

# sbg securities Limited

The Board of sbg securities Limited is pleased to announce the audited results of the Company for the year ended 31 December 2014

## Statement of financial position

	Dec-14 Shs '000 Audited	Dec-13 Shs '000 Audited
<b>Non-current assets</b>		
Property and equipment	2,299	4,295
Intangible assets	2,115	1,020
Investment in CDSC	5,900	5,900
Investment in NSE	-	2,270
Deferred tax	27,507	7,555
Investment in unquoted securities	4,446	13,334
<b>Total non-current assets</b>	<b>42,267</b>	<b>56,534</b>
<b>Current assets</b>		
Deposit with CDSC	15,716	22,160
Investment in quoted securities	178,355	128,312
Office cash and bank balances	349,710	404,867
Clients cash and bank balances	626,672	531,184
Current client debtors	10,814	2,320
Amounts due from other stockbrokers	98,245	-
Amounts due from related parties	10,959	-
Other trade receivables	127,018	66,406
Prepayments	8,144	3,681
Investment in unquoted securities	13,444	-
<b>Total current assets</b>	<b>1,438,977</b>	<b>1,136,770</b>
<b>Total assets</b>	<b>1,481,244</b>	<b>1,193,304</b>
<b>Current liabilities</b>		
Client creditors	627,684	477,713
Amounts due to related parties	31,377	11,272
Amounts due to stockbrokers	-	4,635
Trade payables	112,979	84,710
Accrued expenses	36,631	58,757
Current tax	68,209	43,062
<b>Total current liabilities</b>	<b>876,880</b>	<b>680,149</b>
<b>Share capital and reserves</b>		
Paid up ordinary share capital	250,000	250,000
Retained earnings	100,320	112,471
Revaluation reserve	105,356	-
Proposed dividend	150,000	150,000
Foreign currency translation reserve	(1,312)	684
<b>Total share capital and reserves</b>	<b>604,364</b>	<b>513,155</b>
<b>Total liabilities</b>	<b>1,481,244</b>	<b>1,193,304</b>
<b>OTHER DISCLOSURES</b>		
<b>1. Capital strength</b>		
a. Paid up capital	250,000	250,000
b. Minimum capital required	250,000	250,000
<b>(a-b) Excess</b>	<b>-</b>	<b>-</b>
<b>2. Shareholders' funds</b>		
a. Total shareholders funds	604,364	513,155
b. Minimum shareholders funds	250,000	250,000
<b>(a-b) Excess</b>	<b>354,364</b>	<b>263,155</b>
<b>3. Liquidity</b>		
a. Working capital (excluding all current assets and liabilities relating to clients)	430,231	400,830
b. Minimum working capital required (three times average monthly operating expenses)	66,254	61,198
<b>(a-b) Excess</b>	<b>363,977</b>	<b>339,632</b>
<b>4. Ratio of unsecured advances to shareholders' funds</b>		
a. Ratio as computed (as a percentage)	-	-
b. Maximum allowable limit (as a percentage)	10%	10%
<b>5. Ratio of borrowings to paid up share capital</b>		
a. Ratio as computed	-	-
b. Maximum allowable limit	40%	40%
<b>6. Clients' funds</b>		
a. Total client creditors including amounts payable to stockbrokers	627,684	482,348
b. Total clients cash and bank balances including amounts due from stockbrokers	724,917	531,184
<b>(b-a) Surplus</b>	<b>97,233</b>	<b>48,836</b>

## Statement of comprehensive income

	Dec-14 Shs '000 Audited	Dec-13 Shs '000 Audited
<b>INCOME</b>		
Brokerage commission	454,535	349,969
Advisory/consultancy fees	37,395	6,966
Unrealised (loss)/profit on investments	(10,407)	79,134
Interest income	52,344	31,625
Dividend income	7,881	12,169
Realised profit on investments	54,976	32,424
Other income	7,527	1,075
<b>Total income</b>	<b>604,251</b>	<b>513,362</b>
<b>EXPENSES</b>		
Professional fees	2,079	801
Legal fees	557	252
Employee costs	176,470	162,105
Rent expense	7,425	3,462
Directors' emoluments	549	575
Operational and administrative expenses	57,038	65,819
Provisions on impairment of assets	5,075	7,618
Depreciation expenses	1,893	2,307
Amortisation expenses	694	1,853
<b>Total expenses</b>	<b>251,780</b>	<b>244,792</b>
<b>Operating profit</b>	<b>352,471</b>	<b>268,570</b>
Finance costs	-	-
<b>Profit before tax</b>	<b>352,471</b>	<b>268,570</b>
Income tax expense	(114,622)	(79,936)
<b>Profit after tax</b>	<b>237,849</b>	<b>188,634</b>
<b>Other Comprehensive income net of tax</b>		
Currency translation difference	(1,996)	684
Fair value gain on available for sale financial assets	105,356	-
<b>Total comprehensive income for the year</b>	<b>341,209</b>	<b>189,318</b>

## MESSAGE FROM THE DIRECTORS

The above financials are extracts from the Financial Statements and records of the Company. The accounts were audited by PricewaterhouseCoopers and received an unqualified opinion. They were approved by the Board of Directors on 10 February 2015.

Kitili Mbathi  
Chairman

Nkoregamba Mwebesa  
Chief Executive Officer



**sbg securities**

A member of Standard Bank Group