



CDSC

Central Depository and
Settlement Corporation Ltd

2014

ANNUAL REPORT &
FINANCIAL STATEMENTS



Contents

Chairman's Report	2
C.E.O's Statement	4
Board of Directors	6
Senior Management Team	8
Pictorials.....	10
Corporate Information	12
Report of the Directors	13
Statement of Directors' Responsibilities	14
Independent Auditors' Report to the Members of CDSC Report on the financial statements	15
Independent Auditors' Report to the Members of CDSC Report on other legal requirements	16
Consolidated Statement of Profit or Loss and other Comprehensive Income	17
Consolidated Statement of Financial Position	18
Company Statement of Financial Position.....	19
Consolidated Statement of Changes In Equity.....	20
Company Statement of Changes in Equity.....	21
Consolidated Statement of Cash Flows	22
Notes to the Financial Statements	23-40
Appendices	41-43
Central Depository Agents (CDA's).....	44



On behalf of the Board of Directors, I am pleased to present to you the company's annual report and accounts for the year ended December 31st 2014 together with the highlights of CDSC's performance in that year.

Economic Environment

Kenya's economic start to the year was promising, with a relatively stable macroeconomic environment in the first quarter of 2014 despite interest rates remaining comparatively high. The Central Bank maintained the Central Bank Rate (CBR) at 8.50% throughout the year while the 91-day Treasury bill rate remained stable, settling at 8.53% in December 2014. The Central Bank also introduced the Kenya Banks' Reference Rate (KBRR) in July to enhance transparency in the pricing of credit as well as improving the transmission of monetary policy signals into changes in banks' lending rates. The average lending trended downwards, declining from 16.9 % in July 2014 to 15.9 in November 2014. The average deposit rate remained constant year-on-year, at 1.5%.

An increase in the average rate of inflation from 5.7 % in 2013 to 6.9 % in 2014 can be attributed to increases in the cost of several food and non-food items which outweighed notable falls in the cost of electricity and petroleum products including petrol, diesel and kerosene. The economy is estimated to have expanded by 5.3% in 2014 compared to 5.7% in 2013. The slight decline notwithstanding, Kenya's GDP has been on a steady growth path from the 4.6% and 4.4% experienced in

2012 and 2011 respectively. Factors contributing to the 2014 GDP included increased government and private consumption, low oil prices, an increase in exports of goods and services and the stability of the Kenyan Shilling against major currencies. Improved supply of basic foods and lower costs of electricity also contributed positively to the GDP growth.

Overall, Kenya's economy has been resilient, especially in the face of terrorist activity and the consequential negative impact on tourism and other sectors.

The Kenyan shilling was supported in 2014 by the increased purchases of equities by foreign investors. Gross Foreign Exchange Reserves went up from Kshs. 820.0 billion to Kshs. 893.1 billion between November and December 2014.

Capital Markets Performance

The Nairobi Securities Exchange was ranked one of the best performing African Bourses in 2014. In dollar terms where most markets had negative returns, Kenya was one of only four performers with positive returns. The Nairobi Securities Exchange in September became the second African bourse, after South Africa, to list its shares and sell to investors. CDSC is happy to have been part of this process through its registrars business which handled the IPO.

In playing its role in ensuring our bourse becomes an increasingly attractive investment destination, CDSC has given the highest priority to achieving the adoption of global market standards and improved market infrastructure.

Despite a marginal drop of 0.23% in December, the All Share Index (NASI) closed the year at 162.9 points, 19% above its 2013 closing of 136.65 points. The FTSE NSE Kenya 25 Index gained 20% in 2014, the biggest increase after Tanzania and Uganda among 14 African bourses tracked by Bloomberg. The bench mark NSE-20 Share Index was at a high of 4,948 in March 2014, up from 4,861 during the same month of 2013. The index closed the year at 5,112.65 achieving a 4.11% increase.

The NSE IPO which opened to the public on the 24th of July 2014, offering 66 million shares equivalent to 31% of the total issued shares of the company was oversubscribed by 666.92%; the NSE sought to raise Kshs.627 million but received share applications to the tune of Kshs. 4.789 billion garnering a subscription of 763.92%. The impressive outcome of the NSE IPO is an indication of the investor appetite domestically and internationally. The market capitalization of all shares listed on the Nairobi Securities Exchange was Kshs. 2,316 billion as at December 2014, positioning it as sub-Saharan Africa's third-biggest market after South Africa and Nigeria.

The total market turnover for 2014 stood at Kshs. 215.7 billion, up from Kshs. 155.7 billion recorded in 2013. Average end-period market capitalization rose by 28.8% to Kshs. 2.29 trillion in 2014, up from the Kshs. 1.92 trillion recorded in the last quarter of the previous year. Additionally, the total number of shares traded increased by 7.4% to 8.1 billion in 2014 compared to an increase of 38.7% recorded in 2013.

Bonds turnover in 2014 rose by 9.1% to Kshs. 494 billion with returns for most of the issues rising. This marked a steady rise as the bonds turnover in 2013 stood at Kshs. 453 billion after falling from the previous year.

The dematerialization of corporate bonds in November 2014 which was the culmination of the efforts towards a completely paperless securities market yielded a face value of corporate bonds deposited worth Kshs. 62.68 trillion by the end of that year.

CDSC Group Performance

The after effects of operations as a fully dematerialized market are still permeating with a positive influence on investors' appetites both locally and globally. The CDSC group reported a pretax profit for the year 2014 of Kshs. 155.5 million compared to the company's 2013 pretax results of Kshs. 92.9 million.

There was a 36.3% increase in transaction levy income following improved market turnover throughout the year. Total income increased to Kshs. 332.3 million up from Kshs. 243.3 million in 2013. CDSC believes that full dematerialization of the market has contributed to the significant growth due to confidence in the market.

CDSC's capital base stands at 366.9 million.

Board Changes

In September 2014, Mr. James Mworira resigned from the CDSC Board, due to his increasing responsibilities as Group CEO of Centum Investments. Mr. Mworira represented the Capital Markets Challenge Fund on the Board. In November 2014 Mr. Peter Mwangi resigned from the CDSC Board where he had represented the Nairobi Securities Exchange.

Future Outlook

The IMF world economic outlook predicts that Kenya's GDP growth outlook will remain strong as Sub Saharan economies are expected to grow by 4.9% in 2015, ahead of many other emerging markets and developing economies. A similar view is taken by the World Bank, which forecasts Kenya's GDP growth at 6% for 2015, as lower oil prices spur consumption and the government proceeds with rail and energy projects. With this favourable forecast for the country, CDSC expects development of capital markets activity to progress favourably.

CDSC has mapped out a strategy that will ensure robust growth and diversification and will continue to pursue this in 2015. CDSC will carry out its operations while putting in place all that is necessary in order to deliver on its obligations as per the Capital Markets Master Plan that challenges CDSC to become Kenya's sole central securities depository (CSD). CDSC will build on structures that will ensure full compliance with global standards and observe requirements that will elevate it to sole CSD status.

Investor confidence in the integrity of Kenya's capital market is vital, if it is to achieve its goal of being a primary investment destination. Through consistent and unwavering adherence to its mission, CDSC has played a significant role in building that confidence and it will continue to do so as it completes implementation of full compliance with global standards.

Conclusion and Appreciation

I take this opportunity to recognize the shareholders of CDSC whose unwavering support has seen CDSC achieve tremendous success. Our shareholders represent a very diverse set of interests in our capital market and it is that diversity that has enabled CDSC to become the respected institution that it is today.

On behalf of the CDSC Board, I would particularly like to thank James Mworira and Peter Mwangi who have served on the board for four and six years respectively. Their insightful and progressive contributions have contributed significantly to the growth of CDSC. I remain indebted to my fellow directors for their dedication and diligence as members of the board and also for their commitment to the various committees of the board that play a key role in the corporate governance of CDSC.

Very importantly, I would like to record my sincere gratitude to the management and staff of CDSC who work with unwavering commitment to ensure that the CDSC brand continues to flourish in every aspect, and without whom CDSC would not have achieved the very excellent results of 2014.

Mike Bristow
Chairman



On behalf of the Management and staff of the Central Depository & Settlement Corporation (CDSC), I am delighted to share with you a report on CDSC's performance in the year 2014 and highlight some of the activities undertaken during that year.

CDSC celebrated its tenth anniversary in November 2014, with a number of milestones well under its belt. A key achievement was the successful completion of dematerialization of all securities listed at the Nairobi Securities Exchange, with the conclusion of the dematerialization of corporate bonds in November 2014, following the dematerialization of equities in November 2013. Trading in shares has seen tremendous growth over the years. From operating only 20,000 CDS accounts in 2004 with 200 to 300 transactions a day, CDSC has grown to accommodate 2,581,586 CDS accounts as at the end of 2014 with 3,000 to 5,000 transactions daily. The implementation of a T+3 settlement cycle on 4th July 2011 was another key milestone for CDSC and the Kenyan capital markets, made possible by the robust clearing and settlement infrastructure provided by the company.

CDSC has intensified efforts to provide more services and platforms through which the investor can actively interact with their portfolios and safeguard their investments. In 2008, CDSC introduced an SMS service giving investors 24 hours access to their CDS accounts, as well as enabling them receive corporate action announcements. It also unveiled an online platform in 2009 that allows CDS account holders to view their CDS accounts online enabling them to further keep track of their shares portfolio. Additionally, CDSC has enhanced its client statement delivery processes by availing the option of receiving email statements making the process faster and less costly.

The incorporation of CDSC Registrars limited in 2009 has enabled CDSC diversify its service offering through this subsidiary to provide registrar services to a number of listed

and non-listed entities both in Kenya and Rwanda.

CDSC looks back at its 10 year journey with pride, celebrates these and other achievements and continues to work towards making further key contributions towards Kenya's economic growth, supporting Kenya's aspirations towards becoming an International Financial Centre.

Company's performance

CDSC's group financial statements are presented in detail in the audited accounts for the financial year ended 31 December 2014 contained in this report. The group reported a pretax profit for the year 2014 of Kshs. 155.5 million, compared to the year 2013 results of Kshs. 92.9 million before tax.

As anticipated with the conclusion of dematerialization, there have been notable gains in the market as a whole and at CDSC. Transaction levy income increased by 36.3% in 2014 while the total income increased to Kshs. 332.3 million from Kshs. 243.3 million realized in 2013.

CDSC supported over 60 corporate actions in 2014 ranging from dividends, share splits and bonuses. The total number of equity trades in the year was 548,928.

Dematerialization of Corporate Bonds

In October 2014 CDSC concluded the dematerialization of corporate bonds, bringing to a close the era of the use of paper certificates within the Kenyan Capital markets. The achievement of an entirely paperless securities market has enhanced CDSC's capacity to provide more efficient services at a cheaper cost as well as protect assets under its custody from losses resulting from misuse, fraud or insufficient record keeping. It has also realized a positive impact on market liquidity, paving the way for products such as short selling and securities lending and borrowing.

CDSC Registrars

CDSC Registrars had a good year, with new clients added to its portfolio putting it on a path towards sustained growth and realization of its strategic objectives. CDSC Registrars was appointed the Nairobi Securities Exchange Initial Public Offering Registrar and processing agent, a task it successfully executed in a fully dematerialized environment. CDSC Registrars also welcomed on board a number of new firms in the GEMS market signifying its enhanced stature and expertise.

Depository and Settlement Operations

The impact of dematerialization continues to be felt as more investors transfer their shares from dormant non-trading accounts into trading accounts. New accounts opened in the year were 111,221. Any new issues coming to the market will henceforth be issued in a fully dematerialized format.

CDSC held workshops in November 2014 that were geared towards enhanced compliance by CDSC's Central Depository Agents (CDAs) with

CDSC's Operational Rules and Procedures. CDSC has introduced a CDA compliance policy as well as Dormancy Rules to govern the operation of dormant accounts, and Nominee & Omnibus Account rules to define new categories of accounts and their management by the CDAs. These new policies will be instrumental in moving CDSC towards improved risk management and risk based supervision of the CDAs.

Regional Associations

CDSC partnered with NSE to host the twenty fourth East African Stock Exchanges Association (EASEA) meeting and was also a sponsor at the annual Africa Securities Exchanges Association (ASEA) flagship conference hosted by NSE both held in Diani at the South Coast of Kenya in November. The ASEA theme highlighted relevant issues relating to African capital markets and global financial trends, while the EASEA meeting focused on common initiatives and regional integration of the East African securities markets.

East African Community (EAC) Market Integration

CDSC actively participates in the EAC Integration Projects under the Financial Sector Development and Regionalization Project (FSDRP).

CDSC is represented in the Council Directives Technical Working Group whose main role is to develop Directives to harmonize the regulatory and legislative frameworks within the Partner States with a view to protecting investors, ensuring fair, efficient and transparent markets and Reducing systemic risks.

CDSC is also represented in the Capital Market Infrastructure (CMI) Technical Working Group (TWG). The CMI TWG is tasked to prepare the framework for the delivery, implementation and commissioning of capital markets infrastructure that consists of the smart order routing system (SRO) that will allow market intermediaries direct market access to all trading platforms in the region; a CDSC interface that will allow communication amongst the region's CSDs to facilitate among other functions, inter-depository transfers, seamless account opening and access by investors to view their holdings in any of the 5 markets; and a Messaging Platform that will be implemented for all CSDs and all trading participants in the region. The Messaging platform will also be connected to the RTGS in each Partner State.

CDSC is also represented in the Capital Markets Development Insurance & Pension Committee (CMIPC).

Settlement of Funds through the Central Bank of Kenya

To mitigate against credit risk in the settlement cycle, CDSC developed a more robust settlement model in January 2015, fit for the Kenyan market and benchmarked against best practice and international standards.

The cash side of the settlement process for transactions concluded on the Nairobi Securities Exchange is now being carried out through the Central Bank's Real Time Gross Settlement System (RTGS). Through their design, RTGS settlement systems eliminate counterparty risk. The securities leg of the settlement process, which entails the transfer of securities between the buyers and sellers, is still carried out at CDSC.

Future Outlook

The Capital Markets Master Plan (CMMP) envisions key roles for CDSC in the growth and development of Kenya's capital markets within the broader vision of "working towards a single integrated CSD in Kenya covering the full spectrum of securities".

CDSC has commissioned the implementation of a new CSD system to enhance its operations and meet the growing demands of the market. The new system will provide a more robust delivery and settlement platform to the market, and enable the introduction of products such as securities lending and borrowing, day trading, depository receipts, and additionally, the system will be capable of settling derivatives and commodities.

CDSC is also working towards full compliance with CPMI-IOSCO (Committee on Payment and Market Infrastructures/International Organization of Securities Commissions) standards for financial market infrastructures. A preliminary assessment has been carried out to identify areas that warrant further attention, and in 2015 CDSC will conduct a full self assessment as envisaged under the standards. Thereafter, full compliance will be attained within the shortest time possible.

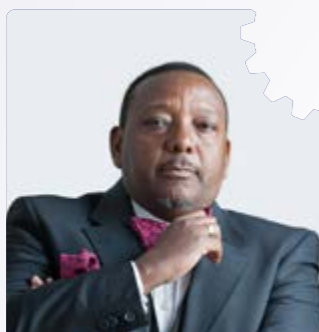
As the 2011-2015 CDSC five year strategic plan draws to a close, the Management and staff of CDSC are determined to ultimately realize the goals outlined in the plan and set the stage for building on the successes realized in that period, as we plan for the next five year cycle. In the year 2015 CDSC looks forward to resilient strategic relationships and partnerships with other depositories in the region and international CSDs. The company is also committed to fulfilling its obligations towards making Kenya's capital markets a preferred investment destination that is vibrant and globally competitive.

Appreciation

I wish to take this opportunity to express my sincere gratitude to our customers, shareholders and business partners for their support and loyalty. I would like to thank the Board for their astute leadership and guidance and the staff for their commitment which has seen CDSC deliver positive results in 2014, and achieve much in its ten year journey. I look forward to working with you all in 2015, propelling CDSC to even greater heights.

Rose Mambo
Chief Executive

Board of Directors



Nkoregamba Mwebesa

Nkoregamba Mwebesa holds an MBA from the Maastricht School of Management and an Upper Second Class Bachelors Degree in Economics and Philosophy from the University of Nairobi. He is the Chief Executive of SBG Securities Ltd, (SBGS), a leading securities trading and placement firm with membership at the Nairobi, Uganda and Rwanda Securities Exchanges. At SBGS, Nkoregamba is responsible for the Sales and Trading (Execution) desks across all distribution channels. He is also responsible for the Capital Markets business with direct oversight for Marketing and Distribution Strategies and Equity and Debt Placement. Prior to joining SBGS, he was the Chief Executive of the Nairobi Securities Exchange (NSE). At the NSE, Nkoregamba was responsible for the successful implementation of the Automated Trading System (ATS) and also presided over 11 new listings.



Ashok Kumar Mepa Shah

Ashok Kumar Mepa Shah's Education is in Applied Chemistry. Professionally he is a Chartered Insurer with ACII. He is a member of the Chartered Institute of Arbitrators (MCIArb) and an Associate of the Insurance Institute of Kenya (AIK). He is a past Chairman of Association of Kenya Insurers (AKI) and is currently the Group Chief Executive of Apollo Investments Limited. Before taking over this position he was the CEO of APA Insurance from its inception from the merger of the General Insurance business of Apollo Insurance and Pan Africa Insurance. APA is a leading regional player. He is a Director of CDSC representing the Capital Market Challenge Fund. Other directorships include A P A Insurance Ltd, Barclays Bank of Kenya, APA Life Assurance, Apollo Asset Management, APA Insurance Uganda and Reliance Insurance Company Ltd in Tanzania. He was the first recipient of the Lifetime Achievement Award for his contribution to the Insurance Industry. Recently he was one of the finalists of the Ernest and Young Entrepreneur of the Year Award in the Masters Category



Mike Bristow

Mike Bristow holds a Masters degree from London University and is a Fellow of the Chartered Institute of Bankers. He is a seasoned banker with considerable experience in retail and corporate banking. He served for many years as the Executive Director of Commercial Bank of Africa, prior to which, he served in various senior executive positions for Barclays Bank in the UK and a number of countries in Africa. His other non-executive directorships include First Assurance Ltd and Frontier Clearing Corporation BV, a company facilitating development of financial markets. He has also served in the Council of the Ghana Stock Exchange.



Peter Mwangi

Peter Mwangi is the Chief Executive of the Nairobi Securities Exchange. He is also a Director of the Central Depository and Settlement Corporation in Kenya, a Member of the Executive Committees of the African Securities Exchanges Association (ASEA) and the East African Securities Exchanges Association (EASEA). Before joining the Exchange, Peter was the Managing Director of Centum Investment. Centum is the largest publicly quoted investment company in the East African region.

Peter holds a Bachelor of Science degree in Electrical Engineering from the University of Nairobi. He is a Certified Public Accountant of Kenya and a CFA Charter holder.

Board of Directors

Mr. Bob Karina Is the Founder and Chairman of Faida Investment Bank and the Vice Chairman of the Nairobi Securities Exchange (NSE) Ltd. He is also the Vice Chairman of the Rwanda Stock Exchange, where he has played a key role in the set up of the Rwanda Stock Exchange (RSE) and serves as the Chairman of the Trading Committee. He is also a Board Member of the Central Depository and Settlement Corporation (CDSC), where he serves as the Chairman of the Finance Committee.

He is an accomplished stockbroker, an information technology professional and a successful businessman. He plays other roles including; Chairman of Asterisks Holdings, Chairman of Norwich Union Properties Ltd., Chairman of Association of Kenya Stockbrokers (AKS) Nominees Ltd and Founder Member of the Institute of Certified Securities and Investment Analysts (ICSIA). He is also a member of the Institute of Directors. He also served as the Director and Chairman of the Finance Committee of the National Chamber of Commerce and Industry.

Mr. Karina was instrumental in the establishment of the CDSC, the implementation of the NSE's Automated Trading System (ATS), the Wide Area Network (WAN), and the Broker Back Office (BBO) system, as the Chair of the implementation committees that spearheaded these developments in the Kenyan Capital Markets. He has broad experience in advising institutional and corporate investors, corporate finance consulting and research analysis. He holds a Master of Science (MSc) in Corporate Finance from the University of Liverpool, in the UK.

He is also a Part-time Lecturer at the KCA University.

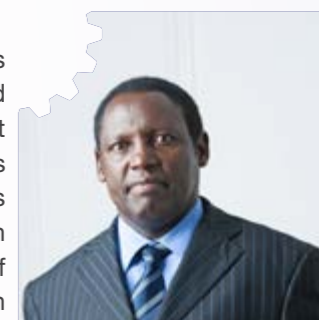
Mr. Kihumba is a Fellow of the ICPSK, a member of various professional organizations and holds a Masters in Business Administration from the UK. He is a director at Standard Investment Bank, Nairobi Stock Exchange, Centre for Corporate Governance, East Africa School of Management, among others. He has served with the capital markets industry for over twenty (20) years having been the first CEO of the NSE for nine years (1991-1999), where he is now the second Vice Chairman. Mr. Kihumba has served in various professional and business capacities in many organizations e.g. Chairman of ICPSK, Public Procurement Appeals Board, Association of Professional Societies in East Africa, Development Learning Resources Centre, Africa Capital Markets Forum, International Corporate Governance Forum, among others.

Eunice Kariuki was appointed Director of Partnerships, Innovation and Capacity in January 2015 at ICT Authority, a merger of former ICT Board, e-Government and Government Technology Systems (GITS). Until then she was the Marketing Director at Kenya ICT Board for 7 years where she doubled up as Deputy CEO and before then 2 years at Microsoft as a Public Sector Account Manager in charge of Education in Eastern and Southern Africa. In 1999 she founded and managed Records & Archives Management Systems (RAMS) Ltd for 7 years. She also worked for Eastman Kodak for 2 years, and 1 year at Avro International Aerospace in UK.

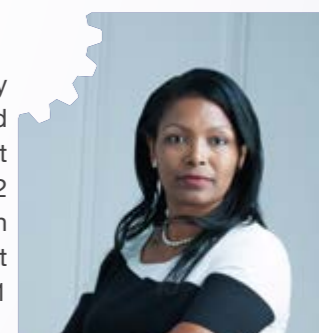
Mr. Charles Ogalo holds a BSc in Economics from the State University of New York, New Paltz, and an MSc in Economics from Rutgers University, New Jersey. He is currently the Managing Director of Genesis Kenya Investment Management Ltd, a position he has held since 1st April 1996. He is also a board member of Ecobank Kenya. Mr Ogalo has served in various positions of responsibility in the banking industry for over 11 years, both locally and internationally before joining Genesis Kenya.



Bob Karina



Job Kihumba



Eunice Kariuki



Mr. Charles Ogalo

Senior Management Team

Rose Mambo

Chief Executive Officer

Rose Mambo is the Chief Executive at CDSC and is responsible for strategic leadership for the corporation and corporate governance. She has steered the company to achieve a number of key milestones including a T+3 settlement cycle, full dematerialization of the market, several large successful IPOs, and improved efficiency and risk management in the settlement function of the corporation with a Guarantee Fund value that has grown over five times since she joined CDSC in 2007. Under her stewardship, CDSC has grown to accommodate over 2 million CDS accounts, while the company's financial performance has significantly improved with profit before tax growing fourteen times whilst net assets increased four times from their respective levels in 2007.

Rose holds an MBA from Strathmore University, a Master of Laws degree from the American University in Washington DC specializing in international business law and a Bachelor of Laws degree from the University of Nairobi. She is an advocate of the High Court of Kenya and a Fellow of the Institute of Certified Public Secretaries of Kenya. Rose has worked as a State Counsel at the Attorney General's Office and at the Nairobi Securities Exchange as Company Secretary and Head of Legal and Compliance.

James Gikonyo

Head, Information & Communication Technology

James Gikonyo holds a Master's of Science degree in Information Systems specializing in Strategic Management of Information and Communication Technology as well as Information Systems Security. He also holds a Bachelor of Science degree in Mathematics and Computer Science from the University of Nairobi. James is a Certified Information Systems Auditor (CISA) and has over 21 years experience in the Information and Communication Technology fields with 16 years experience in Banking ICT systems having worked with Barclays Bank of Kenya and Transnational Bank Limited.

James Heads the ICT Department and is charged with implementing Information Systems' policies and decision making on the suitable Systems that enable CDSC to achieve its strategic initiatives and meet its core mandate to stake holders.

Irene Mutiso

Head of Human Resources & Corporate Affairs

Irene Mutiso holds a Masters of Business Administration Degree in Human Resources Management and a Bachelors Degree in Commerce both from University of Nairobi. Irene is a Certified Human Resource Analyst (CHRA), a Full Member of Institute of Human Resource Management (IHRM), Kenya Institute of Management (KIM) and Society of Human Resources (SHRM) and a member of Women on Boards Network. Irene has over nine years experience in Human Capital Management and Corporate Communication. Prior to joining CDSC, she worked at the Nairobi Securities Exchange and held various positions. She represents CDSC in Investor Education Working Committee (IEWC), Securities Industry Training Institute East Africa (SITI) and she is a member of Champions of Corporate Governance Award (COG) taskforce.

Francis Kibathi

Manager, Internal Audit

Francis Kibathi holds a Bachelor of Commerce Degree, Finance option and is a Certified Information System Auditor. He is also a Certified Public Accountant and is currently pursuing certification as a Chartered Financial Analyst. He has served in various capacities as an internal auditor, and has a wealth of experience in audit.

Francis heads the Internal Audit Department which is primarily charged with Risk Management and Control.

Senior Management Team

Augustine Suka

Head of Finance and Administration

Augustine Suka holds a Masters of Business Administration (Finance) degree as well as a Bachelor of Commerce (Accounting) degree, both from the University of Nairobi. He is a Certified Public Accountant-CPA (K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). Augustine has also undertaken and completed the Certified Public Secretaries (CPS) Course. He has 14 years experience in Accounting, Finance & Administration acquired in the Insurance, Logistics and public sector where he served in various capacities as an Accountant, Finance Manager, Group Finance Manager and Deputy Director -Finance & Administration.

Augustine heads the Finance & Administration Department which is primarily charged with the management and control of the company's financial resources. He is also the Secretary to the CDSC Finance & Staff committee.

John Karanja

Manager, Registry Services

John Karanja holds an MBA in Corporate Finance from The University of Dallas (Texas-USA), a Bachelor of Science degree in International Business Administration (USIU) and a Postgraduate Diploma in Marketing (CIM-UK).

He has over eight years of experience both locally and internationally. John has been involved in managing and overseeing several projects in the financial services sector prior to joining CDSC. He has previously worked for Chase Bank (K), Equity Bank (K) and most recently Custody & Registrars Services Ltd where he gained vast experience in overall business management, relationship management and operations. He also had a chance to work in Corporate Finance as a Financial Analyst and in Mortgage Re-financing.

John heads the Registry Department which is responsible for the company's Registrars Services.

Hilda Njeru

Manager, Legal & Compliance

Hilda Njeru holds a Bachelor of Laws degree from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law. She is an Advocate of the High Court of Kenya. She is also a Certified Public Secretary, CPS (K) and has successfully completed the Certified Public Accountants (CPA) course. Hilda is currently pursuing her Master of Laws degree at the University of Nairobi, specializing in Banking and Financial Services Law. She has over 8 years experience in the field of financial law and compliance and has worked in the Banking and Capital Markets industries.

Hilda heads the Legal & Compliance Department whose mandate is to provide legal services to CDSC and its subsidiaries and ensure compliance with regulatory requirements. She also serves as the Group Company Secretary.

Marion Kioi

Head of Operations

Marion Kioi holds a Bachelor of Science Degree from the University of Nairobi. She is currently pursuing certification as a Chartered Financial Analyst and has over 10 years experience in Operations at CDSC. Prior to joining CDSC, Marion worked for Nairobi Securities Exchange in the Delivery & Settlement department.

Marion heads the Operations Department which is charged with the safe custody of securities in CDS and management of the daily electronic clearing, delivery and settlement processes. She is also the secretary of CDSC's Business Conduct Committee.

Pictorials



CDSC Board Chairman (Back row, second right) and Chief Executive (Back row, third right) at a joint CDSC, CMA & NSE CSR activity at WEMA centre, Mombasa.

CDSC 2014 Team Building Excursion



CDSC Staff at a group activities during a 2014 team building excursion.

CDSC Stakeholder Workshop



CDSC Staff (first & second right) and stakeholders chat during a break at a stakeholder workshop.



Ms. Elizabeth Ndungu, CDSC Operations Manager (R) addresses CDA's at a CDA workshop.



Ms. Irene Mutiso CDSC Head of HR & Corporate Affairs (R) presents the Insurance Sector Award to East Africa Reinsurance Company Limited staff during the 2014 Champions of Governance Awards.

Pictorials

Settlement of Funds



(R-L) CBK former governor, Prof. Ndun'gu, CDSC C.E.O Ms. Mambo, NSE Director , Mr. Mbaru, CMA Ag. Chief Executive Mr. Muthaura and the then NSE Ag. Chief Executive Mr. Wachira toast to launch Settlement of Funds via CBK.



Ms. Jacqueline Akwah (L) and Ms. Joanne Heta (R) of CDSC attend to investor queries at an open day.



CDSC C.E.O Ms. Rose Mambo chats with H.E Hon. William Ruto E.G.H Deputy President of the Republic of Kenya. Looking on is CDSC Chairman Mr. Mike Bristow (2nd Right) and NSE Chairman, Mr. Eddy Njoroge (2nd Left) at a corporate function.



CDSC staff pose for a photo with Mr. Peter Waiyaki former CDSC C.E.O (center) and CDSC's C.E.O Ms. Mambo (2nd Right) at the 2014 ASEA Conference.



CDSC staff at the 2014 end year party



Mr. Bob Karina, a CDSC Board Member inspects a water tank donated to WEMA Centre, Mombasa, by CDSC, CMA and NSE.

Corporate Information

DIRECTORS	Mr. Michael Bristow*	-	Chairman
	Mr. Ashok Shah*		
	Mr. Charles Ogalo		
	Mr. Geoffrey Odundo		
	Mr. Bob Karina		
	Mr. Job Kihumba		
	Mr. Nkoregamba Mwebesa		
	Ms. Eunice Mueni Kariuki		
	Mr. James Mworira	(resigned w.e.f 4 September 2014)	
	Mr. Peter Mwangi	(resigned w.e.f 30 September 2014)	

* British

CHIEF EXECUTIVE OFFICER Ms Rose Mambo

SECRETARY Ms Rose Mambo
P O Box 3464, 00100 GPO
Nairobi

REGISTERED OFFICE 10th Floor, Nation Centre
P O Box 3464, 00100 GPO
Nairobi

BANKERS Commercial Bank of Africa Limited
Mama Ngina Street
P O Box 30437, 00100
Nairobi

CFC Stanbic Bank Limited
Kenyatta Avenue
P O Box 30550, 00100
Nairobi

AUDITORS Deloitte & Touche
Deloitte Place
Waiyaki Way, Muthangari
P O Box 40092, 00100 GPO
Nairobi
Mboya Wangong'u & Waiyaki Advocates

LEGAL ADVISERS Lex Chambers
Off James Gichuru Road,
Lavington,
P O Box 74041, 00200
Nairobi

Report of the Directors

The directors present their report together with audited financial statements of Central Depository and Settlement Corporation Limited "the company" and its subsidiaries (together, "the group") for the year ended 31 December 2014.

ACTIVITIES

The principal activity of the group is the provision of automated clearing, delivery and settlement facilities in respect of transactions carried out at the Nairobi Securities Exchange and the holding of securities as nominees on behalf of investors.

RESULTS

	2014 Sh
Profit before taxation	155,462,199
Taxation	(49,530,334)
Profit for the year transferred to revenue reserve	105,931,865

DIVIDEND

The directors recommend the payment of a dividend in respect of the year ended 31 December 2014 Sh 15,000,000 (2013 –Sh 10,000,000).

DIRECTORS

The current members of the board are shown on page 6-7.

AUDITORS

Deloitte & Touché have expressed their willingness to continue in office in accordance with Section 159(2) of the Companies Act.

BY ORDER OF THE BOARD



Secretary
2015
Nairobi

Statement of Directors' Responsibilities

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the company as at the end of the financial year and of the operating results of the group for that year. It also requires the directors to ensure that the group and the company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company. They are also responsible for safeguarding the assets of the group.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the group and of the company and of the group's operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company and its subsidiaries will not remain going concerns for at least the next twelve months from the date of this statement.



.....
Director



.....
Director

Independent Auditors' Report to the Members of Central Depository and Settlement Corporation Limited

Report on the financial statements

We have audited the accompanying financial statements of Central Depository and Settlement Corporation Limited and its subsidiaries, set out on pages 17 to 43, which comprise the consolidated and company statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated and company statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of the company and its subsidiaries as at 31 December 2014 and of the group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.



Certified Public Accountants (Kenya)
Nairobi, Kenya
18 March 2015

	Note	2014 Sh	2013 sh
Income	5	332,349,704	243,307,062
Operating Expenses	6	(202,761,795)	(169,987,412)
Operating Profit		129,587,909	73,319,650
Other Income	8	25,874,290	19,584,066
Profit Before Taxation		155,462,199	92,903,716
Taxation	9(a)	(49,530,334)	(28,872,760)
Profit For The Year		105,931,865	64,030,956
Exchange Differences Arising From			
Translation Of Foreign Operation		111,867	(691,084)
Total Comprehensive Income for the year		106,043,732	63,339,872

CDSC Consolidated Statement of Financial Position for the year ended 31 December 2014

	Note	2014 Sh	2013 Sh
ASSETS			
Non-current assets			
Equipment	10	8,781,707	7,828,275
Intangible assets	11	3,657,498	3,061,547
Deferred taxation	16	8,773,551	6,941,556
		21,212,756	17,831,378
Current assets			
Receivables and prepayments	14	64,861,981	32,298,623
Due from related parties	18(b)	3,016,734	1,654,370
Fixed deposits	13	293,092,042	191,200,578
Taxation recoverable	9(c)	-	863,194
Bank and cash balances		30,731,172	60,701,575
		391,701,929	286,718,340
Total assets		412,914,685	304,549,718
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	175,000,000	100,000,000
Revenue reserve		192,988,603	172,056,738
Translation reserve		(1,099,796)	(1,211,663)
		366,888,807	270,845,075
Shareholders' equity			
Current liabilities			
Payables	17	33,763,814	23,415,180
Due to related parties	18(a)	-	355,803
Taxation payable	9(c)	12,262,064	9,933,660
		46,025,878	33,704,643
Total equity and liabilities		412,914,685	304,549,718

The financial statements on pages 17 to 43 were approved by the board of directors on 18 March 2015 and were signed on their behalf by:



Director



Director

CDSC Company Statement of Financial Position for the year ended 31 December 2014

	Note	2014 Sh	2013 Sh
ASSETS			
Non-current assets			
Equipment	10	8,629,585	7,586,942
Intangible assets	11	3,586,596	2,852,850
Investment in subsidiaries	12	261,043	261,043
Deferred taxation	16	7,210,418	5,219,238
		19,687,642	15,920,073
Current assets			
Receivables	14	56,867,083	30,209,106
Due from related parties	18(b)	23,617,240	17,230,960
Fixed deposits	13	293,092,042	191,200,578
Bank and cash balances		15,242,617	46,601,394
		388,818,982	285,242,038
Total assets		408,506,624	301,162,111
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	175,000,000	100,000,000
Revenue reserve		184,003,595	164,417,108
		359,003,595	264,417,108
Shareholders' equity			
Current liabilities			
Payables	17	29,650,171	19,581,932
Due to related parties	18(b)	6,873,538	7,229,341
Taxation payable	9(c)	12,979,320	9,933,730
		49,503,029	36,745,003
Total equity and liabilities		408,506,624	301,162,111

The financial statements on pages 17 to 43 were approved by the board of directors on 18 March 2015 and were signed on their behalf by:



Director



Director

CDSC Consolidated Statement of Changes in Equity for the year Ended 31 December 2014

	Share capital Sh	Revenue reserve Sh	Translation reserve Sh	Total Sh
At 1 January 2013	100,000,000	108,025,782	(520,579)	207,505,203
Profit for the year	-	64,030,956	-	64,030,956
Other comprehensive loss	-	-	(691,084)	(691,084)
Total comprehensive income for the year	-	64,030,956	(691,084)	63,339,872
At 31 December 2013	100,000,000	172,056,738	(1,211,663)	270,845,075
At 1 January 2014	100,000,000	172,056,738	(1,211,663)	270,845,075
*Issue of shares	75,000,000	(75,000,000)	-	-
Profit for the year	-	105,931,865	-	105,931,865
Other comprehensive profit	-	-	111,867	111,867
Total comprehensive income for the year	-	105,931,865	111,867	106,043,732
Dividends paid	-	(10,000,000)	-	(10,000,000)
At 31 December 2014	175,000,000	192,988,603	(1,099,796)	366,888,807

*This relates to bonus shares issued in the year to the existing shareholders on a pro rata basis at the rate of 75 shares for every 100 shares held.

The translation reserve represents the translation losses arising from conversion of the net assets of the foreign operation, CDSC Registrars Rwanda, to the reporting currency.

CDSC Company Statement of Changes in Equity for the year ended 31 December 2014

	Share capital Sh	Revenue reserve Sh	Total Sh
At 1 January 2013	100,000,000	98,834,607	198,834,607
Total comprehensive income for the year	-	65,582,501	65,582,501
At 31 December 2013	100,000,000	164,417,108	264,417,108
At 1 January 2014	100,000,000	164,417,108	264,417,108
*Issue of shares	75,000,000	(75,000,000)	-
Total comprehensive income for the year	-	104,586,487	104,586,487
Dividends paid	-	(10,000,000)	(10,000,000)
At 31 December 2014	175,000,000	184,003,595	359,003,595

*This relates to bonus shares issued in the year to the existing shareholders on a pro rata basis at the rate of 75 shares for every 100 shares held.

	Note	2014 Sh	2013 Sh
Operating Activities			
Cash generated from operations	19(a)	111,235,537	82,161,553
Income tax paid	9(c)	(48,162,764)	(16,287,272)
Interest received	8	25,874,290	15,164,313
Net cash generated from operating activities		88,947,063	81,038,574
Investing Activities			
Purchase of equipment	10	(4,176,521)	(881,322)
Purchase of intangible assets	11	(2,993,636)	(2,389,348)
Net cash used in investing activities		(7,170,157)	(3,270,670)
Financing Activities			
Dividends paid		(10,000,000)	-
Net cash used in financing activities		(10,000,000)	-
Net Increase in Cash and Cash Equivalents		71,776,906	77,767,904
Effect On Translation of Foreign Subsidiary		144,155	(844,673)
Cash And Cash Equivalents: At 1 January		251,902,153	174,978,922
At 31 December	19(b)	323,823,214	251,902,153

1. ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

For the Kenyan Sacco Societies Act reporting purposes, in these financial statements the balance sheet is represented by/is equivalent to the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRIC)

i) Relevant new standards and amendments to published standards effective for the year ended 31 December 2014

Several new and revised standards and interpretations were effective during the year. The directors have evaluated the impact of the new standards and interpretations and none of them had an impact on the group's financial statements.

ii) Expected impact of issued relevant new and amended standards and interpretations but not yet effective as at 31 December 2014

Only IFRS 9 on financial instruments issued in November 2009 will be relevant to the group. The standard introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for recognition. The directors of the company and its subsidiaries anticipate that the application of IFRS 9 in the future may have an impact on amounts reported in respect of the group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed by the group.

iii) Early adoption of standards

The group did not early-adopt any new or amended standards in 2014.

Basis of accounting

The group prepares its financial statements under the historical cost convention.

Consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiaries, CDSC Nominees Limited, CDSC Registrars Rwanda limited and CDSC Registrars Kenya Limited all of which are made up to 31 December each year.

Subsidiary undertaking, being a company in which the group has power to exercise control over the operations, has been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the group and are not consolidated as from the date of disposal. All intercompany transactions, balances and unrealised surpluses and deficits on transactions with the subsidiary companies have been eliminated.

Subsidiary undertakings are disclosed in Note 12.

Investment in subsidiary company

Investment in the subsidiary company is stated at cost less provision for impairment where applicable.

Revenue recognition

Revenue comprises transaction, depository levies which are recognised to income once the transaction is recognised in the Central Depository System.

Pledge income comprises fees paid by shareholders when pledging their shares as security for loans. The fees are recognized when the shares are designated as pledged, preventing them from being traded.

Fees, postage income, interest and other income are recognised to income on the accruals basis.

Motor vehicles, furniture and equipment

Motor vehicles, furniture and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight line basis to write off the cost of motor vehicles, furniture and fittings, equipment and computers over their expected useful lives at the following annual rates:

Motor vehicles	25%
Computer equipment	25%
Office equipment	25%
Furniture and fittings	12.5%

Intangible assets

Intangible assets represent computer software and CDS software which are stated at cost less amortisation. Amortisation is calculated to write off the cost of the computer software on a straight line basis over its estimated useful life of four years and eight years in respect of the CDS software.

Taxation

Current taxation is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets in respect of taxable losses carried forward are recognised only to the extent that it is probable that future taxable income will be sufficient to utilise these losses.

Provision for liabilities and charges

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave at the end of the reporting period.

Retirement benefit obligations

The group adheres to a defined contribution provident scheme for its staff and also makes contributions to the statutory National Social Security Fund, a defined contribution scheme registered under the National Social Security Act.

The group's obligations to all staff retirement benefits schemes are recognised in profit or loss as they fall due.

Foreign currency translation

Assets and liabilities expressed in foreign currencies are translated into Kenya shillings at the rates of exchange ruling at the reporting date. Transactions

during the year are translated at rates ruling on the dates of the transactions. Exchange gains and losses are dealt with in the profit or loss.

Financial instruments

Financial assets and liabilities are initially recognised in the group's statement of financial position at cost using settlement date accounting, when the group has become a party to the contractual provisions of the instrument.

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Where a sale occurs other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and classified as available for sale.

Loans, advances and receivables

Loans, advances and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods or services directly to a debtor with no intention of trading the receivable.

Financial assets at fair value through profit or loss

This category has two sub-categories: Financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as held for trading.

Available for sale financial assets

Financial assets that are not (a) financial assets at fair value through profit or loss, (b) loans, advances and receivables, or (c) financial assets held to maturity are classified as available for sale.

Recognition and derecognition

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired

or where the group has transferred substantially all risks and rewards of ownership.

Available for sale financial assets are carried at fair value. Gains and losses arising from changes in the fair value are recognised directly in equity until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity are recognised in the profit or loss.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Impairment

At each balance sheet date, the group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognized in the profit or loss whenever the carrying amount of the asset exceeds its recoverable amount.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables

2. Critical Accounting Estimates and Judgements in Applying the Group's Accounting Policies

In the process of applying the group's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are dealt with below:

Property, plant and equipment

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment.

3. Financial Risk Management Objectives and Policies

The group's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. Finance identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

a.) Market risk

i) Price risk

The group does not hold investments that would be subject to price risk; hence this risk is not relevant.

ii) Interest rate risk

The group holds interest bearing assets in form of fixed deposits. This risk has been managed by negotiating interest rates on the deposits with the banks resulting in consistent earnings during the duration of the deposits.

As at 31 December 2014, an increase/decrease of 5 basis points would have resulted in an increase/decrease in profit before taxation of **Sh 7,743,593 (2013- Sh 5,685,225)**.

b.) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the company. Credit risk is managed on a group-wide basis. Credit risk arises from cash and cash equivalents, deposits with banks, as well as trade and other receivables. The group only deals with listed companies in the stock exchange and authorised central depository agents who are considered credit worthy counterparties. Individual risk limits are regularly assessed by the management of the group. The utilisation of credit limits is regularly monitored. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by the banking regulatory authority.

The amount that best represents the company's maximum exposure to credit risk at 31 December is as follows:

	2014 Kshs	2013 Kshs
Fixed deposits	293,092,042	191,200,578
Trade receivables	54,201,236	29,181,934
Bank and cash balances	30,731,172	60,701,575
Classification of trade receivables	378,024,450	281,084,087

The group classifies the credit quality of its trade receivables into three categories; performing, past due and impaired. The performing debts are those which are within the set credit period of 30 days, the default rate is low.

Past due amounts are those beyond the maximum established credit period of 30 days and represents slow but paying customers. These receivables continue to be serviced even though this is not done on the contractual dates. The finance department is actively following this debt.

The analysis of trade receivables is as detailed below:

	Fully performing Sh	Past due Sh	Impaired Sh	Total (gross) Sh
At 31 December 2013				
Receivables				
Trade receivables	18,956,295	2,580,775	5,904,635	27,441,705
At 31 December 2014				
Receivables				
Trade receivables	33,572,457	9,441,496	9,448,488	52,462,441

c.) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash to meet group obligations. The group manages this risk by maintaining adequate cash balances in the bank, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month Sh	Between 1 – 3 months Sh	Over 3 months Sh	Total Sh
At 31 December 2013				
Trade and other payables	23,415,180	-	-	23,415,180
At 31 December 2014				
Trade and other payables	34,354,144	-	-	34,354,144

4. CAPITAL MANAGEMENT

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. The group did not have borrowings in both year ends and was therefore not geared.

5. INCOME

	2014 Kshs	2013 Kshs
Transaction levy	258,795,215	186,905,449
Bond levy Income	20,312,790	18,279,368
Depository levy	27,319,761	24,252,570
IPO Postage income	6,956,430	1,107,960
Registry fees	8,909,320	5,201,217
Pledges	5,530,364	3,641,350
Miscellaneous	1,799,736	1,025,005
Security transfer fees	2,009,958	1,949,482
SMS Solution fees	216,480	546,261
Interim statement fees	369,650	272,900
Withdrawal fees	10,000	5,500
Management fees	120,000	120,000
	332,349,704	243,307,062

6. OPERATING EXPENSES

	2014 Kshs	2013 Kshs
Staff costs (Note 7)	111,805,323	95,337,924
Telephone and postage	14,261,465	8,695,273
Claims	2,238,739	-
Rent and related expenses	9,631,950	8,810,185
Software and equipment maintenance and hire	6,362,370	7,932,029
Amortisation	1,724,239	1,974,463
Office stationery	1,058,832	876,777
Insurance	5,328,350	5,134,960
Travelling	9,000,217	6,560,975
Depreciation	3,181,835	2,894,099
Board and committee expenses	9,219,426	7,712,627
Professional fees	(41,851)	243,756
Office expenses	172,747	157,423
Conference expenses	439,916	1,178,693
Service charge	272,912	1,875,890
Advertising & Public Education	6,326,866	5,029,038
Internet services	1,212,079	1,434,920
Electricity	1,423,068	1,444,561
Provision for doubtful debts	3,543,853	3,272,860
Licences & fees	1,416,251	1,755,451
Repairs and renewals	2,274,047	533,027
General expenses	3,149,733	2,186,279
Statutory audit fees	1,489,039	1,075,116
Security charges	847,488	774,907
Publications	762,932	777,971
Subscriptions and periodicals	393,327	304,401
Bank charges	559,123	400,266
Donations	180,130	99,963
Legal Fees	999,443	494,000
Immobilisation costs	361,572	180,960
Entertainment	19,252	7,726
Consultancy fees	2,988,203	568,780
Loss on exchange	158,919	262,112
	202,761,795	169,987,412

7. STAFF COSTS

Salaries and wages	92,872,886	77,078,136
Medical costs	6,215,101	6,071,966
Employer provident fund contributions	5,887,135	3,869,839
Gratuity expenses	1,198,126	1,340,686
Training costs	4,066,952	3,272,755
Staff welfare	1,943,654	1,918,049
Leave pay provision	(1,070,661)	320,360
Employer NSSF	315,348	89,173
Recruitment costs	376,782	1,376,960
	111,805,323	95,337,924

8. OTHER INCOME

	2014 Kshs	2013 Kshs
Interest income	25,874,290	15,164,313
Insurance claim	-	4,419,753
	25,874,290	19,584,066

9. TAXATION

a.) Taxation charge

Current taxation based on chargeable Profit for the year at 30%	51,360,031	29,819,386
Current tax charge	51,360,031	29,819,386
Deferred taxation credit (note 16)	(1,829,697)	(480,880)
Prior year deferred tax under provision	-	(465,746)
Deferred tax credit	(1,829,697)	(946,626)
Taxation expense	49,530,334	28,872,760

b.) Reconciliation of taxation charge to the expected tax based on accounting profit before taxation

Accounting profit before taxation	155,462,199	92,903,716
Tax at the applicable rate of 30%	46,638,660	27,871,115
Tax effect of expenses not deductible for tax	2,891,674	1,467,391
Prior year deferred tax over provision	-	(465,746)
	49,530,334	28,872,760

c.) Taxation payable – group

At 1 January	9,070,466	(4,443,201)
Charge for the year	51,360,031	29,819,386
Tax paid in the year	(48,162,764)	(16,287,272)
Translation adjustment	5,669	(18,447)
	12,262,064	9,070,466

Taxation payable - company

At 1 January	9,933,660	(2,933,947)
Charge for the year	51,162,315	29,223,687
Tax paid in the year	(48,116,655)	(16,356,080)
	12,979,320	9,933,660

10. EQUIPMENT

Group

	Furniture fittings and office equipment Sh	Computer equipment Sh	Total Sh
COST			
At 1 January 2013	23,890,895	30,018,004	53,908,899
Additions	256,715	624,607	881,322
Write off	(224,785)	-	(224,785)
At 31 December 2013	23,922,825	30,642,611	54,565,436
At 1 January 2014	23,922,825	30,642,611	54,565,436
Additions	1,827,501	2,349,020	4,176,521
At 31 December 2014	25,750,326	32,991,631	58,741,957
DEPRECIATION			
At 1 January 2013	15,766,530	28,186,424	43,952,954
Charge for the year	1,966,376	927,723	2,894,099
Translation adjustment	(129,507)	19,615	(109,892)
At 31 December 2013	17,603,399	29,133,762	46,737,161
At 1 January 2014	17,603,399	29,133,762	46,737,161
Charge for the year	2,039,483	1,142,352	3,181,835
Translation adjustment	77,666	(36,412)	41,254
At 31 December 2014	19,720,548	30,239,702	49,960,250
NET BOOK VALUE			
At 31 December 2014	6,029,778	2,751,929	8,781,707
At 31 December 2013	6,319,426	1,508,849	7,828,275

Included in equipment are assets with a cost of Sh 45,402,499 (2013 – 42,949,409) that are fully depreciated. The normal annual depreciation charge on these assets would have been **Sh 10,387,968 (2013 – Sh 9,823,301)**.

10. EQUIPMENT (Continued)

Company

	Furniture fittings and office equipment Sh	Computer equipment Sh	Total Sh
Cost			
At 1 January 2013	23,571,995	29,967,228	53,539,223
Additions	256,715	624,607	881,322
Write off	(224,785)	-	(224,785)
At 31 December 2013	23,603,925	30,591,835	54,195,760
At 1 January 2014	23,603,925	30,591,835	54,195,760
Additions	1,827,501	2,349,020	4,176,521
At 31 December 2014	25,431,426	32,940,855	58,372,281
DEPRECIATION			
At 1 January 2013	15,629,289	28,184,664	43,813,953
Charge for the year	1,891,110	903,755	2,794,865
At 31 December 2013	17,520,399	29,088,419	46,608,818
At 1 January 2014	17,520,399	29,088,419	46,608,818
Charge for the year	2,003,109	1,130,769	3,133,878
At 31 December 2014	19,523,508	30,219,188	49,742,696
NET BOOK VALUE			
At 31 December 2014	5,907,918	2,721,667	8,629,585
At 31 December 2013	6,083,526	1,503,416	7,586,942

Included in equipment are assets with a cost of Sh 45,402,499 (2013 – Sh 42,949,409) that are fully depreciated. The normal annual depreciation charge on these assets would have been **Sh 10,387,968 (2013 – Sh 9,823,301)**.

11. INTANGIBLE ASSET

Group

	Computer and CDS Software Sh
Cost	
At 1 January 2013	51,693,259
Addition	2,389,348
Write off	(590,382)
At 31 December 2013	53,492,225
At 1 January 2014	53,492,225
Addition	2,993,636
Write off	(380,015)
At 31 December 2014	56,105,846
AMORTISATION	
At 1 January 2013	48,576,820
Charge for the year	1,882,950
Translation adjustment	(29,092)
At 31 December 2013	50,430,678
At 1 January 2014	50,430,678
Charge for the year	2,018,669
Translation adjustment	(999)
At 31 December 2014	52,448,348
NET BOOK VALUE	
At 31 December 2014	3,657,498
At 31 December 2013	3,061,547

11 INTANGIBLE ASSETS

Company

	Computer and CDS Software Sh
COST	
At 1 January 2013	51,084,834
Additions	2,389,348
Write off	(590,383)
At 31 December 2013	52,883,799
At 1 January 2014	52,883,799
Additions	2,993,636
Write off	(380,015)
At 31 December 2014	55,497,420
AMORTISATION	
At 1 January 2013	48,343,684
Charge for the year	1,687,265
At 31 December 2013	50,030,949
At 1 January 2014	50,030,949
Charge for the year	1,879,875
At 31 December 2014	51,910,824
NET BOOK VALUE	
At 31 December 2014	3,586,596
At 31 December 2013	2,852,850

12 INVESTMENT IN SUBSIDIARIES

Company

	2014 Kshs	2013 Kshs
CDSC Nominees Limited	20,000	20,000
CDSC Registrars Rwanda Limited	141,043	141,043
CDSC Registrars Kenya Limited	100,000	100,000
	261,043	261,043

Company	Share capital Sh	% Holding	Country of Incorporation	Principal activity
CDSC Nominees Limited	20,000	100%	Kenya	Holding securities as a nominee on behalf of Central Depository and Settlement Corporation Limited
CDSC Registrars Rwanda Limited	141,043	100%	Rwanda	Carry out business as a shares and securities registrar
CDSC Registrars Kenya Limited	100,000	100%	Kenya	Carry out business as a shares and securities registrar

The investment in subsidiaries is stated at cost.

	2014 Kshs	2013 Kshs
Set out below is the summarised financial information in respect of the subsidiaries.:		
CDSC Registrars Limited		
Summarised statement of financial position		
Total assets	10,260,401	4,855,476
Total liabilities	(12,635,798)	(8,433,151)
Deficit attributable to owners of the company	(2,375,397)	(3,577,675)
Summarised statement of profit or loss and other comprehensive income		
Revenue	6,655,694	1,470,435
Expenses	(5,453,416)	(6,233,522)
Profit/ (loss) for the year	1,202,278	(4,763,087)
Summarised statement of cash flows		
Net cash generated from operating activities	812,007	1,360,455
Net increase in cash and cash equivalents	812,007	1,360,455
Cash and cash equivalents at beginning of year	1,732,755	372,300
Cash and cash equivalents at end of year	2,544,762	1,732,755

12 INVESTMENT IN SUBSIDIARIES

Company (Continued)

	2014 Kshs	2013 Kshs
CDSC Registrars Limited Rwanda		
Summarised statement of financial position		
Total assets	22,476,964	20,655,699
Total liabilities	(11,716,163)	(10,448,268)
Surplus attributable to owners of the company	10,760,801	10,207,431
Summarised statement of profit or loss and other comprehensive income		
Revenue	2,304,626	3,733,282
Expenses	(1,802,327)	(1,286,540)
Profit for the year	502,298	2,446,741
Summarised statement of cash flows		
Net cash generated from operating activities	6,232,171	4,872,758
Net cash generated from financing activities	294,964	217,386
Net increase in cash and cash equivalents	6,527,135	5,090,144
Cash and cash equivalents at beginning of year	12,367,426	7,945,179
Cash and cash equivalents at end of year	18,894,561	13,035,323

13 . FIXED DEPOSITS

Group

Held to maturity-maturing within 120 days:

CBA Fixed Deposit at 10.5% (2013 - 9.5%)	95,229,289	40,600,822
Chase Bank Ltd at 11.5% (2013 - 10%)	61,762,116	55,991,220
Equatorial Bank at 11.5%	29,551,438	-
NIC Bank at 10%	31,795,198	26,880,973
Consolidated Bank at 12.2%	74,754,001	67,727,563
	293,092,042	191,200,578

	2014 Kshs	2013 Kshs
COMPANY		
Held to maturity-maturing within 120 days:		
CBA Fixed Deposit at 10.5% (2013-9.5%)	95,229,289	40,600,822
Chase Bank Ltd at 11.5% (2013-10%)	61,762,116	55,991,220
Equatorial Bank at 11.5%	29,551,438	-
NIC Bank at 10%	31,795,198	26,880,973
Consolidated Bank at 12.2%	74,754,001	67,727,563
	293,092,042	191,200,578

14. RECEIVABLES

GROUP

Bond levy debtors	3,714,384	1,455,426
Registry fees receivable	8,658,298	5,134,074
Transaction levy fees receivable	44,572,610	19,112,924
Net depository levy receivable	4,775,637	7,573,916
Management fees	190,000	70,000
Provision for bad debts	(9,448,488)	(5,904,635)
Total trade receivables	52,462,441	27,441,705
Prepayments	10,660,745	3,160,696
Other receivables	1,738,795	1,696,222
	64,861,981	32,298,623

COMPANY

Trade receivables	53,252,631	30,025,014
Prepayments	10,004,402	2,543,358
Other receivables	1,709,325	1,711,315
Provision for bad debts	(8,099,275)	(4,070,581)
	56,867,083	30,209,106

15. SHARE CAPITAL

Authorised share capital 2,000,000 shares of Sh 100 each	200,000,000	100,000,000
Issued and fully paid 1,750,000 shares of Sh 100 each	175,000,000	100,000,000

16 DEFERRED INCOME TAXES

Group

Deferred income taxes are calculated on all temporary differences under the liability method using the enacted rate of 30%. The net deferred tax asset is attributable to the following items:

	2014 Kshs	2013 Kshs
Accumulated tax losses	1,151,766	1,653,593
Excess depreciation over capital allowance	4,491,557	3,404,583
General bad debt provision	2,429,792	550,397
Leave pay provision	229,198	1,221,183
Gratuity provision	471,238	111,800
	8,773,551	6,941,556

Movement in net deferred tax asset is as follows:

At 1 January	6,941,556	5,998,772
Deferred tax credit to the income statement (note 9(a))	1,829,697	480,880
Prior year deferred tax under provision	-	465,746
Translation adjustment	2,298	(3,842)
	8,773,551	6,941,556

At 31 December

Company

Deferred income taxes are calculated on all temporary differences under the liability method using the enacted rate of 30%. The net deferred tax asset is attributable to the following items:

Excess depreciation over capital allowances	4,080,190	3,335,858
Leave pay provision	229,198	550,397
General bad debt provision	2,429,792	1,221,183
Gratuity provision	471,238	111,800
	7,210,418	5,219,238

Movement in net deferred tax asset is as follows:

At 1 January	5,219,238	5,704,243
Deferred tax credit/ (charge) to the income statement	1,303,010	(829,344)
Prior year deferred tax under provision	688,170	344,339
	7,210,418	5,219,238

At 31 December

17 PAYABLES

	2014 Kshs	2013 Kshs
Group		
Accrued expenses	2,219,346	3,848,650
Trade and other payables	12,324,682	10,874,810
Leave pay provision	763,994	1,834,655
Provision for gratuity	1,570,792	372,666
Bonus Provision	9,800,000	6,484,399
Dividends payable	7,085,000	-
	33,763,814	23,415,180
Company		
Accrued expenses	2,219,346	3,848,650
Trade and other payables	8,211,039	7,041,562
Leave pay provision	763,994	1,834,655
Provision for gratuity	1,570,792	372,666
Bonus Provision	9,800,000	6,484,399
Dividends payable	7,085,000	-
	29,650,171	19,581,932

18 RELATED PARTIES

The group transacts with other companies related to it by virtue of shareholding.
During the year, the following transactions were entered into with related parties:

	GROUP		COMPANY	
	2014 Sh	2013 Sh	2014 Sh	2013 Sh
a.) Due to related parties				
Due to CDSC Nominees Limited	-	-	20,000	20,000
CDSC Guarantee Fund	-	355,803	-	355,803
Due to CDSC Registrars Kenya	-	-	199,563	199,562
Due to CDSC Registrars Rwanda	-	-	6,653,975	6,653,976
	-	355,803	6,873,538	7,229,341

	GROUP		COMPANY	
	2014 Sh	2013 Sh	2014 Sh	2013 Sh
b.) Due from related parties				
CDSC Registrars Kenya	-	-	11,734,332	7,000,434
CDSC Registrars Rwanda	-	-	8,866,174	8,576,156
Due from NSE	431,169	328,814	431,169	328,814
Due from CMA	28,842	151,954	28,842	151,954
Due from Guarantee Fund	2,556,723	1,173,602	2,556,723	1,173,602
	3,016,734	1,654,370	23,617,240	17,230,960

c.) Key Management Compensation

The remuneration of directors and other members of key management during the year were as follows:

	GROUP AND COMPANY	
	2014 Kshs	2013 Kshs
Salaries and other benefits	61,332,231	42,949,376
Directors' remuneration	8,028,810	6,496,000
Fees for services as directors		

19. Notes to Financial Statement of Cash flows

	2014 Kshs	2013 Kshs
a.) Reconciliation of operating profit to cash used in operations		
Profit before taxation	155,462,199	92,903,716
Adjustments:		
Interest income	(25,874,290)	(15,164,313)
Depreciation	3,181,835	2,894,099
Amortisation	2,018,669	1,882,950
Asset Write offs	380,015	859,174
Working capital changes:		
(Decrease)/Increase in receivables	(32,563,358)	2,208,732
Increase/ (decrease) in payables	10,348,634	(2,477,978)
Movement in related party balances	(1,718,167)	(944,847)
Net cash generated from operations	111,235,537	82,161,533

19. NOTES TO FINANCIAL STATEMENT OF CASH FLOWS CONTINUED

	2014 Kshs	2013 Kshs
b) Analysis of cash and cash equivalents		
Bank and Cash balances	30,731,172	60,701,575
Fixed deposits	293,092,042	191,200,578
	323,823,214	251,902,153

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits maturing within 90 days, held with banks.

20. PROFIT FOR THE YEAR

A profit for the year of Sh 153,167,292(2013 – Sh 65,582,501) has been dealt with in the books of the company, Central Depository and Settlement Corporation Limited.

21. OPERATING LEASE COMMITMENTS

Group And Company	2014 Kshs	2013 Kshs
-------------------	--------------	--------------

Amounts payable under operating leases in respect of property rental (group offices)

Within one year	4,152,795	6,988,624
Between one and two years	-	4,054,820
	4,152,795	11,043,444

22. CONTINGENT LIABILITIES - GROUP AND COMPANY

The group and the company had no contingent liabilities as at 31 December 2014 (2013-Nil).

23. CAPITAL COMMITMENTS - GROUP AND COMPANY

	2014 Kshs	2013 Kshs
Authorised and contracted for	-	-
Authorised but not contracted for	159,968,717	185,084,525

24. INCORPORATION

The company is incorporated and domiciled in Kenya under the Companies Act.

25. CURRENCY

The financial statements are presented in Kenya Shillings (Sh).

Appendix I

CDSC Detailed Statement of Profit or Loss and other Comprehensive Income for the year ended 31 December 2014

	2014 Kshs	2013 Kshs
INCOME (Appendix II)	323,389,384	238,103,345
OPERATING EXPENSES (Appendix III)	(195,506,052)	(162,396,218)
OPERATING PROFIT	127,883,332	75,707,127
NET FINANCE INCOME (Appendix III)	25,874,290	19,584,066
PROFIT BEFORE TAXATION	153,757,622	95,291,193
TAXATION CHARGE	(49,171,135)	(29,708,692)
PROFIT FOR THE YEAR	104,586,487	65,582,501
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME	104,586,487	65,582,501

Appendix II

CDSC Detailed Statement of Profit or Loss and other Comprehensive Income for the year ended 31 December 2014

	2014 Sh	2013 Sh
INCOME		
Transaction levy	258,795,215	186,905,449
Bond levy Income	20,312,790	18,279,368
Depository levy	27,319,761	24,251,070
IPO Postage income	6,956,430	1,107,960
Miscellaneous	1,799,736	1,025,005
Pledges	5,529,364	3,640,350
Security transfer fees	1,959,958	1,949,482
SMS Solution fees	216,480	546,261
Interim statement fees	369,650	272,900
Withdrawal fees	10,000	5,500
Management fees	120,000	120,000
	323,389,384	238,103,345

Appendix II

CDSC Detailed Statement of Profit or Loss and other Comprehensive Income for the year ended 31 December 2014

	2014 Sh	2013 Sh
OPERATING EXPENSES		
Staff costs	107,225,098	85,130,691
Telephone and postage	13,796,696	8,506,751
Rent and related expenses	9,402,324	8,585,715
Software and equipment maintenance and hire	6,350,787	7,932,029
Amortisation	1,585,445	1,687,265
Office stationery	762,452	797,952
Travelling	8,685,660	6,344,701
Insurance	5,328,350	5,134,960
Board and committee expenses	9,156,426	7,712,626
Office expenses	172,747	1,058,423
Depreciation	3,133,878	2,794,865
Claims	2,154,189	
Conference expenses	439,916	1,178,693
Service charge	211,697	1,826,818
Professional fees	(76,651)	769,965
Advertising & Public Education	6,247,151	5,029,038
Internet services	1,193,160	1,434,920
Bad Debts	4,028,694	1,438,806
Licences & fees	667,645	989,953
Repairs and renewals	2,274,047	12,725
Electricity	1,423,068	1,444,561
Legal fees	732,649	494,000
Immobilisation costs	361,572	180,960
Bank charges	536,212	383,832
Statutory audit fees	1,246,872	1,003,571
Publications	762,932	777,971
General expenses	3,115,717	1,052,873
Security charges	847,488	774,907
Subscriptions and periodicals	393,327	541,846
Entertainment	19,252	7,726
Donations	180,130	99,963
Loss on exchange	158,919	262,112
Consultancy fees	2,988,203	-
	195,506,052	162,396,218
OTHER INCOME		
Interest income	25,874,290	15,164,313
Insurance Claim	-	4,419,753
	25,874,290	19,584,066

Central Depository Agents (CDA's)



1. FRANCIS DRUMMOND & CO. LTD (B01)

Hughes Building, 2nd Floor
P.O. Box 45465-00100 Nairobi
Tel: 318689/90 | Fax: 318686
Mobile: 0724256815
Email: info@drummond.com
Web: www.drummond.com



3. SUNTRA INVESTMENTS LTD (B07)

Nation Centre, 7th Floor, Kimathi Street
P.O. Box 74016-00200 Nairobi
Tel: 2870000/2211846/2223330
Fax: 2224327
Mobile: 0724-257024, 0733222216
Email: info@suntra.co.ke
Web: www.suntra.co.ke



5. SBG SECURITIES LTD (B09)

CFC Stanbic Centre, 2nd Floor Chiromo
P.O. Box 47198-00100 Nairobi
Tel: 3638900/3638080 |
Fax: 2218813 /310053
Email: sbgs@stanbic.com
Web: www.sbgsecurities.co.ke



7. AIB CAPITAL LTD (B12)

Finance House 9th Floor
P.O. Box 11019-00100 Nairobi
Tel: 2210178/212989/2212989 | Fax: 2210500
Mobile: 0725965555/0736965555
Email: info@aibcapital.com
Web: www.aibcapital.com



2. DYER & BLAIR INVESTMENT BANK (B02)

Pension Towers, 10th Floor, Loita Street
P.O. Box 45396-00100 Nairobi
Tel: 3240000/227803/4/5
Fax: 3240114
Email: shares@dyerandblair.com
Web: www.dyerandblair.com



4. OLD MUTUAL SECURITIES LTD

IPS building, 6th Floor
P.O. Box 50338 – 00200 Nairobi
Tel: 2241379/2241408 | Fax: 2241392
Mobile: 0702909091/2 | 0731001206/39
Email: info.omst@oldmutualkenya.com
Web: www.oldmutual.co.ke



6. KINGDOM SECURITIES (B11)

Co-operative Bank House, 5th Floor
Haile Selassie Avenue
P.O. Box 48231-00100 Nairobi
Tel: 3276000/ 3276676 | Fax: 2210279
Email: info@kingdomsecurities.co.ke
Website: www.kingdomsecurities.co.ke



8. ABC CAPITAL LTD (B14)

IPS Building, 5th Floor, Kimathi Street
P.O. Box 34137 -00100 Nairobi
Tel: 2246036/2242534 | Fax: 2245971
Email: headoffice@abccapital.co.ke
Web: www.abccapital.co.ke

Central Depository Agents (CDA's)



9. STERLING CAPITAL LTD (B15)

Barclays plaza, 11th floor Loita Street
P.O. Box 45080-00100 Nairobi
Tel: 2213914/2244077 | Fax: 2218261
Mobile: 0723153219/0734219146
Email: info@sterlingib.com
Website: www.sterlingib.com



11. FAIDA INVESTMENT BANK LTD (B17)

Windsor House, 1st Floor University way/ Muindi
Mbingu Street
P.O. Box 45236-00100 Nairobi
Tel: 243811/2/3 | Fax: 2243814
Mobile: 0724721014/ 0733243811
Email: info@fib.co.ke
Website: www.fib.co.ke



13. GENGHIS CAPITAL LTD (B19)

PWC Tower Waiyaki Way
P.O. Box 607-00612 Nairobi
Tel: 2774750/1/2 | Fax: 2246334
Email: info@genghis-capital.com
Website: www.genghis-capital.com



15. KESTREL CAPITAL (EAST AFRICA) LTD (B21)

ICEA Building, 5th Floor, Kenyatta Avenue
P.O. Box 40005-00100 Nairobi
Tel: 2251758/ 2210719
Fax: 2243264
Email: info@kestrelcapital.com
Website: www.kestrelcapital.com



10. APEX AFRICA CAPITAL LTD (B16)

Rehani House, 4th Floor
Kenyatta Avenue/Koinange Street
P.O. Box 43676-00100 Nairobi
Tel: 2242170//2220517 | Fax: 2215554
Email: invest@apexafrica.com
Website: www.apexafrica.com



12. NIC SECURITIES LTD (B18)

NIC House, Masaba Road
P.O. Box 44599-00100 Nairobi
Tel: 2888444/ 2888000 | Fax: 2888544/ 2888512
Email: info@nic-securities.com
Web: www.nic-securities.com



14. STANDARD INVESTMENT BANK LTD (B20)

ICEA Building, 16th Floor, Kenyatta Avenue
P.O. Box 13714-00800 Nairobi
Tel: 2220225/2228963/7/9 | Fax: 2240297
Email: info@sib.co.ke
Website: www.sib.co.ke



16. AFRICAN ALLIANCE KENYA SECURITIES LTD (B23)

Trans National plaza. 1st Floor, Mama Ngina Street
P.O. Box 27639-00506 Nairobi
Tel: 2762000
Fax: 2216070
Email: securities@africanalliance.co.ke
Website: www.africanalliance.com

Central Depository Agents (CDA's)

Renaissance Capital

17. RENAISSANCE CAPITAL (KENYA) LTD (B24)

6th Floor, Purshottam Place Westlands Road, Chiromo
P.O. Box 40560-00100 Nairobi
Tel: 3682000/3682000
Fax: 3682339/3681100
Email: info@rencap.com
Web: www.rencap.com



19. EQUITY INVESTMENT BANK LTD (B26)

Ground Floor, Equity Centre, Hospital Road, Upperhill
P.O.Box 75104-00200 Nairobi
Tel: 2262000 | Fax: 2737276
Mobile 0711026000/ 0732112030
Email: custodialchampions@equitybank.co.ke
Website: www.equitybank.co.ke



21. BBKC- BARCLAYS BANK OF KENYA LTD

Westend Building, 5th Floor Waiyaki way
P.O Box 30120-00100 Nairobi
Tel: 4254561 | Fax: 2241274
Email: bss.ke@barclays.com
Website: www.barclays.com



23. ECBC- EQUATORIAL COMMERCIAL BANK

Equatorial Fidelity Centre Waridi lane,
Off Waiyaki Way
P.O. Box 52467- 00200 Nairobi
Tel: 4981000 | Fax: 2710366
Email: customerservice@ecb.co.ke
Website: www.equatorialbank.co.ke



18. CBA CAPITAL LTD (B25)

Mara and Ragati Roads Upper Hill
P.O.Box 30437-00100 Nairobi
Tel: 2884000 | Fax: 2734635
Email: contact@cbagroup.com
Website: www.cbagroup.com



20. ABCC AFRICAN BANKING CORPORATION LTD

ABC Bank House, Koinange Street
P.O Box 46452-00100 Nairobi
Tel: 2226712 / 2217856/7/8
Fax: 2222437
Email: westlands@abcthebank.com
Website: www.abcthebank.com



22. COBC- CO-OPERATIVE BANK OF KENYA LTD

Co-operative Bank House Haile Selassie Avenue
P.O. Box 48231-00100 Nairobi
Tel: 020- 32076100/ 3276000
Fax: 020-2227747/219831
Email: customerservice@co-opbank.co.ke
Website: www.co-opbank.co.ke



24. EQBC-EQUITY BANK

Equity Centre, 9th Floor, Hospital Road, Upper Hill
P.O. Box 75104-00200 Nairobi
Tel: 2262000/2736620/2262479
Mobile: 0711026000 / 0732112000
Fax: 2711439
Email: info@equitybank.co.ke
Website: www.equitybankgroup.com

Central Depository Agents (CDA's)



25. IMBC - I&M BANK

I & M Bank Tower, 1st Floor, Kenyatta Avenue
P.O. Box 30238-00100 Nairobi
Tel: 3221200/ 3221217
Fax: 2212947 /2216732
Email: invest@imbank.co.ke
Website: www.imbank.com



27. NBKC-NATIONAL BANK OF KENYA. LTD

National Bank Building, Harambee Avenue
P.O. Box 72866-00200 Nairobi
Tel: 2828000/ 2226471 |
Fax: 311444/ 2223044
Email: info@nationalbank.co.ke
Web: www.nationalbank.co.ke



29. PRBC- PRIME BANK LIMITED

Prime Bank Office, Riverside Drive
P.O. Box 43825-00100 Nairobi
Tel: 4203000/4203116/4203148
Fax: 4451247/4203204
Email: custodial@primebank.co.ke
Website: www.primebank-kenya.co.ke



31. CHASE BANK (KENYA) LTD

Riverside Mews, Riverside Drive
P.O. Box 66049- 00800
Tel: 2774000/ 4454801-3 | Fax: 4454816
Mobile: 0727497653/ 0736432025
Email: info@chasebank.co.ke
Website: www.chasebankkenya.co.ke



26. KCBC - KENYA COMMERCIAL BANK LTD

3rd Floor Piedmont Plaza, Ngong Road
Opposite Kenya Science
P.O Box 30664 -00100 Nairobi
Tel: 020 3864547-9 / 3270000
Fax: 020 3864574
Email: custody@kcb.co.ke
Web: www.kcbbankgroup.co.ke



28. NIBC- NIC BANK LIMITED

NIC House, Masaba Road
P.O.Box 44559-00100 Nairobi
Tel: 2888000
Fax: 2888505/513
Email: info@nic-bank.com
Website: www.nic-bank.com



30. STBC-CFC STANBIC BANK LTD

CfC Stanbic Centre Chiromo Road, Westlands
P.O. Box 72833- 00200 Nairobi
Tel: 3638000 /3268000
Fax: 3752905 /7
Email: customercare@stanbic.com
Website: www.cfcstanbicbank.co.ke



32. SCBC -STANDARD CHARTERED BANK OF KENYA LTD

Standard Building Chiromo, 48, Westlands Road
P.O. Box 40984 -00100 Nairobi
Tel: 3293900/1543/3748023
Fax: 3748023
Email: ky.securities-services@sc.com
Website: www.standardchartered.com

Central Depository Agents (CDA's)



33. TRANS -NATIONAL BANK LTD

Trans-National Plaza, 2nd Floor, City Hall Way
P.O. Box 34353 -00100 Nairobi
Tel: 2224235/6, 252188/90/91
Fax: 252225
Email: info@tnbl.co.ke
Website: www.tnbl.co.ke



34. APOLLO LIFE ASSURANCE LTD

Apollo Centre, 3rd Floor Ring Road
Parklands, Westlands
P.O. Box 30389 -00100
Tel: 3641000 | Fax: 3641100
Mobile: 0722276556/ 0733676556
Email: insurance@apollo.co.ke
Website: www.apollo.co.ke



35. APA INSURANCE LTD

Apollo Centre, 07 Ring Road Parklands Westlands
P.O. Box 30065 -00100
Tel: 2862000 | Fax: 2862200
Mobile: 0720652272/ 0734652272
Email: info@apainsurance.org
Website: www.apainsurance.org



36. BANK OF AFRICA KENYA LTD

Reinsurance Plaza, Taifa Road
P.O. Box 69562 -00400
Tel: 3275000 | Fax: 2214166
Email: info@boakenya.com
Website: www.boakenya.com



37. THE NATIONAL TREASURY

Treasury Building, 2nd Floor, Harambee Avenue
P.O Box 300007- 00100 Nairobi
Tel: 2252299, Ext 33176 | Fax: 310833
Email: investmentsecretary@treasury.go.ke
Website: www.treasury.go.ke
(Only serves the Government of Kenya)



CDSC

CENTRAL DEPOSITORY &
SETTLEMENT CORPORATION LIMITED

NATION CENTER 10th FLOOR

KIMATHI STREET

P.O. BOX 3464-00100 GPO NAIROBI

Tel: +254 (20) 2912000 / +254 (20) 2229407/08

Cell: +254 (0)724 256130 / +254 (0) 0733 222

Fax: +254 (20) 222 9405

Email: helpdesk@cdsckenya.com

