Deferred tax related to share-based payments		99,747	99,747
Items related to prior year bonus allocation		162,264	162,264
Attributable to equity holders of the Company at 30 September 2007	2,000,000	84,955,306	86,955,306

The accompanying notes are an integral part of these financial statements.

NUMIS SECURITIES LIMITED
CASH FLOW STATEMENT
YEAR ENDED 30 SEPTEMBER 2008

	Notes	2008 £	As restated 2007 £
Cash flows from operating activities	23	(11,072,090)	27,452,904
Interest paid		(58,814)	(21,311)
Taxation paid		(4,536,503)	(9,124,004)
Net cash (used in)/from operating activities		(15,667,407)	18,307,589
Investing activities			
Purchase of property, plant and equipment		(240,685)	(2,912,240)
Purchase of intangible assets		(162,772)	(197,845)
Interest received		3,452,476	4,161,914
Investment in subsidiaries		(663,203)	(364,816)
Net cash from investing activities		2,385,816	687,013
Financing activities			
Loans made to the Employee Benefit Trusts		(5,462,392)	(10,344,805)
Dividends paid		-	(6,750,000)
Net cash used in financing activities		(5,462,392)	(17,094,805)
Net movement in cash and cash equivalents		(18,743,983)	1,899,797
Opening cash and cash equivalents		75,155,979	73,256,182
Net movement in cash and cash equivalents		(18,743,983)	1,899,797
Closing cash and cash equivalents		56,411,996	75,155,979

The accompanying notes are an integral part of these financial statements.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

1 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements of the Company are described below. Except as set out in note 2, these policies have been consistently applied to the years presented.

(a) Basis of Preparation

The Company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and in accordance with IFRIC interpretations and the Companies Act 1985 applicable to companies reporting under IFRS. These financial statements have been prepared under the historical cost convention as modified by revaluation of financial assets, liabilities and derivative contracts.

Standards and interpretations effective in 2008

IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Company's financial instruments, or the disclosures relating to taxation and trade and other payables.

IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction', provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The interpretation does not have an impact on the Company's financial statements as it does not operate a defined benefit pension schemes.

IFRIC 11, 'IFRS 2 – Group and treasury share transactions', provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. The Company's accounting policy for share based compensation arrangements is already in compliance with the interpretation.

Interpretations effective in 2009 but not relevant

The following interpretation to published standards is mandatory for accounting periods beginning on or after 1 January 2008 but is not relevant to the Company's operations:

IFRIC 12, 'Service concession arrangements'; and

IFRIC 13, 'Customer loyalty programmes'.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 October 2008 or later periods, but the Company has not early adopted them:

IFRS 8 replaces IAS 14, 'Segment reporting', and aligns segment reporting with the requirements of the US standard SFAS 131. This standard is not expected to have a significant impact on the Company's financial statements.

(b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the Company. Revenue comprises institutional commissions, net trading gains or losses, corporate broking retainers, deal fees, placing commissions and investment income.

Institutional commissions are recognised on trade dates. Net trading gains or losses are the realised and unrealised profits and losses from market making long and short positions on a trade date basis. Investment income is the realised and unrealised gains and losses from securities held outside of the market making portfolio on a trade date basis.

Corporate retainers are recognised on an accruals basis. Deal fees and placing commissions are only recognised once there is an absolute contractual entitlement for Numis to receive them.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

(c) Segment Reporting

Business segments are distinguishable components of the Company that provide products or services that are subject to risks and rewards that are different to those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and rewards that are different to those of components operating in other economic environments. The Company operates a single integrated business and, although there are different revenue types (the contributions from which are separately disclosed), there is no segmentation of profits, assets, liabilities or net assets.

(d) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is provided for on a straight line basis at the following rates:

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

Leasehold improvements are depreciated on a straight line basis over the term of the lease or estimated useful economic life whichever is the shorter.

(e) Intangible Assets

Acquired computer software licences are capitalised where it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the assets can be reliably measured. Software is stated at cost, including those costs incurred to bring to use the specific software, less amortisation and provisions for impairment, if any. Costs are amortised on a straight line basis over the estimated useful life of the software. Costs associated with maintaining or developing the software are recognised as an expense when incurred.

(f) Impairment of Assets

The carrying value of property, plant and equipment and intangibles is reviewed for impairment when events or changes in circumstance indicate the carrying value may be impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss.

(g) Financial Assets and Liabilities

Trading investments and financial liabilities represent market making positions and other investments held for resale in the near term and are stated at fair value. Gains and losses arising from the changes in fair value are taken to the income statement.

For trading investments and financial liabilities which are quoted in active markets, fair values are determined by reference to the current quoted bid/offer price, with financial assets marked at the bid price and financial liabilities marked at the offer price. Where independent prices are not available, fair values may be determined using valuation techniques with reference to observable market data. These may include comparison to similar instruments where observable prices exist, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Loans and receivables are non-derivative financial instruments which have a fixed or easily determinable value. They are recognised at cost less any impairment in their value and are included in trade and other receivables.

The Company makes an assessment at each balance sheet date as to whether there is any objective evidence of impairment, being any circumstance where an adverse impact on estimated future cash flows of the financial asset or group of assets can be reliably estimated.

(h) Derivatives

The Company utilises forward exchange contracts to manage the exchange risk on actual transactions related to amounts receivable, denominated in a currency other than the functional currency of the business. The Company has not sought to apply the hedging requirements of IAS 39.

The Company's forward exchange contracts do not subject the Company to risk from exchange rate movements because the gains and losses on such contracts offset losses and gains, respectively, on the underlying foreign currency transactions to which they relate. The forward contracts and related amounts receivable are recorded at fair value at each period end. Fair value is calculated using the settlement rates prevailing at the period end.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

All gains and losses resulting from the settlement of the contracts are recorded within Finance Income / Costs in the income statement. The Company does not enter into forward exchange contracts for the purpose of hedging anticipated transactions.

Equity options and warrants are initially accounted for and measured at fair value on the date the Company becomes a party to the contractual provisions of the derivative contract and subsequently measured at fair value. The gain or loss on re-measurement is taken to the income statement within net trading income. Fair values are obtained from quoted prices prevailing in active markets, including recent market transactions and valuation techniques including discounted cash flow models and option pricing models as appropriate. All derivatives are included in assets when their fair value is positive and liabilities when their fair value is negative.

(i) Deferred Tax

Deferred tax is provided in full, using the liability method, on all taxable and deductible temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

(j) Stock Borrowing Collateral

The Company enters stock borrowing 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 with a commitment to return it at a future date at an agreed price. The securities purchased are not recognised on the balance sheet and the transaction is treated as a secured loan made for the purchase price. Where cash has been used to effect the purchase, the cash collateral amount is recorded as a pledged asset on the balance sheet. 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.

(k) Trade and Other Receivables

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Client, broker and other counterparty balances represent unsettled sold securities transactions and are recognised on a trade date basis. All such balances are shown gross.

(l) Trade and Other Payables

Trade and other payables are stated at their nominal value. The Company accrues for all goods and services consumed but as yet unbilled at amounts representing management's best estimate of fair value. Client, broker and other counterparty balances represent unsettled purchased securities transactions and are recognised on a trade date basis. All balances are shown gross.

(m) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with an original maturity of 3 months or less.

(n) Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation and it can be reliably estimated. Provisions that relate to periods greater than twelve months are discounted to the net present value using an effective discount rate that reliably calculates the present value of the future obligation. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised in the financial statements; however they are disclosed unless their likely occurrence is remote.

(o) Clients' Deposits

All money held on behalf of clients has been excluded from the balances of cash and cash equivalents and amounts due to clients, brokers and other counterparties. Client money is not held directly, but is placed on deposit in segregated designated accounts with a bank. The amounts held on behalf of clients at the balance sheet date are included in note 19.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

(p) Pension Costs

The Company has a Company Personal Pension Plan and death in service benefits that are available to full-time employees of the Company over the age of 18 who have served the Company for at least 3 months. The plan is a defined contribution scheme; costs of the scheme are charged to the income statement in the year in which they arise.

(q) Operating Leases

Rentals under operating leases are charged to the income statement on a straightline basis over the lease term even if the payments are not made on such a basis. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

(r) Foreign Currencies

Transactions denominated in foreign currencies are translated into the functional currency of the Company, UK Sterling, at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at rates prevailing on the balance sheet date. Exchange differences are taken to the income statement, except for exchange differences arising on nonmonetary assets and liabilities where the changes in fair value are taken directly to reserves. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

(s) Taxation

Taxation on the profit for the year comprises both current and deferred tax as well as adjustments in respect of prior years. Taxation is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is also included within equity. Current tax is the expected taxpayable on the taxable income for the period, using tax rates enacted, or substantially enacted by the balance sheet date.

(t) Employee Share Ownership Plans

The Company participates in a number of group Employee Share Ownership Plans ("ESOP") which provide a mechanism for the parent company Board to award employees of the Company share-based payments on a discretionary basis. Employee Benefit Trusts established by the parent company acquire ordinary shares of the parent company to be held on trust for the benefit of, and ultimate distribution to, employees of the group either on the exercise of share options or other remuneration arrangements. The details of the Group's Employee Share Ownership Plans can be found in the 2008 Annual Report and Accounts of the Group.

In the case of equity-settled awards, the cost of share awards made under employee share ownership plans, as measured by the fair value of awards at the date of granting, are taken to the income statement over the vesting period (if any), and disclosed under staff costs with a corresponding increase in equity.

In the case of cash-settled awards, the cost of share awards made under employee share ownership plans, as measured by the fair value of awards at the date of granting, are taken to the income statement over the vesting period with a corresponding increase in provisions representing the cash obligation. At each subsequent accounting date the fair value of the obligation is re-assessed with reference to the underlying share price and the provision adjusted accordingly.

(u) Dividends

Dividends payable are recognised when the dividend is paid or approved by shareholders.

(v) Exceptional Items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance.

(w) Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with generally accepted accounting principles 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. 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. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are set out below:

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

Valuation of financial assets where there is no quoted price

Such assets principally comprises minority holdings in unquoted securities and are valued with reference to financial information available at the time of original investment updated to reflect all relevant changes to that information as at the reporting date. This determination requires significant judgement in determining the changes in fair value since the last valuation date. In making this judgement the Company evaluates among other factors recent offerings or transaction prices, changes in the business outlook affecting a particular investment since purchase, performance of the underlying business against original projections, valuations of similar quoted companies and relevant industry valuation techniques, for example, discounted cashflow or market approach

Valuation of quoted financial assets where there is no active market

Quoted investments held by the Company may not always be actively traded in financial markets. In such cases the Company applies appropriate valuation techniques to determine fair value. In practice this has resulted in certain holdings having been discounted from the most recent price, to reflect illiquidity in the market.

(x) Investment in Subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

(y) Intermediate Parent Undertaking

The Company has taken advantage of the exemptions afforded by Section 228 of the Companies Act 1985 and under IAS 27 "Consolidated and separate financial statements", from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its parent, Numis Corporation Plc.

2 PRIOR YEAR ADJUSTMENT

Prior to our conversion to IFRS and indeed subsequently, Numis has consistently included certain cash collateral balances held with securities clearing houses (Fortis, EMCF and EUROCCP) as part of the reported cash and cash equivalent balances in all external and internal financial reporting. However, after discussion with our auditors and accounting advisers we have now concluded that such balances do not qualify under IFRS to be classified within cash and cash equivalents. Therefore these financial statements include a prior year adjustment. There is no impact on reported net assets or profits however there is a decrease in the prior year cash and cash equivalent balance of £1,730,686 and a corresponding increase to trade and other receivables. In order to fully understand the year-on-year impact on our cash and cash equivalents balance the prior year adjustment together with the impact on the current year balance is set out below:

	2008 £	2007 £
Previously reported	66,285,923	76,886,665
Reclassification to trade and other receivables	(9,873,927)	(1,730,686)
Revised cash and cash equivalents	56,411,996	75,155,979

The increase in these collateral balances is a direct result of increased trading activity across multiple trading venues.

3. SEGMENTAL INFORMATION

The Company operates an integrated investment banking business and, although there are different revenue types (the contributions from which are separately disclosed in note 4), there is no further distinguishable segmentation of the business.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

4. REVENUE

	2008 £	2007 £
Net trading (losses) / gains	(3,339,754)	4,980,139
Institutional commissions	22,937,045	24,577,515
Corporate retainers	4,029,316	3,757,279
Deal fees	9,751,500	15,461,245
Placing commissions	13,185,886	32,853,724
	<u>46,563,993</u>	<u>81,629,901</u>

5. OTHER OPERATING (LOSSES) / INCOME

	2008 £	2007 £
Investment (losses) / gains	(1,543,667)	472,393
Other	63,185	6,608
	<u>(1,480,482)</u>	<u>479,002</u>

Investment gains and losses result from trading investments which are held outside of the market making portfolio.

6. OPERATING PROFIT

Operating profit is stated after charging:

	2008 £	2007 £
Depreciation of property, plant and equipment	713,163	623,426
Amortisation of intangible assets	254,626	229,306
Operating lease costs	1,371,673	1,704,755
Staff costs (see note 7)	24,576,892	31,814,584
Auditors' remuneration		
PricewaterhouseCoopers LLP		
Audit services to the Company	300,779	235,160
Tax services	121,960	49,550
Regulatory services	320,400	62,125

Exceptional non-recurring property costs comprise costs associated with the exit from our previous principal office at 138 Cheapside, London EC2 in March 2007.

7. STAFF COSTS

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

Employee costs during the year amounted to:

	2008 £	2007 £
Wages and salaries	16,504,016	13,153,641
Bonuses	5,615,750	13,295,250
Social security costs	1,590,090	3,724,742
Compensation for loss of office	165,980	53,000
Other pension costs (see note 26)	611,702	490,863
Share based payments	89,354	1,097,088
	<u>24,576,892</u>	<u>31,814,584</u>

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

The average number of staff (including executive directors) employed during the year was:

	2008 Number	2007 Number
Average for the year		
Professional	130	123
Administration	44	39
	174	162
At the year end	165	174

Directors' remuneration

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

	2008 £	2007 £
Emoluments	4,647,056	8,717,198
Money purchase contributions	272,305	119,844
	4,919,361	8,837,042

The above amounts do not include any gains made on the exercise of options over the shares of the parent undertaking, these are shown in the directors' report on page 4.

Pensions

All directors as at the year end are members of individually arranged money purchase schemes.

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2008 £	2007 £
Emoluments	900,000	1,174,113
Company contributions to money purchase pension schemes	10,500	18,750
	910,500	1,192,863

8 FINANCE INCOME

	2008 £	2007 £
Interest receivable and similar income	3,941,477	4,161,914
Net foreign exchange gains	2,016,238	-
	5,957,715	4,161,914

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

9 FINANCE COSTS

	2008 £	2007 £
Interest payable	58,814	21,311
Net foreign exchange losses	-	369,384
	<u>58,814</u>	<u>390,695</u>

10 TAXATION

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

	2008 £	2007 £
Current tax		
Corporation tax at 29% (2007: 30%)	837,902	10,768,181
Corporation tax over provided in previous year	(50,963)	(563,585)
	<u>786,939</u>	<u>10,204,596</u>
Deferred tax		
Origination and reversal of timing differences	527,176	16,760
Adjustments in respect of previous years	-	529,280
	<u>1,314,115</u>	<u>10,750,636</u>
Total tax charge		
	<u>1,314,115</u>	<u>10,750,636</u>
Factors affecting the tax charge for the year		
Profit before tax	6,969,957	35,127,278
Profit before tax multiplied by the standard rate of UK corporation tax	2,021,287	10,538,183
Effects of:		
Net expenses not deductible for tax purposes	192,726	225,791
Capital allowances for the period in excess of depreciation	13,811	(76,858)
Other timing differences	18,940	(178,406)
Group relief	(1,387,522)	-
Corporation tax over provided in previous year	(50,963)	(563,585)
Other permanent differences	(21,340)	259,471
Origination and reversal of timing differences	527,176	16,760
Adjustments in respect of previous years	-	529,280
	<u>1,314,115</u>	<u>10,750,636</u>
Total tax charge		
	<u>1,314,115</u>	<u>10,750,636</u>

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

11 DIVIDENDS

Dividends paid on ordinary shares during the year totalled £nil (2007: £6,750,000).

12 PROPERTY, PLANT AND EQUIPMENT

The movement during the year and prior year was as follows:

	Furniture and fittings £	Leasehold improvements £	Office and computer equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2007	786,452	1,842,075	2,233,185	27,421	4,889,133
Additions	14,642	102,630	94,772	28,641	240,685
Impairment	-	-	-	-	-
Disposals	-	-	-	-	-
At 30 September 2008	801,094	1,944,705	2,327,957	56,062	5,129,818
Depreciation					
At 1 October 2007	438,487	71,637	1,308,964	27,421	1,846,509
Charge for the year	109,568	126,301	476,100	1,194	713,163
Disposals	-	-	-	-	-
At 30 September 2008	548,055	197,938	1,785,064	28,615	2,559,672
Net book value					
At 1 October 2007	347,965	1,770,438	924,221	0	3,042,624
At 30 September 2008	253,039	1,746,767	542,893	27,447	2,570,146

	Furniture and fittings £	Leasehold improvements £	Office and computer equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2006	608,013	1,262,528	1,387,321	27,421	3,285,283
Additions	211,013	1,855,363	845,864	-	2,912,240
Impairment	(32,574)	(511,991)	-	-	(544,565)
Disposals	-	(763,825)	-	-	(763,825)
At 30 September 2007	786,452	1,842,075	2,233,185	27,421	4,889,133
Depreciation					
At 1 October 2006	339,086	725,594	894,806	27,421	1,986,907
Charge for the year	99,401	109,867	414,158	-	623,426
Disposals	-	(763,825)	-	-	(763,825)
At 30 September 2007	438,487	71,636	1,308,964	27,421	1,846,508
Net book value					
At 1 October 2006	268,927	536,934	492,515	-	1,298,376
At 30 September 2007	347,965	1,770,439	924,221	-	3,042,625

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

13 INTANGIBLE ASSETS

The movement during the year and the prior year was as follows:

	2008	2007
	Purchased	Purchased
	Software	Software
	£	£
Cost		
At 1 October	953,413	755,568
Additions	162,772	197,845
At 30 September	1,116,185	953,413
Amortisation		
At 1 October	570,975	341,669
Charge for the year	254,626	229,306
At 30 September	825,601	570,975
Net book value		
At 1 October	382,438	413,899
At 30 September	290,584	382,438

14 INVESTMENTS IN SUBSIDIARIES

The Company beneficially owns the issued share capital of the following companies:

Subsidiary	Country of incorporation	Principal activity	Share capital	Company shareholding
Numis Securities Inc	United States of America	Stockbroking	\$1,525,000	100%
Numis Nominees Limited	United Kingdom	Dormant	£12	100%
Numis Nominees (NSI) Limited	United Kingdom	Dormant	£2	100%

Movements during the year were as follows:

	2008	2007
	£	£
As at 1 October	2,365,878	2,174,060
Additional capital contributions	663,203	364,816
Foreign exchange movements	87,598	(172,998)
As at 30 September	3,116,679	2,365,878

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

15 DERIVATIVE FINANCIAL INSTRUMENTS

	£
At 1 October 2007	2,928,918
Additions	731,832
Exercised	(2,913,014)
Revaluation to fair value in the year recognised in the income statement	418,191
At 30 September 2008	1,165,927

	2008 £	2007 £
Included in current assets - listed	602,134	2,429,184
Included in current assets - unlisted	563,793	499,734
	1,165,927	2,928,918

The Company holds equity options and warrants over certain securities. Although the options and warrants themselves are not generally listed the underlying securities may be listed or otherwise. In the information presented above the listed and unlisted distinction relates to the underlying security. As at 30 September 2008 the fair value of outstanding foreign exchange contracts was £64,059 (2007: nil).

16 DEFERRED TAX

The movement in the deferred tax balance is as follows:

	2008 £	2007 £
At 1 October	1,839,715	2,904,216
Amounts charged to the income statement	(527,176)	359,025
Adjustments in respect of previous years	-	(546,040)
Amounts recognised on share based payments – equity	(1,312,539)	(877,486)
At 30 September	-	1,839,715
Deferred tax assets comprise:		
In respect of share based payments	-	1,312,539
In respect of tax allowances in excess of depreciation	-	250,936
In respect of other timing differences	-	276,240
	-	1,839,715

Potential deferred tax assets totalling £1,077,744 (2007: £nil) have not been recognised as at 30 September 2008 due to the uncertainty in assessing the level of future taxable gains within the next 12 month period against which the deferred tax asset could be utilised.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

17 TRADE AND OTHER RECEIVABLES

The following amounts are included within trade and trade receivables:

	2008 £	As restated 2007 £
Due from clients, brokers and other counterparties	197,246,005	146,498,456
Amounts due from other group companies	1,235,381	1,196,821
VAT	-	-
Loans to directors	1,731,699	281,727
Loans to employees	866,601	1,878,921
Amounts due from Employee Benefit Trusts	18,132,556	16,758,311
Other debtors, including corporate finance receivables	16,516,728	6,424,048
Prepayments and accrued income	1,624,398	1,307,172
	237,353,368	174,345,456

Loans are made at the discretion of the Company to directors and employees in order to purchase shares in the holding company under the terms of the share scheme arrangements. These are repayable on departure from the firm or as requested by the Company and are made at market rates of interest. The Company also operates a season ticket loan scheme which is available to directors and employees. Amounts outstanding in respect of season ticket loans at 30 September 2008 were £30,831 (2007: £25,307). Loans to the Employee Benefit Trusts are non-interest bearing and are repayable on demand.

18 TRADING INVESTMENTS

	2008 £	2007 £
Listed on the LSE main market	1,496,714	6,486,176
Listed on AIM	7,536,486	11,748,552
Listed overseas	1,162,126	805,249
Unlisted UK investments	10,000	599,618
Unlisted overseas investments	201,379	1,427,336
Other	-	176,680
	10,406,705	21,243,611

19 CASH AND CASH EQUIVALENTS

	2008 £	As restated 2007 £
Cash and cash equivalents included in current assets	56,411,996	75,155,979

Cash and cash equivalents comprise cash in hand and deposits held at call with banks and other institutions and short term, highly liquid investments having an original maturity of less than three months.

The balances exclude interest-bearing deposits of clients' monies placed by the Company with banks on an agency basis. All such deposits are designated by the banks as clients' funds and are not available to the banks to satisfy any liability the Company may have with them at that time. The balance on 30 September 2008 held on deposit for private clients was £84,263 (2007: £80,652). Cash held in segregated bank accounts in respect of placings undertaken for corporate clients amounted to £0.35m (2007: £5.61m)

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

20 TRADE AND OTHER PAYABLES

	2008 £	2007 £
Amounts due to clients, brokers and other counterparties	188,631,288	133,294,067
Amounts owed to parent and other group undertakings	13,943,552	28,584,805
Other creditors		
- VAT	101,475	515,031
- Social security and PAYE	726,755	557,696
- Sundry creditors	1,229,261	2,211,716
Accruals and deferred income	13,374,527	22,278,614
	218,006,858	187,441,929

Amounts due to parent and other group undertakings are repayable on demand and are non-interest bearing.

21 PROVISIONS

The movements in provisions during the year and during the prior year were as follows:

	LTIP £	Dilapidation £	Total £
At 1 October 2007	4,304,294	-	4,304,294
Recognised in the income statement	(878,071)		(878,071)
Amounts paid during the year	(2,734,929)		(2,734,929)
At 30 September 2008	691,294	-	691,294

	LTIP £	Dilapidation £	Total £
At 1 October 2006	3,207,206	200,000	3,407,206
Amounts charged against provisions		(200,000)	(200,000)
Recognised in the income statement	1,097,088	-	1,097,088
At 30 September 2007	4,304,294	-	4,304,294

	2008 £	2007 £
Included in current liabilities	76,728	2,377,249
Included in non-current liabilities	614,566	1,927,045
	691,294	4,304,294

Dilapidation provisions were fully utilised following the move into new premises during the year ended 30 September 2007.

The LTIP provision relates to the cash settled element of the share plan arrangements, and is determined with reference to all the unvested awards that are expected to vest (taking into account management estimates regarding fulfillment of vesting conditions) and the year end share price. The weighted average life of the non-current portion of the liability is 2.02 years (2007: 2.74 years). Amounts recognised in equity relate to awards which vested during the year.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

22 SHARE CAPITAL

	2008 £	2007 £
Authorised		
2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
Issued and fully paid		
2,000,000 ordinary shares of £1 each	2,000,000	2,000,000

23 CASH FLOW STATEMENT

The reconciliation of operating profit to net cash (used in)/from operating activities is set out below:

	2008 £	As restated 2007 £
Operating profit	1,071,056	31,356,059
Impairment of property, plant and equipment	-	544,565
Depreciation charges on property, plant and equipment	713,163	623,426
Amortisation of intangible assets	254,626	229,306
Share based payments	89,354	1,097,088
Decrease/(increase) in trading investments	10,836,906	2,827,218
(Increase) in trade and other receivables	(58,937,901)	(4,891,333)
Decrease/(increase) in stock borrowing collateral	8,512,552	(545,866)
(Decrease)/increase in trade and other payables	24,712,761	(1,189,253)
Decrease/(increase) in derivatives	1,762,991	(2,401,919)
Other non-cash movements	(87,598)	(196,387)
Net cash (used in)/from operating activities	(11,072,090)	27,452,904

24 RELATED PARTY TRANSACTIONS

Transactions between related parties

Details of transactions during the year between the Company and its parent and other group subsidiaries, which are related parties of the Company, are set out below:

	2008 £	2007 £
Interest income from related parties	148,502	98,292
Income from management and execution services provided to subsidiaries	1,976,027	1,061,665
Loans advanced to the Employee Benefit Trusts	5,462,392	10,344,805
Amounts in respect of income allocated to subsidiaries	2,370,209	2,042,333
Dividends paid to parent	-	6,750,000
Payments made to non-executive directors of the parent company	160,000	160,000

The transactions identified above were entered into on an arms length basis, except where regulations allow otherwise.

The parent company does not hold any cash balances and consequently any cash based transactions are effected on its behalf by the Company and passed through intercompany accounts. Amounts owed to the Company from its parent and other group subsidiaries are disclosed in note 17 and amounts owed by the Company to its parent and other group subsidiaries are disclosed in note 20.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

Key management compensation

The compensation earned by key management is set out below. Key management has been determined as the executive management team who have authority and responsibility for planning, directing and controlling the activities of the Company:

	2008	2007
	£	£
Salaries and short-term employee benefits	3,994,964	5,890,891
Post-employment benefits	365,000	62,000
Gains made on exercise of share options	54,600	2,976,000
Share-based payments	(355,419)	1,022,636
	4,059,145	9,951,527

Share Scheme Loans

Under the terms of the Group's share scheme arrangements participants may be offered a loan in order to fund their purchased shares. The loans outstanding to key management as at 30 September 2008 amounted to £1,731,699 (2007: £281,727). Such loans are made at market rates of interest and the amounts outstanding are secured by shares held within the Employee Benefit Trusts and will be settled in cash. No guarantees have been given or received and no expense for bad or doubtful debts has been recognised in the year in respect of amounts owed.

Dealings with Directors

During the year, Unless Farm, a company controlled by Mr and Mrs O Hemsley charged the Company £28,400 (2007: nil) in respect of services provided.

25 ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary undertaking of Numis Corporation Plc, a company registered in England and Wales, which is the Company's parent company and ultimate controlling party. The results of the Company are consolidated in the financial statements of Numis Corporation Plc whose accounts are publicly available and can be obtained from Companies House, Crown Way, Maindy, Cardiff.

26 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Contingent liabilities

In the ordinary course of business, the Company has given letters of indemnity in respect of lost certified stock transfers and share certificates. No claims have been received in relation to the year ended 30 September 2008 (2007: nil). The contingent liability arising thereon cannot be quantified, although the directors do not believe that any material liability will arise under these indemnities.

Operating leases

At 30 September 2008 the Company had annual non-cancellable commitments under operating leases as set out below:

	Property 2008	Property 2007
	£	£
Within one year	-	-
Within two to five years	-	-
After five years	1,371,673	1,371,673
	1,371,673	1,371,673

The annual property rentals are next subject to review in October 2011.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

Pension arrangements

The pension cost charge for the year was £611,702 (2007: £490,863). Outstanding contributions were nil at 30 September 2008 (2007: nil).

A Numis Group Personal Pension Plan has been in operation from 6 April 1997 for all full-time employees of the Company over the age of 18 who have served the Company for at least 3 months. The Group Personal Pension Plan is funded through monthly contributions. The Company contributes 7% of members' salaries with members contributing at least 2.5% of their salary. Employees who join the Group Personal Pension Plan are eligible for death-in-service benefits.

Capital commitments

Amounts contracted for but not provided in the accounts amounted to £ nil for the Company as at 30 September 2008 (2007: £ nil).

27 FINANCIAL INSTRUMENTS, RISKS AND RISK MANAGEMENT

The Company's financial instruments comprise trading investments, financial liabilities, cash and cash equivalent balances, derivative financial instruments and various items such as trade receivables and trade payables that arise from the normal course of business.

Trading investments and financial liabilities are long and short positions respectively held as a result of market making activities in listed investments and holdings in unlisted investments. These investments are equity securities. Trading investments and financial liabilities are held at fair value, in accordance with the accounting policy provided in Note 1(g).

Derivative financial instruments comprise equity options and warrants over listed and unlisted securities and may also include foreign exchange contracts used to hedge known transactional exposures arising from normal operational activities. Derivative financial instruments are held at fair value in accordance with the accounting policy provided in Note 1(h).

Sterling and foreign currency cash balances are invested in the Company's approved banks and other short term highly liquid instruments which satisfy the Company's credit risk policies.

As at 30 September 2008 the Company had no undrawn committed borrowing facilities (2007: Nil).

Risk management

The Company places great weight on the effective management of exposures to market, credit, liquidity, and operational risk and our risk management policies are specifically designed to identify, monitor and manage such exposures to ensure that the operating activities of the Company are managed within the risk appetite set out by the parent company Board (the Board).

Financial risk exposure is monitored, controlled and overseen by separate but complementary committees which consist of senior management from revenue generating areas, compliance and finance. Management oversight and segregation of duties are fundamental to the risk management framework.

Responsibility for the approval of all risk management policies and setting the overall risk appetite of the Company is held by the Board, to which all risk management functions ultimately report. The Board receives financial risk updates which detail the Company's exposure to market, credit, liquidity, and operational risks.

The parent company Audit Committee (the Audit Committee) is responsible for the evaluation and maintenance of the Company's control framework and ensuring that policies are in place and operating effectively to identify, assess, monitor and control risk throughout the Company. The Audit Committee similarly receives financial risk updates which detail the Company's exposure to market, credit, liquidity and operational risks. Controls and policies are reviewed and challenged to ensure their effectiveness and to reflect changes in requirements and best practice

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

The Financial Risk Committee (FRC) is responsible for ensuring that the day-to-day operating activities are managed within the risk appetite and controls framework approved by the Board and the Audit Committee and has delegated responsibility for preparing the risk management policies for review and approval by the Board and the Audit Committee. The FRC reviews the detailed components of market, credit, liquidity, and operational risk exposures of the business to ensure that such risks are monitored and assessed appropriately. The Committee met 20 times during the year (at least monthly) and following the recent market turmoil has increased this frequency to once a week. As a minimum, the FRC reviews:

- market risk exposures associated with our equity and derivate positions
- trading book and individual stock positions versus limits and resulting breaches
- performance of the trading book overall and at individual stock level
- credit risk exposures to trading counterparties and deposit-taking counterparties
- liquidity and concentration risk of the cash and cash equivalent assets
- currency risk exposures of foreign denominated deposits
- operational risk matters
- capital resources of the Company compared to the Capital Requirements Directive Pillar I capital requirement and additional internal economic capital measures

The Finance department has day-to-day responsibility for monitoring and reporting risk exposures within the Company and escalation of issues to senior management. In addition to daily reporting of market, credit and liquidity risk key indicators to senior management, automated intraday reporting also exists for credit exposures and associated limit breaches (hourly reporting) and individual stock position limit breaches (2 hourly reporting). Finally, our trading system has real-time trading book and stock limit alerts to flag individual stock holdings and trading books positions which are approaching their predefined limit.

Equity Risk

The Company is affected by conditions in the financial markets and the wider economy through its holdings of equity investments arising through the normal course of its market making, trading and investing activities. Equity risk arises from the exposures of these holdings to changes in prices and volatilities of equity prices. An adverse movement in the fair value of our holdings has consequences for the capital resources of the Company and therefore it is important for management to understand the potential impact of such movements.

On a daily basis the Finance department compute a stress test value at risk measurement, based on the most severe catastrophic movements in market prices, applied to the end of day portfolio of holdings to show the loss that would occur under these conditions. The results are reported to senior management at the end of each day on the closing positions on that day and compared to the daily revenue performance and our capital resources.

The equity risk exposures are primarily managed by the use of individual stock position and trading book limits, such limits being established for long, short, gross and net positions. The table below shows the highest, lowest, and average total long, short, gross, and net position in listed securities during the year, together with positions at year end. Positions are calculated daily and compared to the limits.

	Long	Short	Gross	2008 Net
	£	£	£	£
Highest position	21,239,118	(8,115,401)	28,584,853	16,812,896
Lowest position	10,797,460	(1,284,839)	12,082,299	9,512,621
Average position	17,611,664	(4,638,636)	22,250,300	12,973,028
As at 30 September 2008	10,797,460	(1,284,839)	12,082,299	9,512,621

	Long	Short	Gross	2007 Net
	£	£	£	£
Highest position	27,350,625	(9,308,575)	34,571,095	21,965,044
Lowest position	17,346,147	(5,228,740)	25,558,529	8,327,005
Average position	23,074,663	(7,313,191)	30,387,854	15,761,472
As at 30 September 2007	21,469,161	(8,236,761)	29,705,922	13,232,400

The Company's equity holdings comprise trading investments, financial liabilities and derivative financial instruments.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

Trading investments

Equity risk on the trading investments held within the market making book is the day to day responsibility of the Head of Trading, whose decision making is independently monitored. Trading investments held outside the market making activities are monitored by the CEO and operating entity senior management.

Equity risk is managed through the setting of cash investment limits on the entire trading book, the individual book structure, and each individual line of stock. These limits are approved by the Board, the Audit Committee, and the Financial Risk Committee, and monitored and reported by the Finance department daily. Breaches of the stock and book limits are initially flagged in real time on the trading platform and monitored by the traders and the Finance department. Breaches are either addressed by the traders or, if they are unable to take corrective action, are discussed with the Finance department and reported to senior management as part of the usual end of day reporting mechanism. An internal "stress test" on equity holdings is reported to senior management each day on the daily closing positions of the Company.

In addition to the internal "stress test" scenario referred to above, a sensitivity analysis based on a 10% increase/decrease in underlying equity prices on the trading investments held at the year end has been performed and indicates that the impact of such a movement would be to increase/decrease respectively profit in the income statement by £1,040,671 (2007: £2,124,361).

Financial liabilities

Financial liabilities comprise short positions in quoted stocks arising through the normal course of business in facilitating client order flow. Equity risk on financial liabilities is the day to day responsibility of the Head of Trading. Exposures of this nature are monitored in exactly the same way as trading investments above as internally these positions form part of the trading book. In addition to the internal "stress test" scenario referred to above, a sensitivity analysis based on a 10% increase/decrease in underlying equity prices on the financial liabilities held at the year end has been performed and indicates that the impact of such a movement would be to increase/decrease respectively profit in the income statement by £128,484 (2007: £823,676).

Derivatives financial instruments

Derivative financial instruments comprise equity options and warrants over listed and unlisted securities and are predominantly received by the Company as non-cash consideration for advisory and other services. In addition it may also include foreign exchange contracts used to hedge known transactional exposures arising from normal operational activities.

Equity risk arising on derivatives is the day to day responsibility of the Head of Trading. Exposures are measured using the Company's internal "stress test" scenario and are reported to senior management daily along with a detailed inventory of option and warrant holdings and their individual valuation.

In addition to the internal "stress test" scenario, a sensitivity analysis based on a 10% increase/decrease in underlying equity prices of the derivative financial instruments held at the year end has been performed and indicates that the impact of such a movement on the profit in the income statement would be an increase of £70,632 (2007: £756,840) and decrease of £168,124 (2007: £531,981) respectively.

Currency Risk

Currency risk arises from the exposure to changes in foreign exchange spot and forward prices and volatilities of foreign exchange rates. The Company is exposed to the risk that the Sterling value of the net assets or the Sterling value of the profit and loss could change as a result of foreign exchange rate movements.

The Company's activities are primarily denominated in Sterling and therefore it has minimal foreign exchange risk arising from activities undertaken in the normal course of business. There are however three sources of currency risk to which the Company may be exposed to. Firstly, foreign currency denominated financial assets and liabilities arising as a result of occasional trading in foreign securities, secondly foreign currency financial assets and liabilities as a result of foreign currency denominated corporate finance fees, supplier payments or Treasury activities and, thirdly, foreign currency denominated investments in subsidiaries of the Company. The Finance department is responsible for monitoring the Company's currency exposures.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

The Company's net assets by currency as at 30 September 2008 was as follows:

	Sterling £	Euro £	Canadian \$ £	US \$ £	Other £	Total £
2008						
Sterling equivalent	86,474,632	1,576,357	454,746	3,618,918	136,025	92,260,678
2007						
Sterling equivalent	81,037,987	646,786	282,805	4,853,983	133,745	86,955,306

The Company hedges all significant transactional currency exposures arising from trading activities using spot or forward foreign exchange contracts. Derivative financial instruments held to manage such currency exposure as at 30 September 2008 had a fair value of £64,059 (2007 Nil). The Company does not attempt to hedge future anticipated transactions. Currency exposure to foreign currency denominated corporate finance receivables and supplier payables is not considered material.

The Company does not enter into foreign exchange transactions to hedge the translation risk of its foreign subsidiaries. However, it has been our policy and practice to hold a certain level of US\$ cash deposits in order to provide a prudent currency hedge against the forward cashflow risk arising from the US\$ expense base and bonus liabilities of Numis Securities Inc whose income stream is predominantly Sterling based. As at 30 September 2008 the Company held US\$ cash deposits covering approximately 2 years of forecast US\$ cashflow risk.

The table below shows the impact on the Company's results of a 10 cent movement in the US\$ and Euro in terms of transactional and translational exposures.

10 cent increase:

	US \$ £	Euro £	Total £
Profit before tax	(273,240)	(127,823)	(401,063)
Equity	(273,240)	(127,823)	(401,063)

10 cent decrease:

	US \$ £	Euro £	Total £
Profit before tax	305,209	149,984	455,193
Equity	305,209	149,984	455,193

Interest Rate Risk

Interest rate risk arises as a result of changes to the yield curve and the volatilities of interest rates.

The Company's interest bearing assets are predominantly held in cash or cash equivalents. Excess cash funds may be invested in Gilts, held on short term floating rate terms or placed on overnight or short-term deposit so interest rate exposures are considered to be immaterial. Investment of excess funds into cash equivalent instruments may occur from time-to-time depending on the management's view of yields on offer, liquidity requirements and credit risk considerations. The Company does not use any derivatives to hedge interest rate risk and has no external debt.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

The table below shows the interest rate profile of the Company's cash and cash equivalent investments and, while not interest bearing, also shows the Company's exposure to listed equity investments as these have an indirect sensitivity to significant changes and volatility of interest rates.

	2008			As restated 2007		
Currency	Cash and cash equivalents £	Listed equity investments £	Total £	Cash and cash equivalents £	Listed equity investments £	Total £
Sterling	44,276,305	7,720,114	51,996,419	67,963,287	11,146,148	79,109,435
US Dollars	12,542,170	158,142	12,700,312	5,737,576	1,359,189	7,096,765
Euro	149,761	1,185,491	1,335,252	789,942	140,347	930,289
Canadian Dollars	(585,851)	298,790	(287,061)	484,463	361,577	846,040
Other	29,611	150,084	179,695	180,711	225,139	405,850
At 30 September	56,411,996	9,512,621	65,924,617	75,155,979	13,232,400	88,388,379
Fixed Rate	19,792,530					
Floating Rate	36,619,466			75,155,979		

Fixed interest rate cash and cash equivalents comprise Gilts and have an effective interest rate of 4.75% for a period three months. In addition, stock broking collateral balances of £91,968 (2007: £8,604,520) generate floating rate interest.

A sensitivity analysis based on a 100 basis point increase/decrease to prevailing market rates of interest as at 30 September 2008 indicates that the impact of such a movement on the profit in the income statement, and equity, would be a decrease of £61,734 (2007: £nil) and increase of £27,192 (2007: £nil) respectively.

Credit Risk

Credit risk is the potential loss that the Company would incur if a counterparty fails to settle under its contractual obligations or there is the failure of a deposit taking institution. Credit risk exposure therefore arises as a result of trading, investing, and financing activities although the primary source of credit risk faced by the Company is that arising from the settlement of equity trades carried out in the normal course of business.

The credit risk on a particular equity trade receivable is measured by reference to the original amount owed to the Company less any partial payments less any collateral to which the Company is entitled. For example, in accordance with the delivery versus payment principle, the potential exposure at default sustained by the Company would not be the amount of the outstanding receivable balance, but rather the amount representing commission due to the Company, and any residual exposure from market risk on the underlying equity after a sell-out (or buy-in) has been effected.

In order to assess the credit risk exposures faced by the Company, management employ an internal "stress test" value at risk measurement based on the most severe catastrophic movements in market prices combined with a conservative judgment of the likelihood of counterparty default. This value at risk assessment is applied to the end of day equity trade receivable and payable balances and the results are reported to senior management at the start of the following business day.

Credit risk exposures are also managed by the use of individual counterparty limits, such limits being applied initially on the categorisation of the counterparty e.g. hedge fund, long only fund, broker etc and revised further according to the results of external credit rating and/or relevant financial indicators or news flow. In addition, from time to time certain counterparties may be placed on an internal watch list in reaction to adverse news flow or market sentiment. The Finance department prepare a summary daily report for senior management which identifies all individual counterparty exposures greater than £5m and the exposures to watch list counterparties greater than £0.1m. This reporting incorporates the Sterling equivalent gross inward, outward and net cash flow exposure. Finally, automated hourly intra-day reporting of all gross inward, outward and net cash flow exposures by individual counterparty against assigned limits is provided to senior management and specifically monitored by the Finance department to ensure appropriate escalation and mitigation action is taken.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

Trade receivables relating to fees due on the Company's corporate finance and advisory activities are monitored on a weekly basis.

Management believe that the current framework for the reporting and monitoring of credit risk has proved to be a robust control during the recent period of exceptional market volatility and credit related issues. We are pleased to note that the Company has not sustained any credit risk default losses and has achieved a substantial reduction in its "stress test" value at risk measurement through active management and reduction of credit exposures. In addition, and where possible, Numis seeks to enter into netting arrangements with counterparties that permit the offset of receivables and payables with those counterparties.

Cash and cash equivalents are held in Gilts or with large UK based commercial clearing banks with credit ratings at or above AA Fitch investment grade. Credit exposures may be further reduced by diversification of deposits across a number of institutions.

The Company's financial assets are analysed by their ageing in the table below:

As at 30 September 2008 (£'000):

	Not Overdue	Overdue not impaired					Impaired	Total
		0 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Over 1year		
Derivative financial instruments	1,166	-	-	-	-	-	-	1,166
Trade and other receivables	148,145	86,862	38	156	29	364	386	235,980
Trading investments	10,407	-	-	-	-	-	-	10,407
Stock borrowing collateral	92	-	-	-	-	-	-	92
Cash and cash equivalents	56,412	-	-	-	-	-	-	56,412
	216,222	86,862	38	156	29	364	386	304,057

As at 30 September 2007 (£'000):

	Not Overdue	Overdue not impaired					Impaired	Total
		0 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Over 1year		
Derivative financial instruments	2,929	-	-	-	-	-	-	2,929
Trade and other receivables	150,278	18,085	1,409	64	2,785	485	-	173,106
Trading investments	21,244	-	-	-	-	-	-	21,244
Stock borrowing collateral	8,605	-	-	-	-	-	-	8,605
Cash and cash equivalents	75,156	-	-	-	-	-	-	75,156
	258,212	18,085	1,409	64	2,785	485	-	281,040

Concentration Risk

Concentration risk is the risk arising from exposures to groups of connected parties, counterparties in the same sector, or counterparties undertaking the same activity. Concentration risk arises, in particular, with respect to the Company's exposures to hedge fund prime brokers. These exposures are monitored intra day on an hourly basis using the credit risk exposure reports and process outlined above.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

Concentration of credit risk to a particular counterparty or issuer may also arise from deposits placed with commercial banks, investments in cash equivalents and as a result of normal trading activity through LCH. The credit quality of these counterparties is kept under review by management. Concentration of trading investments by market is disclosed in note 18. There are no significant concentration risks arising in any other class of financial asset as at 30 September 2008 (2007: nil)

Liquidity Risk

Liquidity risk is the risk that funds are either not available to service day-to-day funding requirements, or are only available at a high cost, or need to be arranged at a time when market conditions are unfavourable and consequently the terms are onerous. Liquidity is of vital importance to the Company to enable it to continue operating in even the most adverse circumstances.

In order to monitor the Company's liquidity position an internal minimum cash requirement is employed, being the aggregate of the Company's "stress test" market value at risk, credit value at risk and one years cash cost base (before bonus). This minimum requirement is reported along with actual closing cash and cash equivalent position of the Company each day to senior management. The Company currently maintains substantial excess liquidity over the minimum requirement so that it can be confident of being able to settle transactions and continue operations even in the most difficult foreseeable circumstances.

The Company's financial liabilities are expected to mature in the following periods:

As at 30 September 2008 (£'000):

	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	212,664	728	1,991	1,693	217,076
Financial liabilities	-	1,285	-	-	1,285
Provisions	-	77	615	-	692
	212,664	2,090	2,606	1,693	219,053

As at 30 September 2007 (£'000):

	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	182,356	1,914	1,992	322	186,584
Financial liabilities	-	8,237	-	-	8,237
Provisions	-	2,377	1,927	-	4,304
	182,356	12,528	3,919	322	199,125

Operational Risk

Operational risk is the risk of loss arising from short-comings or failures in internal processes, people or systems, or from external events. Operational risk can also be impacted by factors such as the loss of key staff, the quality of execution of client business, the maintenance of performance management controls, and a major infrastructural failure and/or terrorist event.

The Company takes steps to identify and avoid or mitigate operational risk wherever possible. Continuously evolving control standards are applied by suitably trained and supervised individuals and senior management is actively involved in identifying and analysing operational risks to find the most effective and efficient means to mitigate and manage them.

During the course of the year, several steps have been taken to further improve operational risk management, including the establishment of an Internal Audit function, enhancements to and formalisation of staff training programmes and reporting of non-financial key performance indicators to the Board and the Audit Committee.

NUMIS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

Capital risk management

During the year the Board reviewed and approved the Group's Internal Capital Adequacy Assessment Process (ICAAP) which documents management's assessment of the risk profile of the business and conclusions as to resulting capital requirements. The conclusion drawn from the ICAAP is that the Group and the Company has more than sufficient capital for its size and complexity taking into account all material risks faced in carrying out the Company's activities.

The Company manages its capital resources on the basis of the minimum regulatory capital requirement as per the Capital Requirements Directive plus the addition of internal "stress test" market and credit value at risk assessments. Both the minimum regulatory capital requirement and the more severe internal measurement are compared with total available regulatory capital on a daily basis and monitored by the Finance department. The excess capital resource under both scenarios are reported to the FRC, the Audit Committee and the Board each time they meet.

On 30 September 2008, the Company had £88m (2007: £72m) of regulatory capital resources, which is comfortably in excess of both its regulatory capital requirement and the internally measured worstcase market and credit risk stress test guideline.

The Company has adopted the standardised approach to credit risk and market risk and the basic indicator approach for operational risk. Compliance with FSA capital related regulatory requirements was maintained throughout the year.

Valuation techniques

The fair value of certain financial assets has been determined using valuation techniques as described in accounting policy note 1(w). The combined fair value of such financial assets as at 30 September 2008 was £1,377,306 (2007: £5,132,552) and the movement in fair value recognised in the income statement during the year amounted to £317,977 loss (2007: £5,258,954 gain).

There is no material difference between the book values and the fair values of the Company's financial assets and liabilities.

Reputational risk

The Board believes that the greatest risk to the firm comes from the potential for loss of reputation. Whilst entrepreneurial staff are always encouraged to develop new clients and streams of revenue, all new business is subject to a rigorous appraisal process supervised by the New Business Committee. This discriminates strongly in favour of high quality, high potential businesses and management teams.

Loss of staff

Retaining key staff, including in particular significant current and future revenue generators, is essential to the long term health and growth of the business. The Board has therefore making significant improvements to the share incentive scheme arrangements available by shortening the vesting periods, increasing its budget and by providing significant funding for employee share purchases.

Poor quality execution

Further, continued improvement in quality of service to all our clients is central to the Board's strategy of long term reputation building. Numis, therefore, places great emphasis on employing and adding highly experienced senior staff who are very closely engaged with clients. To aid the application of best practice, regulatory compliance and consistency Numis management makes ever increasing use of standardised operating procedures. Finally the Board demands a culture of best practice conduct and rigorous compliance.

Loss of performance control

The Board's policy is to encourage an intense focus by top management on long term business building and revenue generation; and, a culture among staff of seeking to build the long term value of the business through personal initiative and entrepreneurship and great client service. The Board therefore encourages an "ownership culture" with growing employee share ownership, aspirational revenue targets, tight cost budgets and structured performance-based staff evaluations.

Major infrastructural failure and/or terrorist event

Numis aims to be able to sustain operations and client service, with minimum of disruption, with a combination of business continuity planning, duplicated infrastructure and remote facilities.

28 POST BALANCE SHEET EVENTS

No final dividend is proposed (2007: £nil).