

Kenya Airways

The Pride of Africa

Annual Financial Report & Accounts 2004/05



FOR THE YEAR ENDED 31 MARCH 2005

Consolidated
Income
Statement

	Notes	2005 KShs'million	2004 KShs'million
Turnover	2	42,234	30,984
Direct expenditure	4(a)	(29,065)	(22,001)
Gross profit		13,169	8,983
Overheads	4(b)	(6,580)	(6,306)
Operating profit		6,589	2,677
Other income		54	122
Share of results of associated company	12(c)	19	(63)
Finance costs (net)	5	(1,142)	(661)
Profit before taxation		5,520	2,075
Taxation	6	(1,645)	(773)
Profit before minority interest		3,875	1,302
Minority interest	19	7	-
Net profit for the year		3,882	1,302
Earnings per share - basic	7	KShs 8.40	KShs 2.82
- diluted	7	KShs 8.40	KShs 2.82
Dividends per share	8	KShs 1.25	KSh 0.75

**Company
Income
Statement**

FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 KShs'million	2004 KShs'million
Turnover	2	41,333	29,451
Direct expenditure	4(a)	(28,582)	(20,960)
Gross profit		12,751	8,491
Overheads	4(b)	(6,456)	(5,704)
Loss on closure of subsidiary's operations	12(b)	(537)	-
Operating profit		5,758	2,787
Other income		15	25
Share of results of associated company	12(c)	19	(63)
Finance costs (net)	5	(1,140)	(607)
Profit before tax		4,652	2,142
Taxation	6	(1,632)	(693)
Net profit for the year		3,020	1,449
Earnings per share - basic	7	KShs 6.54	KShs 3.14
- diluted	7	KShs 6.54	KShs 3.14
Dividends per share	8	KShs 1.25	KSh 0.75

FOR THE YEAR ENDED 31 MARCH 2005

**Consolidated
Balance Sheet**

	Notes	2005 KShs'million	2004 KShs'million
ASSETS			
Non current assets			
Property, plant and equipment	9	25,808	15,267
Intangible assets	10	74	111
Prepaid lease rentals	11	26	27
Investments in associated companies	12 (c)	50	31
Deposits	13	7,302	7,472
		33,260	22,908
Current assets			
Inventories	15	896	859
Trade and other receivables	16	4,134	3,225
Amounts due from related companies	25	223	14
Cash and cash equivalents	17	6,309	2,273
		11,562	6,371
TOTAL ASSETS		44,822	29,279
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	18	2,308	2,308
Revenue reserve		9,071	5,766
Hedging reserve		373	-
Proposed dividends	8	577	346
Shareholders' funds		12,329	8,420
Minority interest	19	11	18
Non-current liabilities			
Borrowings	20(b)	15,704	9,130
Deferred tax	21	2,786	2,093
		18,490	11,223
Current liabilities			
Sales in advance of carriage		3,328	2,277
Trade and other payables	22	5,549	4,326
Deferred income		1,245	-
Accruals for staff leave entitlements	23	670	513
Amounts due to related companies	25	10	18
Borrowings	20(b)	2,669	2,279
Tax payable	6(b)	521	205
		13,992	9,618
		44,822	29,279

The financial statements on pages 41 to 74 were approved by the board of directors on 26th May 2005 and were signed on its behalf by:

I E Omolo Okero
Director

T T Naikuni
Director

Balance Sheet

	Notes	2005 KShs'million	2004 KShs'million
ASSETS			
Non current assets			
Property, plant and equipment	9	25,258	14,067
Intangible assets	10	72	106
Prepaid lease rentals	11	25	26
Investment in subsidiaries	12(a)	403	403
Investments in associated companies	12(c)	50	31
Deposits	13	7,302	7,472
Goodwill	14	34	45
		<u>33,144</u>	<u>22,150</u>
Current assets			
Inventories	15	896	810
Trade and other receivables	16	4,097	2,923
Amounts due from related companies	25	579	1,506
Cash and cash equivalents	17	6,176	2,013
		<u>11,748</u>	<u>7,252</u>
TOTAL ASSETS		<u>44,892</u>	<u>29,402</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	18	2,308	2,308
Revenue reserve		8,237	5,794
Hedging reserve		373	-
Proposed dividends	8	577	346
Shareholders' funds		<u>11,495</u>	<u>8,448</u>
Non-current liabilities			
Borrowings	20(b)	15,704	9,130
Deferred tax	21	2,834	2,054
		<u>18,538</u>	<u>11,184</u>
Current liabilities			
Sales in advance of carriage		3,328	2,277
Trade and other payables	22	5,449	4,078
Deferred income		1,245	-
Accruals for staff leave entitlements	23	653	506
Due to related companies	25	1,035	397
Borrowings	20(b)	2,669	2,279
Tax payable	6	480	233
		<u>14,859</u>	<u>9,770</u>
		<u>44,892</u>	<u>29,402</u>

The financial statements on pages 41 to 74 were approved by the board of directors on 26 May 2005 and were signed on its behalf by:

I E Omolo Okero
Director

T T Naikuni
Director

FOR THE YEAR ENDED 31 MARCH 2005

**Consolidated
Statement
of Changes in
Equity**

	Share capital KShs'million	Revenue reserve KShs'million	Hedging reserve KShs'million	Proposed dividends KShs'million	Total KShs'million
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 for the year	-	1,302	-	-	1,302
Dividends paid	-	-	-	(231)	(231)
Proposed dividends	-	(346)	-	346	-
At 31 March 2004	2,308	5,766	-	346	8,420
At 1 April 2004	2,308	5,766	-	346	8,420
Hedged exchange differences on loans	-	-	533	-	533
Deferred taxation on hedged exchange differences	-	-	(160)	-	(160)
Net profit for the year	-	3,882	-	-	3,882
Dividends paid	-	-	-	(346)	(346)
Proposed dividends	-	(577)	-	577	-
At 31 March 2005	2,308	9,071	373	577	12,329

**Company
Statement
of changes
Equity**

FOR THE YEAR ENDED 31 MARCH 2005

	Share capital KShs'million	Revenue reserve KShs'million	Hedging reserve KShs'million	Proposed dividends KShs'million	Total KShs'million
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
Net profit for the year	-	1,449	-	-	1,449
Dividends paid	-	-	-	(231)	(231)
Proposed dividends	-	(346)	-	346	-
At 31 March 2004	2,308	5,794	-	346	8,448
At 1 April 2004	2,308	5,794	-	346	8,448
Hedged exchange differences on loans	-	-	533	-	533
Deferred taxation on hedged exchange differences	-	-	(160)	-	(160)
Net profit for the year	-	3,020	-	-	3,020
Dividends paid	-	-	-	(346)	(346)
Proposed dividends	-	(577)	-	577	-
At 31 March 2005	2,308	8,237	373	577	11,495

FOR THE YEAR ENDED 31 MARCH 2005

Consolidated
Cash Flow
Statement

	Notes	2005 KShs'million	2004 KShs'million
OPERATING ACTIVITIES			
Cash generated from operations	24	10,501	4,568
Taxation paid		(796)	(34)
Interest paid		(844)	(561)
Interest received		69	51
Net cash generated from operating activities		8,930	4,024
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(12,361)	(3,593)
Purchase of intangible assets		-	(7)
Deposit refunds received		3,836	-
Deposits paid for aircraft purchases		(4,036)	(3,887)
Proceeds of disposal of property, equipment & investments		84	29
Net cash used in investing activities		(12,477)	(7,458)
FINANCING ACTIVITIES			
Proceeds of long term borrowing		11,646	4,263
Repayment of long term borrowings		(3,717)	(772)
Dividends paid		(346)	(231)
Net cash generated from financing activities		7,583	3,260
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,036	(174)
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR		2,273	2,447
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	6,309	2,273

