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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

OMB APPROVAL
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FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 10/01/2013 AND ENDING 09/30/2014
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: NUMIS SECURITIES INC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

275 MADISON AVENUE STE 4100

(No. and Street)

NEW YORK

NY

10016

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Nicholas J. Rego, CFO

(212) 277-7311

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

MSPC Certified Public Accountants and Advisors

(Name - if individual, state last, first, middle name)

546 Fifth Avenue

New York

NY

10036

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

12/17/14

OATH OR AFFIRMATION

I, Nicholas J. Rego, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Numis Securities Inc, as of September 30, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NANCY H SCHAFF
Notary Public, State of New York
No. 01SC6265547
Qualified in Kings County
Commission Expires July 09, 2016

Nancy H. Schaff 12/10/14
Notary Public

Nicholas J. Rego
Signature
Chief Financial Officer
Title

This report ** contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**NUMIS SECURITIES, INC.
FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
PURSUANT TO RULE 17A-5 OF THE SECURITIES AND
EXCHANGE COMMISSION
SEPTEMBER 30, 2014**

NUMIS SECURITIES, INC.
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SEPTEMBER 30, 2014

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An independent firm associated with
MOORE STEPHENS
INTERNATIONAL LIMITED

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
of Numis Securities, Inc.

We have audited the accompanying financial statements of Numis Securities, Inc. (a Delaware corporation), which comprise the statement of financial condition as of September 30, 2014, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. Numis Securities, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of Numis Securities, Inc. as of September 30, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplementary information on page 17 has been subjected to audit procedures performed in conjunction with the audit of Numis Securities, Inc.'s financial statements. The supplemental information is the responsibility of Numis Securities, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Certified Public Accountants and Advisors,
A Professional Corporation

New York, New York
December 9, 2014

NUMIS SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION
AS OF SEPTEMBER 30, 2014

Assets

| | |
|---|----------------|
| Cash and cash equivalents | \$ 11,252,762 |
| Receivables and deposits with broker | 507,706 |
| Receivable from parent and broker for unsettled regular-way trades, net | 1,115,809 |
| Fixed assets, net of accumulated depreciation | 282,547 |
| Security deposit and other | <u>557,496</u> |

Total assets \$ 13,716,320

Liabilities and stockholder's equity

Liabilities

| | |
|---------------------------------------|----------------|
| Accrued professional fees | \$ 75,750 |
| Accounts payable and accrued expenses | 226,568 |
| Bonus accrual | 2,127,000 |
| Deferred rent expense | <u>117,052</u> |

Total liabilities 2,546,370

Stockholder's equity

| | |
|---|--------------------|
| Common Stock \$1.00 par value; 100 shares authorized, issued and outstanding | 100 |
| Additional paid-in capital | 14,485,200 |
| Accumulated deficit | <u>(3,315,350)</u> |

Total stockholder's equity 11,169,950

Total liabilities and stockholder's equity \$ 13,716,320

NUMIS SECURITIES, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Revenues:

| | |
|-------------------------------------|----------------------|
| Commissions | \$ 13,438,965 |
| Research income | 792,261 |
| Foreign currency exchange gain, net | 3,518 |
| Other | <u>1,723</u> |

Total revenues 14,236,467

Expenses:

| | |
|--------------------------|----------------|
| Employee compensation | 5,400,071 |
| Intercompany service fee | 4,398,280 |
| Occupancy | 529,923 |
| Professional fees | 252,618 |
| Communication services | 369,273 |
| Travel and entertainment | 641,629 |
| Information services | 225,798 |
| Depreciation | 118,319 |
| Clearance fees | 154,555 |
| Other | <u>168,099</u> |

Total expenses 12,258,565

Income before income taxes 1,977,902

Provision for income taxes -

Net income \$ 1,977,902

NUMIS SECURITIES, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS'S EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | <u>Common Stock</u> | <u>Additional Paid-in Capital</u> | <u>Accumulated Deficit</u> | <u>Total</u> |
|-----------------------------------|-------------------------|---------------------------------------|--------------------------------|----------------------|
| Balance, beginning of year | \$ 100 | \$ 13,782,123 | (5,293,252) | \$ 8,488,971 |
| Capital contributions | - | 703,077 | - | 703,077 |
| Net income | <u>-</u> | <u>-</u> | <u>1,977,902</u> | <u>1,977,902</u> |
| Balance, end of year | <u>\$ 100</u> | <u>\$ 14,485,200</u> | <u>\$ (3,315,350)</u> | <u>\$ 11,169,950</u> |

NUMIS SECURITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | |
|--|----------------------|
| Cash flows from operating activities | |
| Net income | \$ 1,977,902 |
| Adjustments to reconcile net income to net cash provided by operating activities: | |
| Depreciation | 118,319 |
| Share-based compensation | 703,077 |
| Foreign currency exchange loss | (3,518) |
| Decrease/(increase) in operating assets | |
| Receivables and deposits with broker | 450,467 |
| Receivable from parent and broker for unsettled regular-way trades, net | (452,087) |
| Security deposit and other | 67,118 |
| Increase/(decrease) in operating liabilities | |
| Accrued professional fees | (3,179) |
| Accounts payable and accrued expenses | 31,729 |
| Bonus accrual | 861,000 |
| Deferred rent expense | (11,868) |
| Net cash provided by operating activities | <u>3,738,960</u> |
| Cash flows from investing activities | |
| Purchases of fixed assets | <u>(64,022)</u> |
| Cash used in investing activities | <u>(64,022)</u> |
| Net increase in cash | 3,674,938 |
| Cash and cash equivalents | |
| Beginning of year | <u>7,577,824</u> |
| End of year | <u>\$ 11,252,762</u> |
| <u>Supplemental disclosures of cash flow information</u> | |
| Cash paid for interest | \$ 3,480 |
| Cash paid for capital taxes | \$ 27,725 |
| <u>Disclosure of non-cash financing activity</u> | |
| Share-based compensation | \$ 703,077 |

NUMIS SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 1 - Description of Business:

Numis Securities, Inc. (the "Company"), a Delaware corporation incorporated on October 17, 2003, is a wholly owned subsidiary of Numis Securities Limited ("the Parent"). The Company commenced its operations on October 23, 2003, and received its license from the Securities and Exchange Commission (the "SEC") on February 18, 2004. The Parent is in the investment banking and institutional stock-brokerage business, and is a wholly owned trading subsidiary of Numis Corporation Plc ("Plc"). Plc is a listed United Kingdom stock company traded on the Alternative Investments Market of the London Stock Exchange ("LSE").

The Company is a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company, which operates solely in New York, was established to provide securities brokerage services to United States customers trading in United Kingdom securities. The Company clears United Kingdom and Irish listed securities through its UK Parent company. The Company holds no customer accounts. Other securities are cleared through a separate clearing broker, Pershing LLC ("Pershing").

Note 2 - Significant Accounting Policies:

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

Cash and Cash Equivalents

The Company considers all highly liquid instruments and certificates of deposits with original maturities of less than three months, to be cash equivalents. Cash and cash equivalents consist of unrestricted cash balances held with three major financial institutions. Interest-bearing balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. The Financial Services Compensation Scheme ("FSCS") provides insurance of up to £85,000 (approximately \$138,000 at September 30, 2014) for deposits in the United Kingdom. From time to time, the Company's balances may exceed the limits of the FDIC and FSCS; however, the Company believes that its credit risk exposure is limited due to the high credit quality of the institutions holding its cash.

Fixed Assets

Fixed assets consist of office equipment, furniture, technology equipment, and leasehold improvements stated at cost, less accumulated depreciation and amortization. Depreciation is computed on a straight-line basis over the shorter of the lease term or useful lives of the assets. Estimated useful lives are three years for office equipment and technology equipment, and seven years for furniture. Amortization of leasehold improvements is computed on a straight-line basis over the shorter of the useful life or the lease term.

NUMIS SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 2 - Significant Accounting Policies (Cont'd):

Receivables and Deposits with Broker

Receivables and deposits with broker represent payments receivable from customers for research services provided by the Company and cash balances on deposit with, and commissions and interest receivable from, the Company's clearing broker.

Allowance for Doubtful Accounts

The Company estimates the allowance for doubtful accounts based upon a review of outstanding receivables and historical collection information by customer. Normally accounts receivable are due within 30 days after the date of the invoice. Receivables more than 90 days old are considered past due. Accounts receivable are written off when they are determined to be uncollectible. The Company considers all accounts receivable at September 30, 2014 to be collectible and no allowance for doubtful accounts is deemed necessary at September 30, 2014.

Net Receivable from Parent and Broker for Unsettled Regular-Way Trades

These regular-way trades are subject to standard settlement of trade date plus three days and the balance is approximately \$194,062 as of September 30, 2014.

Concentration of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. The Company does not require collateral or other securities to support financial instruments that are subject to credit risk. In the event counterparties do not fulfill their obligations, the Company may be exposed to credit risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty. As of September 30, 2014, the Company was not exposed to such risk. During the current year, one customer accounted for 12% of total revenues.

Fair Value Financial Instruments

ASC Topic 825, *Financial Instruments*, requires disclosing fair value to the extent practicable for financial instruments which are recognized or unrecognized in the Statement of Financial Condition. The fair values of the financial instruments are not necessarily representative of the amount that could be realized or settled, nor does the fair value amount consider the tax consequences of realization or settlement. For certain financial instruments, including cash and cash equivalents, receivables and deposits with broker, receivable from parent and broker for unsettled regular-way trades, net, security deposit and other, accrued professional fees, accounts payable and accrued expenses, the fair values were determined based on the near term maturities of such obligations.

NUMIS SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 2 - Significant Accounting Policies (Cont'd):

Deferred Rent

Rental expense is recorded ratably over the term of the lease, on the straight-line basis, which results in deferred rent payable. As of September 30, 2014, the Company had deferred rent payable of \$117,052.

Commissions

Commission revenues and related expenses are recorded on a trade-date basis as securities transactions occur.

Research Income

In addition to brokerage commissions, the Company earns compensation in the form of direct payments for provision of third party research, and other brokerage services. Revenue is recognized upon the issuance of an invoice to the payer, or upon direct receipt of payment when the Company does not issue an invoice because any revenue earned cannot be estimated at the time the service is provided.

Foreign Currency Transactions

The Company's reporting and functional currency is the U.S. dollar. Certain of the Company's revenues earned and expenses incurred are denominated and settled in foreign currencies.

The Company's assets and liabilities denominated in a foreign currency are translated using exchange rates at the end of the year. Revenues and expenses are translated at average monthly rates for the year. The impact of translation gains and losses on assets and liabilities is included as a component in the Statement of Income.

Income Taxes

The Company accounts for income taxes in accordance with current accounting standards. Deferred tax assets and liabilities are provided using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established to reduce deferred tax assets to amounts that more likely than not will not be realized.

The Company accounts for certain uncertainties in the accounting for income taxes utilizing a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement.

NUMIS SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 2 - Significant Accounting Policies (Cont'd):

The Company's income tax returns are subject to examination for three years from the date filed or the due date, whichever is later. The Company files income tax returns in the US jurisdiction, New York State and New York City. The returns for fiscal years ended September 30, 2011 through 2014 are open for examination as of the date of these financial statements. If any, the Company records interest and penalties in the other expense caption of the Statement of Income.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the period. These estimates and assumptions are based on judgment and available information, and, consequently, results could be materially different from these estimates.

Indemnifications

In the normal course of business, the Company indemnifies and guarantees certain providers, such as clearing and custody agents, trustees and administrators, against specified potential losses in connection with their acting as an agent of, or providing services to, the Company or its affiliates. The Company also indemnifies some clients against potential losses incurred in the event specified third-party service providers, including subcustodians and third-party brokers, improperly executed transactions. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these agreements and has not recorded any contingent liability in the financial statements for these indemnifications.

Share-Based Compensation

Certain employees of the Company are permitted to participate in Plc's Restricted Stock Plans for Employees of Numis Securities, Inc. ("the plans"). The plans are accounted for in accordance with current accounting for share-based payments which require companies to recognize an expense for stock-based compensation in the Statement of Income. The Company has recorded compensation expense on a straight-line basis over the vesting period of the awards, with the offset to additional paid-in capital, as the obligation to issue the shares will be satisfied by Plc as of September 30, 2014, and for all future years.

NUMIS SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 3 - Fixed Assets:

As of September 30, 2014, fixed assets consist of the following:

| | |
|--|-------------------|
| Furniture, fixtures and leasehold improvements | \$ 774,918 |
| Technology equipment | <u>137,505</u> |
| | 912,423 |
| Accumulated depreciation | <u>(629,876)</u> |
| Fixed assets, net | <u>\$ 282,547</u> |

Note 4 - Commitments and Contingencies:

The Company is obligated under a noncancelable lease for office space which expires on July 31, 2018. The lease is subject to escalation based on certain costs incurred by the landlord. Occupancy expense for the year ended September 30, 2014 was \$529,923 and is included in the Statement of Income.

Minimum future annual rental commitments under the operating lease are as follows:

| | |
|--------------------|---------------------|
| Year Ending | |
| September 30, 2015 | \$ 551,869 |
| September 30, 2016 | 563,259 |
| September 30, 2017 | 563,259 |
| September 30, 2018 | <u>469,383</u> |
| | <u>\$ 2,147,770</u> |

Note 5 - Related Party Transactions:

In the course of its business, the Company acts as agent for the Parent's clients. In return for these services the Company receives commission revenues and research revenues from the Parent in accordance with terms of the allocation methodology established in the July 2004 Transfer Pricing Agreement, as amended in November 2007. The allocation is primarily linked to the level of work performed by the Company. For the fiscal year ended September 30, 2014, \$2,224,421 of commissions revenue and \$792,261 of research income were earned under this agreement, which are included in commissions and research income, respectively, in the Statement of Income.

NUMIS SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 5 - Related Party Transactions (Cont'd):

In accordance with the intercompany service agreement, the Parent receives a service fee for each transaction that is recorded by the Company based on the Parent's detailed cost analysis on services performed. Services performed include equity administration and support, equity research, broking, and corporate services. For the year ended September 30, 2014, the intercompany service fee expense under such agreement was \$4,398,280, which is included in the Statement of Income.

At September 30, 2014, a capital contribution of \$703,077 was recorded for the shares to be issued by Plc to satisfy the share compensation expense under the restricted stock plans. In addition, future monthly accruals of restricted stock plan compensation will also be recorded as capital contribution.

As of September 30, 2014 the Company has a receivable balance from the Parent of \$921,747 in relation to these related party transactions. It is expected to be paid within next twelve months.

Note 6 - Clearing Fee Agreement:

The Company has an agreement with its clearing broker, Pershing. As part of the agreement, the Company maintains a deposit account with the clearing broker and is subject to certain termination fees in the event the agreement is terminated by either party without cause upon ninety days prior notice. The termination fee is defined in the agreement as a reasonable and determinable amount agreed upon by both parties. The Company does not intend to terminate the agreement and as such has not recognized any liability or expense related thereto.

Pursuant to the terms of the agreement between the Company and the clearing broker, the clearing broker has the right to charge the Company for losses that result from a counterparty's failure to fulfill its contractual obligations. At September 30, 2014, no such failure has occurred and the Company has recorded no liabilities with regard to the right.

Note 7 - Income Taxes:

The Company files a Federal, New York State and New York City income tax returns.

The deferred tax assets are comprised of the following:

| | |
|---------------------------|--------------------|
| Deferred | |
| Federal | \$ 746,195 |
| State and local | <u>537,373</u> |
| | 1,283,568 |
| Less: Valuation allowance | <u>(1,283,568)</u> |
| | <u>\$ -</u> |

NUMIS SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 7 - Income Taxes (Cont'd):

The effective tax rate differs from the statutory federal tax rate primarily due to the valuation allowance. The Company also has available net operating loss carry forwards amounting to approximately \$1,188,000 for federal income tax purposes, approximately \$1,704,000 for state income tax purposes and approximately \$1,637,000 for local income tax purposes. These net operating loss carry forwards expire between September 30, 2029 and 2031.

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities. These temporary differences result in taxable or deductible amounts in future years and are measured using the tax rates and laws that will be in effect when such differences are expected to reverse. At September 30, 2014, the Company has recorded a deferred tax asset of \$1,283,568. A valuation allowance is recognized against deferred tax assets if it is more likely than not such asset will not be realized in future years. The ultimate realization of a deferred tax asset is dependent upon the generation of future taxable income. Due to uncertainty of earning future taxable income against which the deferred tax assets could be utilized, a valuation allowance for the full amount of the deferred tax asset has been recorded. In 2014, the valuation allowance decreased approximately \$923,370. The Company had no tax liability for uncertain tax positions as of September 30, 2014.

Despite the net operating loss, the Company is subject to New York State and City taxes based on capital. During the fiscal year ended September 30, 2014, the Company recognized \$15,110 of state and \$12,615 of city capital taxes, which are included in other expenses, in the Statement of Income.

Note 8 - Restricted Stock Plans:

a) Details of restricted stock plans

During the year ended September 30, 2006 the Company had approved a plan (USRSP #1) under which selected employees were awarded a share purchase option to buy Plc stock on the LSE. During the year ended September 30, 2008 the Company approved and made further awards pursuant to two additional plans, USRSP #2 and USRSU #1.

The terms of the USRSP #2 plan are similar to the USRSP #1 plan: if the purchase option is exercised within the allotted exercise period, the shares are purchased at the price set on the grant date and the employee is allocated a like number of matching shares at no further cost to the employee. Both matching shares and the purchased shares are then subject to vesting periods. For USRSP #1, this vesting period is five years; for USRSP #2, there is a graded vesting schedule with 33.33% of the shares awarded vesting on each of the third, fourth and fifth anniversaries of the relevant share purchase date. For both plans unvested matching shares are forfeited in the event of voluntary termination or termination for cause.

NUMIS SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 8 - Restricted Stock Plan (Cont'd):

If a participant's termination occurs as a result of involuntary termination of employment, then an earned portion of the shares previously awarded to that participant shall become vested; and the unearned portion shall be forfeited. Under the terms of both plans, employees may finance the purchase of shares with a loan from Plc with repayments, including interest, made over the vesting period. In the event of non-payment of the loan, matching shares and the purchased shares that relate to any unpaid loan balance are forfeited. Dividends that would otherwise be earned on the matching shares under both plans are credited to the recipients' balance of matching shares in the form of dividend equivalent units (DEUs) as dividends fall due.

The USRSU #1 plan differs from the USRSP #1 and USRSP #2 plans; in that in all cases but one, shares are awarded to employees in the form of restricted stock units, that will vest over a three year graded vesting schedule on the first, second, and third anniversaries provided that the employee remains employed with the Company. In the case of some of the issuances in 2013 and 2014, the vesting period was extended to four years with awards vesting in three equal tranches on the second, third, and fourth anniversaries. There is no requirement to purchase shares and consequently there are no matching shares. The awards under the USRSU #1 plan do not qualify for DEUs.

The USRSP #1 plan was fully vested in the fiscal year ended September 30, 2012 and no further awards will be made under this plan.

b) Awards during the current fiscal year

USRSP #2

There were 82,627 matching shares and DEUs outstanding at the beginning of the current fiscal year that had been awarded under USRSP #2, with a weighted average price of \$2.23. An additional 2,127 matched units were allotted to participants in lieu of dividends on their matching shares (DEUs), with a weighted average price of \$4.47. During the year, 41,981 shares vested from the plan at a weighted average exercise price of \$2.27. No shares were forfeited during the year. As of September 30, 2014 there were 42,773 matching shares and DEUs outstanding with a weighted average exercise price of \$2.30.

The second tranche of the issuance dated March 2010 vested in March 2014, which resulted in 41,981 matching shares and DEUs vesting at a weighted average exercise price of \$2.27.

Compensation expense relating to the USRSP #2 plan amounted to \$45,169 for the year ended September 30, 2014, which is included in the Statement of Income. As of September 30, 2014 there was \$14,022 of total unrecognized compensation cost related to non-vested matching shares granted under the Plan. That cost is expected to be recognized over a weighted average period of 0.50 years.

NUMIS SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 8 - Restricted Stock Plan (Cont'd):

USRSU #1

There were 670,668 restricted share units outstanding at the beginning of the current fiscal year that had been awarded under USRSU #1, with a weighted average price of \$2.04. In March, May and June 2014, 183,746 restricted share units were offered and issued with a weighted average exercise price of \$4.27.

In February 2014, the second tranche of the restricted share units that had been issued in February 2012 became vested. This resulted in 24,278 restricted share units with a weighted average exercise price of \$1.35 becoming vested.

Furthermore in May 2014, the third tranche of the restricted share units that had been issued in May 2011, plus the first tranche of the issuance made in May 2013, became vested. Consequently 48,556 restricted share units, with a weighted average exercise price of \$1.97 became vested.

As of September 30, 2014 there were 781,580 restricted share units outstanding with a weighted average exercise price of \$2.59.

Compensation expense related to the USRSU #1 plan amounted to \$644,717 for the year ended September 30, 2014, which is included in the Statement of Income. As of September 30, 2014 there was \$1,270,402 of total unrecognized compensation cost related to non-vested restricted share units granted under the Plan. That cost is expected to be recognized over a weighted average period of 1.93 years.

OPTION SCHEME

The Group operates an employee option scheme which was originally formulated and approved in 2001. Under this scheme an option cannot be exercised later than the tenth anniversary after the grant date. The earliest date of exercise is usually three years after the date of grant.

In December 2013, 47,429 options were awarded at an exercise price of \$4.17. The market value of the awards totaled \$197,934 and the intrinsic value based on Bloomberg was \$50,183. All of these awards remained open at September 30, 2014.

Compensation expense amounted to \$13,191 for the year ended September 30, 2014, and there remained \$36,963 of unrecognized compensation costs under the option plan which is expected to be recognized over a weighted average period of 2.21 years.

NUMIS SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 9 - 401(K) Profit Sharing Plan:

The Company maintains a 401(k) profit sharing plan (“Plan”) for the benefit of all eligible employees who meet certain plan requirements. Under the Plan, the Company is required to make a 3% “safe harbor” contribution to all eligible employees who have completed three months of employment. Vesting in the 3% Company contribution is immediate. The Company may also elect to make a discretionary profit sharing contribution to the Plan regardless of the amount of service completed by the employee during the year. Vesting in such profit sharing contributions is 20% after two years plus an additional 20% per year thereafter. The expense associated with this Plan for the year ended September 30, 2014 was \$61,799. There were no discretionary contributions for the year ended September 30, 2014.

Note 10 - Net Capital Requirements:

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (“Rule 15c3-1”) which requires the Company to maintain minimum adjusted net capital equivalent to the greater of \$250,000 or 6-2/3% of aggregate indebtedness. Rule 15c3-1 also requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. At September 30, 2014, the Company had net capital of \$10,518,031, which was \$10,268,031 in excess of its net capital of \$250,000. The ratio of aggregate indebtedness to net capital was 0.04 to 1.

The Company is exempt from the provision of Rule 15c3-3 of the SEC since the Company’s activities are limited to those set forth in the conditions for exemption pursuant to subsection k(2)(i) of this rule.

Note 11 - Subsequent Events:

The Company has evaluated all events or transactions that occurred after September 30, 2014 through the date of these financial statements, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.

**NUMIS SECURITIES, INC.
SUPPLEMENTARY SCHEDULE
AS OF SEPTEMBER 30, 2014**

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION**

| | | |
|---|----|--------------------|
| Total stockholder's equity | \$ | 11,169,950 |
| Discretionary bonus accrual | | 2,127,000 |
| Nonallowable assets | | |
| Research fees receivable | \$ | (2,700) |
| Fixed assets, net of accumulated depreciation | | (282,547) |
| Security deposit and other | | (557,496) |
| Receivables from unsettled-trade ways, net | | (289,623) |
| Due from parent | | (921,747) |
| Total nonallowable assets | | <u>(2,054,113)</u> |
| Net capital before haircuts on foreign currency | | 11,242,837 |
| Haircuts on foreign currency | | <u>(724,806)</u> |
| Net capital | \$ | <u>10,518,031</u> |
| Aggregated indebtedness | | |
| Items included in the statement of financial condition | | |
| Accounts payable and accrued expenses | \$ | <u>419,370</u> |
| Total aggregate indebtedness | \$ | <u>419,370</u> |
| Computation of basic net capital requirement | | |
| Minimum net capital required (the greater \$250,000 or 6-2/3% of aggregate indebtedness) | \$ | <u>250,000</u> |
| Excess net capital | \$ | <u>10,268,031</u> |
| Ratio: Aggregate indebtedness to net capital | | <u>.04 to 1</u> |

STATEMENT PURSUANT TO PARAGRAPH (D)(4) OF RULE 17A-5

There are no material differences between the preceding computation and the Company's corresponding unaudited Part II of for x-17a-5 as of September 30, 2014.



An independent firm associated with
MOORE STEPHENS
INTERNATIONAL LIMITED

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Numis Securities, Inc.

We have reviewed management's statements, included in the accompanying management statement regarding compliance with the exemption provisions of SEC Rule 15c3-3, in which (1) Numis Securities, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Numis Securities, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: ((k)(2)(i) and (k)(2)(ii).) (the "exemption provisions") and (2) Numis Securities, Inc stated that Numis Securities, Inc met the identified exemption provisions throughout the most recent fiscal year without exception. Numis Securities, Inc's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Numis Securities, Inc's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)((2)(i) and (2)(ii).) of Rule 15c3-3 under the Securities Exchange Act of 1934.

MSPC

Certified Public Accountants and Advisors,
A Professional Corporation

New York, New York
December 9, 2014

**NUMIS SECURITIES, INC.
SUPPLEMENTARY SCHEDULE
AS OF SEPTEMBER 30, 2014**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND
INFORMATION RELATING TO POSSESSION AND CONTROL REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

The Company is exempt from the provisions of Rule 15c3-3 of the SEC since the Company's activities are limited to those set forth in the conditions for exemption pursuant to subsection k(2)(i) and (ii) of the Rule.

**MANAGEMENT STATEMENT REGARDING COMPLIANCE
WITH THE EXEMPTION PROVISIONS OF SEC RULE 15C3-3**

We, as the management of Numis Securities Inc. (the "Company") are responsible for the Company's compliance with the exemption provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 ("SEC Rule 15c3-3"). The following statements are made to our best knowledge and belief: (1) the Company claims an exemption from the provisions of SEC Rule 15c3-3 under paragraphs (k)(2)(i) and (k)(2)(ii), and (2) for the reporting period October 1, 2013 through September 30, 2014, the Company has met the identified exemption provisions without exception.

Numis Securities Inc.

By: _____



Nicholas J. Rego, CFO
December 9, 2014

INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT
ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)

Board of Directors of Numis Securities, Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended September 30, 2014, which were agreed to by Numis Securities, Inc., and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Numis Securities, Inc.'s compliance with the applicable instructions of Form SIPC-7. Numis Securities, Inc.'s management is responsible for Numis Securities, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 for the year ended September 30, 2014, as applicable, with the amounts reported in Form SIPC-7 for the year ended September 30, 2014, noting a difference of \$3,171;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.



MSPC

Certified Public Accountants and Advisors,
A Professional Corporation

New York, New York
December 9, 2014

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

For the fiscal year ended SEPTEMBER 30, 20 14

(Read carefully the instructions in your Working Copy before completing this Form)

SIPC-7

(33-REV 7/10)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

| | | | |
|--------------------------|-------|-----|-----------|
| 8-066139 | FINRA | SEP | 2/20/2004 |
| NUMIS SECURITIES INC | | | |
| 275 MADISON AVE STE 4100 | | | |
| NEW YORK, NY 10016 | | | |

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

| | | |
|--|-----|-------------------------------|
| 2. A. General Assessment (item 2e from page 2) | \$ | <u>35,205</u> |
| B. Less payment made with SIPC-6 filed (exclude interest) | (| <u>16,443</u> |
| <u>4/22/14</u> | | |
| Date Paid | | |
| C. Less prior overpayment applied | (| <u>—</u> |
| D. Assessment balance due or (overpayment) | | <u>18,772</u> |
| E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum | | <u>—</u> |
| F. Total assessment balance and interest due (or overpayment carried forward) | \$ | <u>18,772</u> |
| G. PAID WITH THIS FORM: | | |
| Check enclosed, payable to SIPC | | |
| Total (must be same as F above) | \$ | <u>18,772</u> |
| H. Overpayment carried forward | \$(| <u> </u>) |

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

NUMIS SECURITIES, INC.
(Name of Corporation, Partnership or other organization)
Nelson Brown
(Authorized Signature)
CHIEF FINANCIAL OFFICER
(Title)

Dated the 14 day of OCTOBER 20 14.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations Documentation Forward Copy

Exceptions: _____

Disposition of exceptions: _____

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 10/1/13, 20 13
and ending 9/30, 20 14

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 14,236,467

2b. Additions:

(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.

(2) Net loss from principal transactions in securities in trading accounts.

(3) Net loss from principal transactions in commodities in trading accounts.

(4) Interest and dividend expense deducted in determining item 2a.

(5) Net loss from management of or participation in the underwriting or distribution of securities.

(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.

(7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.

(2) Revenues from commodity transactions.

(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.

152,752

(4) Reimbursements for postage in connection with proxy solicitation.

(5) Net gain from securities in investment accounts.

(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.

(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).

(8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 1,723

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960)

\$ —

Enter the greater of line (i) or (ii)

1,723

Total deductions

154,475

2d. SIPC Net Operating Revenues

\$ 14,081,992

2e. General Assessment @ .0025

\$ 35,205

(to page 1, line 2.A.)