

SCHEDULE 3

FINANCIAL SUPERVISION COMMISSION

FINANCIAL RESOURCES STATEMENT

Licenceholder name: _____

Licenceholder category: _____

INTERIM/ANNUAL*

As at _____ (date)

This statement is approved as being accurate in all material aspects to the best of the licenceholder's knowledge and belief.

Approved by: _____

(The proprietor where the licenceholder is a sole trader, or otherwise by at least two directors or all partners)

Auditor's approval: _____
(For annual statement only)

Dated: _____

* *Delete as appropriate*

For FSC use only:
Date received:
Checked by:
Checked date:
Follow up required:

PART A(1) – CALCULATION OF NET TANGIBLE ASSETS

CAPITAL AND RESERVES (para 4(1)) £ _____

LESS:

Goodwill and other intangible fixed assets
(para 4(3)(a)) (£ _____)

Any shortfall in attributable net tangible assets
of subsidiary or related company (para 4(3)(b)) (£ _____)

Sub total (£ _____)

ADD:

Qualifying subordinated loans (paras 4(4) and 8(1))
(Note limitation imposed by para 8(2)) £ _____

Sub total £ _____

NET TANGIBLE ASSETS £ _____

110% OF MINIMUM NET TANGIBLE ASSET REQUIREMENT £ _____
See para 2(2) and insert as appropriate

MINIMUM NET TANGIBLE ASSET REQUIREMENT £ _____
See para 3(3) and insert as appropriate

SURPLUS/(SHORTFALL) ABOVE (UNDER) MINIMUM £ _____

Note:

A separate amount must be shown for each adjusting item arising in accordance with paragraph 4.

Part A (2) – CALCULATION OF LIQUID CAPITAL

NET TANGIBLE ASSETS £ _____

LESS:

Tangible fixed assets (para 5(2)(a)) (£ _____)

Fixed asset investments (para 5(2)(b)) (£ _____)

Amount by which market value less investment
adjustment is lower than book value of current asset
investments, including stocks of investments
(para 5(2)(c)) (£ _____)

Stocks and work in progress (except for stocks of
investments) (para 5(2)(d)) (£ _____)

Disallowed debtors, accrued income and prepayments
(see Part A(3) below for calculation) (para 5(2)(e)) (£ _____)

Valuation adjustment for creditors outstanding for 30
days or more after settlement date (para 5(2)(f)) (£ _____)

Valuation adjustment for advance settlement (para 5(2)(g)) (£ _____)

Sub total (£ _____)

ADD:

Qualifying secured liabilities (para 5(4))
(supply justification to Commission) £ _____

Sub total £ _____

LIQUID CAPITAL £ _____

Part A(3) CALCULATION OF DISALLOWED DEBTORS AND LOANS
 (paras 5(2)(e) and 5(3))

Loans owing to licenceholder (including group loans) (£ _____)

Total debtors, accrued income & prepayments (£ _____)

ADD BACK:

Valuation adjustment for debtors arising from sales of
 investments outstanding for more than 30 days(para 5(3)(a)) £ _____

Other debtors outstanding for less than
 30 days from due date (para 5(3)(b)) £ _____

Investment management advisory fees for previous
 3 months if invoiced (para 5(3)(c)) £ _____

Prepaid expenses for 3 months or less (para 5(3)(d)) £ _____

Category 2 &3 licenceholder debtors outstanding for less
 than 3 months (para 5(3)(e)) £ _____

Tax refunds due within 3 months (para 5(3)(f)) £ _____

Debtors previously deducted in calculating net tangible assets £ _____

Total add back £ _____

DISALLOWED DEBTORS & LOANS (£ _____)

PART B – CALCULATION OF EXPENDITURE BASED REQUIREMENT

CALCULATION OF ANNUAL AUDITED EXPENDITURE

Note: Annual audited expenditure and expenditure based requirement should be calculated using latest audited accounts (except as otherwise agreed by the Commission).

TURNOVER	£ _____
LESS: Cost of sales limited to:	
Cost of investments sold (para 9(3)(a))	(£ _____)
Commissions and fees directly attributable to commissions/fees earned (para 9(3)(b))	(£ _____)

TOTAL REVENUE	£ _____
Either: LESS: Profit before appropriations (para 9(5))	(£ _____)
Or: ADD: Loss before appropriations (para 9(5))	£ _____

ANNUAL AUDITED EXPENDITURE	£ _____

CALCULATION OF EXPENDITURE BASED REQUIREMENT

A. Annual audited expenditure x 1/4	£ _____
B. 1/2 total revenue x 1/4	£ _____

EXPENDITURE BASED REQUIREMENT
(larger of A & B) £ _____

(pro-rata, if appropriate, in accordance with para 9(6))

SATISFACTION OF FINANCIAL RESOURCE REQUIREMENT

LIQUID CAPITAL	£ _____
LESS EXPENDITURE BASED REQUIREMENT (Larger of A & B)	£ _____

SURPLUS/(SHORTFALL) OF LIQUID CAPITAL

£ _____

110% OF EXPENDITURE BASED REQUIREMENT (para 2(2))

£ _____

NB: Liquid capital must exceed the expenditure based requirement at all times

SCHEDULE I

BALANCE SHEET FORMAT

A FIXED ASSETS

- a) Intangible assets
- b) Tangible assets
 - Property
 - Other tangible fixed assets
- c) Investments
 - Investments in group and related companies
 - Other listed and unlisted fixed asset investments

TOTAL FIXED ASSETS

A

B CURRENT ASSETS

- a) Stocks, debtors and prepayments
 - Stocks of investments
 - Other stocks
 - Debtors arising from sales of investments
 - within 30 days of settlement date
 - Debtors arising from sales of investments
 - outside 30 days of settlement date
 - Other debtors due within 30 days
 - Other debtors due outside 30 days
 - Accrued investment management fees relating
 - to the previous three months
 - Accrued investment management fees not
 - relating to the previous three months
 - Prepaid expenses for the following
 - 3 months
 - Other prepaid expenses
 - Tax refunds due and confirmed in writing
 - Amounts due from group companies
 - Amounts due from partners or proprietors
 - Payments in advance

- b) Investments
 - Certificates of Deposit and UK Treasury Bills
 - Quoted floating rate and index-linked securities
 - Quoted fixed rate securities
 - Units in collective investment schemes
 - Designated stocks
 - Other investments traded on a recognised investment exchange
 - Other current asset investments

- c) Cash at bank and in hand
 - Cash due within 90 days
 - Other cash

TOTAL CURRENT ASSETS B

C CURRENT LIABILITIES

- Creditors arising from purchases of investments due within 30 days of settlement date
- Creditors arising from purchases of investments due after 30 days of settlement date
- Qualifying secured liabilities
- Other creditors due within one year

TOTAL CURRENT LIABILITIES (C)

D NET CURRENT ASSETS / (LIABILITIES) B-(C)=D

E
CURRENT LIABILITIES

TOTAL ASSETS LESS
A+D=E

F CREDITORS DUE AFTER MORE THAN ONE YEAR

- Qualifying subordinated loans
- Other creditors
- Qualifying secured liabilities (F)

G PROVISIONS FOR LIABILITIES AND CHARGES

- a) Pensions and similar obligations
- b) Taxation, including deferred taxation
- c) Other provisions (including any provision for indemnity commission claw back)

(G)

H TOTAL ASSETS LESS TOTAL LIABILITIES

E-(F)-(G) =H

I CAPITAL AND RESERVES

- Ordinary share capital
- Preference share capital
- Other share capital
- Share premium account
- Profit and loss account
- Revaluation reserve
- Other reserves

TOTAL SHARE CAPITAL AND RESERVES

I

(Equal to H)

SCHEDULE 2

PROFIT AND LOSS ACCOUNT FORMAT

INCOME

Profit/loss on dealing as principal			x
Turnover			
Commissions receivable, separately identifying any commissions received on indemnity terms	x		
Investment management or advisory fees	x		
Interest and dividends receivable	x		
Other revenue		x	
Total turnover		<hr style="width: 50px; margin-left: auto; margin-right: 0;"/> x	
Less:			
Cost of sales - commissions paid to employees/related companies		(x)	
Cost of sales - other		(x)	x
Total revenue			<hr style="width: 100%; margin-left: auto; margin-right: 0;"/> x

EXPENSES

Profit related bonuses		x	
Administration, custodial and management expenses:			
Payable to group companies		x	
Payable to third parties		x	
Interest charged and chargeable		x	
Exceptional items		x	
Other expenditure (itemised)		x	
Total expenses			(x)
Profit/loss on ordinary activities before taxation			<hr style="width: 50px; margin-left: auto; margin-right: 0;"/> x
Taxation			(x)
Profit/loss on ordinary activities after taxation			<hr style="width: 50px; margin-left: auto; margin-right: 0;"/> x

Extraordinary items	(x)
Profit/loss after extraordinary items	<u>x</u>
Appropriations of profit	(x)
	<u>x</u>
Balance of profit and loss account brought forward	x
Balance of profit and loss account carried forward	<u><u>x</u></u>