



Opening up Africa to the world

Annual Financial Report & Accounts

2004

K Kenya Airways
The Pride of Africa

FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 KShs' million	2003 (Restated) KShs' million
Turnover	2	30,421	27,461
Direct expenditure	4	(21,438)	(20,561)
Gross profit		8,983	6,900
Other income		122	107
Overheads	4	(6,306)	(5,985)
		2,799	1,022
Share of results of associated company		(63)	(4)
Operating profit		2,736	1,018
Finance costs (net)	5	(661)	(262)
Profit before taxation		2,075	756
Taxation	6	(773)	(339)
Profit before minority interest		1,302	417
Minority interest	19	-	(17)
Net profit for the year		1,302	400
Earnings per share - basic	7	KShs 2.82	KShs 0.87
- diluted	7	KShs 2.82	KShs 0.87
Dividends per share	8	KSh 0.75	KSh 0.50

Consolidated
Income
Statement



**Company
Income
Statement**

FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 KShs'million	2003 (Restated) KShs'million
Turnover	2	28,888	25,745
Direct expenditure	4	(20,397)	(19,576)
Gross profit		8,491	6,169
Other income		25	106
Overheads	4	(5,704)	(5,448)
Share of results of associated company		2,812 (63)	827 (4)
Operating profit		2,749	823
Finance costs (net)	5	(607)	(243)
Profit before tax		2,142	580
Taxation	6	(693)	(300)
Net profit for the year		1,449	280
Earnings per share - basic	7	KShs 3.14	KShs 0.61
- diluted	7	KShs 3.14	KShs 0.61
Dividends per share	8	KShs 0.75	KShs 0.50



31 MARCH 2004

**Consolidated
Balance Sheet**

	Notes	2004 KShs'million	2003 (Restated) KShs'million
ASSETS			
Non current assets			
Property, plant and equipment	9	15,267	12,906
Intangible assets	10	111	173
Prepaid lease rentals	11	27	28
Investments in associated companies	12	31	94
Deposits	13	7,472	3,585
Goodwill	14	-	(41)
		22,908	16,745
Current assets			
Inventories	15	859	909
Trade and other receivables	16	3,225	2,896
Amounts due from related companies	25	14	-
Tax recoverable	6	-	279
Cash and cash equivalents	17	2,402	2,547
		6,500	6,631
TOTAL ASSETS		29,408	23,376
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	18	2,308	2,308
Revenue reserve		5,766	4,810
Proposed dividends	8	346	231
Shareholders' funds		8,420	7,349
Minority interest	19	18	30
Non-current liabilities			
Borrowings	20	11,409	7,918
Deferred tax	21	2,093	1,838
		13,502	9,756
Current liabilities			
Sales in advance of carriage		2,277	1,914
Trade and other payables	22	4,326	3,776
Accruals for liabilities and charges	23	513	451
Amounts due to related companies	25	18	-
Tax payable	6	205	-
Borrowings	20	129	100
		7,468	6,241
		29,408	23,376



Company
Balance Sheet

31 MARCH 2004

	Notes	2004 KShs'million	2003 (Restated) KShs'million
ASSETS			
Non current assets			
Property, plant and equipment	9	14,067	11,497
Intangible assets	10	106	133
Prepaid lease rentals	11	26	27
Investment in subsidiaries	12	403	746
Investments in associated companies	12	31	94
Deposits	13	7,472	3,585
Goodwill	14	45	57
		22,150	16,139
Current assets			
Inventories	15	810	826
Trade and other receivables	16	2,923	2,496
Amounts due from related companies	25	1,506	1,439
Tax recoverable	6	-	260
Cash and cash equivalents	17	2,142	2,236
		7,381	7,257
TOTAL ASSETS		29,531	23,396
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	18	2,308	2,308
Revenue reserve		5,794	4,691
Proposed dividends	8	346	231
Shareholders' funds		8,448	7,230
Non-current liabilities			
Borrowings	20	11,409	7,918
Deferred tax	21	2,054	1,859
		13,463	9,777
Current liabilities			
Sales in advance of carriage		2,277	1,914
Trade and other payables	22	4,078	3,620
Accruals for liabilities and charges	23	506	406
Due to related company	25	397	349
Tax payable	6	233	-
Borrowings	20	129	100
		7,620	6,389
		29,531	23,396

FOR THE YEAR ENDED 31 MARCH 2004

	Share capital KShs'million	Revenue reserve KShs'million	Proposed dividends KShs'million	Total KShs'million
At 1 April 2002				
As previously reported	2,308	4,859	277	7,444
Prior year adjustments	-	(218)	-	(218)
As restated	2,308	4,641	277	7,226
Dividends paid	-	-	(277)	(277)
Net profit	-	400	-	400
Proposed dividends	-	(231)	231	-
At 31 March 2003	2,308	4,810	231	7,349
At 1 April 2003				
As previously reported	2,308	4,799	231	7,338
Prior year adjustments	-	11	-	11
As restated	2,308	4,810	231	7,349
Net profit	-	1,302	-	1,302
Dividends paid	-	-	(231)	(231)
Proposed dividends	-	(346)	346	-
	2,308	5,766	346	8,420

Prior year adjustments relate to reversals of foreign exchange revaluations on aircraft and provision for aircraft maintenance as a result of changes in accounting policies in respect of treatment of these items in the financial statements.

Consolidated
Statement
of Changes in
Equity



Company
Statement
of Changes in
Equity

FOR THE YEAR ENDED 31 MARCH 2004

	Share capital KShs'million	Revenue reserve KShs'million	Proposed dividends KShs'million	Total KShs'million
At 1 April 2002:				
As previously reported	2,308	4,843	277	7,428
Prior year adjustments	-	(201)	-	(201)
As restated	2,308	4,642	277	7,227
Dividends paid	-	-	(277)	(277)
Net profit	-	280	-	280
Proposed dividends	-	(231)	231	-
At 31 March 2003	2,308	4,691	231	7,230
At 1 April 2003				
As previously reported	2,308	4,672	231	7,211
Prior year adjustments	-	19	-	19
As restated	2,308	4,691	231	7,230
Dividends paid	-	-	(231)	(231)
Net profit	-	1,449	-	1,449
Proposed dividends	-	(346)	346	-
	2,308	5,794	346	8,448

Prior year adjustments relate to reversals of foreign exchange revaluation adjustments on aircraft and provisions for aircraft maintenance as a result of changes in accounting policies on treatment of these items in the financial statements.



FOR THE YEAR ENDED 31 MARCH 2004

**Consolidated
Cash Flow
Statement**

	Notes	2004 KShs'million	2003 (Restated) KShs'million
OPERATING ACTIVITIES			
Cash generated from operations	24	4,568	3,733
Taxation paid		(34)	(427)
Interest paid		(561)	(460)
Interest received		51	53
Net cash generated from operating activities		4,024	2,899
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,593)	(3,876)
Purchase of intangible assets		(7)	(48)
Acquisition of associate		-	(155)
Deposits paid for aircraft purchases		(3,887)	(1,400)
Proceeds of disposal of property, equipment & investments		29	122
Net cash used in investing activities		(7,458)	(5,357)
FINANCING ACTIVITIES			
Proceeds of long term borrowing		4,263	2,618
Repayment of long term borrowings		(772)	(818)
Dividends paid		(231)	(277)
Net cash generated from financing activities		3,260	1,523
DECREASE IN CASH AND CASH EQUIVALENTS		(174)	(935)
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR		2,447	3,382
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	2,273	2,447

