

CIRCULAR NO. 001/2014

January 17, 2014

Chief Executive / Managing Directors of

- a. Investment Banks
- b. Stock Brokers
- c. Dealers and
- d. Fund Managers

Dear Sirs/Madams,

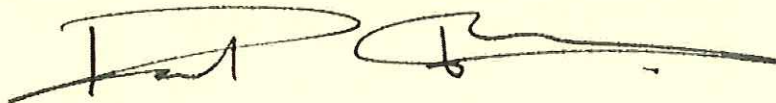
RE: CHANGES TO THE PUBLICATION OF ACCOUNTS FORMAT

The Capital Markets (Licensing Requirements) (General) Regulations, 2002 were amended through legal notice 112 of June 18th 2013 to replace the requirements on working capital, ratio of unsecured advances to shareholders' funds and the ratio of borrowings to paid up share capital with the Liquid Capital Requirements.

In line with the above amendments, the prescribed minimum working Capital, ratio of unsecured advances to shareholders' funds and the ratio of borrowings to paid up share capital shall be replaced by the new liquid capital requirements.

Kindly find attached the revised publication format taking into consideration the above amendments to the Licensing Regulations. Please note that these changes take effect as you publish the audited accounts for the year ended December 31, 2013.

Yours sincerely



Paul M. Muthaura
Ag. CHIEF EXECUTIVE



Publication of Accounts Format

A) Statement of Comprehensive Income

	Six months ended June 30, (current year)	Six months ended June 30, (previous Year)
	(Kshs '000')	(Kshs '000')
1.0 Income		
1.1 Brokerage Commissions		
1.2 Advisory /consultancy Fees		
1.3 Interest Income		
1.4 Dividend Income		
1.5 Fund Management Fees		
1.6 Administration Fees		
1.7 Exchange gains/(loss)		
1.8 Realized profits/(loss) on investments		
1.9 Unrealized profits/(loss) on investments		
1.10 Gains(loss) on disposal of assets		
1.11 Rental Income		
1.12 Custodial Fees		
1.13 Other Income (Specify)		
1.14 Total Income		
2.0 Expenses		
2.1 Direct expenses		
2.2 Professional fees		
2.3 Legal fees		
2.4 Employee costs		
2.5 Directors Emoluments		
2.6 Operational and Administrative expenses		

2.7 Provisions for trading gains/losses		
2.8 Depreciation expenses		
2.9 Amortization expenses		
2.10 Other Expenses (Specify)		
2.11 Total Expenses		
3.0 Operating Profit		
4.0 Finance Costs		
5.0 Profit/loss Before tax		
6.0 Tax		
7.0 Profit /loss after tax		

B) Statement of Financial Position

	Six months ended June 30, (Current Year)	period ended December (last audited)
	(Kshs '000')	(Kshs '000')
1.0 Non-Current Assets		
1.1 Property Plant & Equipment		
1.2 Motor Vehicles		
1.3 Investments in subsidiary companies		
1.4 Investments in associates		
1.5 Deferred Tax Asset		
1.6 Investment in Property		
1.7 Prepaid operating leases		
1.8 Balances due from other parties		
1.9 Investments or deposits in CDSC/NSE		
1.10 Investments in quoted securities		
1.11 Investments in unquoted securities		
1.12 Investments in government securities		
1.13 Intangible assets		

1.14 Other long term Assets (Specify)		
1.15 Total Non-Current Assets		
2.0 Current Assets		
2.1 Clients debtors		
2.2 Amounts due from other stockbrokers		
2.3 Other trade receivables		
2.4 Prepayments		
2.5 Investment in equities/Fixed income securities		
2.6 Secured advances to directors, shareholders & employees		
2.7 Unsecured advances to directors, shareholders & employees		
2.8 Short term unsecured advances to related parties		
2.9 Short term secured advances to related companies		
2.10 Total Clients cash and bank balances		
2.11 Office cash and bank balances		
2.12 Other current assets (specify)		
2.13 Total Current Assets		
2.14 TOTAL ASSETS		
3.0 Share Capital And Reserves		
3.1 Paid Up Ordinary Share Capital		
3.2 Preference share capital		
3.3 Share Premium		
3.4 Revenue reserves		
3.5 Revaluation reserves		
3.6 Capital reserves		
3.7 Proposed dividends		

3.8 Others (specify)		
3.9 Total Shareholders funds		
4.0 Non-Current liabilities		
4.1 Long term loans		
4.2 Deferred Tax		
4.3 Shareholders loans		
4.4 Unit holders liabilities		
4.5 Other non - Current liabilities (Specify)		
4.6 Total Non-current liabilities		
5.0 Current Liabilities		
5.1 Clients creditors		
5.2 Amounts due to stockbrokers		
5.3 Amounts due to related parties		
5.4 Retirement benefit obligations		
5.5 Trade payables		
5.6 Short term loans		
5.7 Accrued expenses		
5.8 Lease obligations		
5.9 Bank overdrafts		
5.10 Directors account		
5.11 Tax payable		
5.12 Other Current liabilities (specify)		
5.13 Total Current Liabilities		
5.14 TOTAL EQUITY AND LIABILITIES		

OTHER DISCLOSURES		
1. Capital Strength		
a. Paid Up Capital		
b. Minimum Capital Required		
(a-b) Excess /Deficiency		
2. Shareholders Funds		
a. Total Shareholders Funds		
b. Minimum Shareholders' Funds required		
(a-b) Excess/ Deficiency		
3. Liquid Capital		
<u>For Investment Banks, Stock Brokers and Dealers</u>		
a. Liquid Capital		
b. Minimum Liquid Capital (the higher of Kshs 30 M and 8% of liabilities)		
(a-b) Excess/Deficiency		
<u>For Fund Managers</u>		
a. Liquid Capital		
b. Minimum Liquid Capital (the higher of Kshs 5 M and 8% of liabilities)		
(a-b) Excess/Deficiency		
4. Clients Funds (Where applicable)		
a. Total Clients Creditors		
b. Total Clients' Cash and bank balances		
c. Excess / Deficiency		

