

THE KENYA POWER AND LIGHTING COMPANY PLC
UNAUDITED TRADING RESULTS*
FOR THE YEAR ENDED 30 JUNE 2019

**Audit of the financial statements has not been finalised pending the appointment of the Auditor General*



Directors of The Kenya Power and Lighting Company Plc announce the unaudited trading results for the financial year ended 30 June 2019:

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 Restated
	KShs. Million	KShs. Million
Revenue		
Non-fuel revenue	112,429	95,435
Foreign exchange adjustment	860	9,322
Fuel cost recharge	19,852	26,622
	133,141	131,379
Power Purchases Costs		
Non-fuel costs	(70,878)	(52,795)
Foreign exchange costs	(986)	(7,714)
Fuel costs	(18,289)	(23,591)
Total Power Purchase Costs	(90,153)	(84,100)
Gross Margin	42,988	47,279
Other operating income	8,586	9,178
Transmission & distribution costs	(41,043)	(44,541)
Operating Profit	10,531	11,916
Interest income	118	100
Finance costs	(10,315)	(7,048)
Profit Before Tax	334	4,968
Income tax expense	(72)	(1,700)
Profit After Tax	262	3,268
Basic and Diluted Earnings Per Share	KShs. 0.13	KShs. 1.67
Dividend Per Share	Nil	Nil

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	2019	2018 Restated	2017 Restated
	KShs. M	KShs. M	KShs. M
Assets			
Property, plant and equipment	277,067	273,377	262,348
Other Non-current assets	6,717	8,658	7,595
Current assets	44,221	50,234	54,017
	328,005	332,269	323,960
Equity and Liabilities			
Shareholders' equity	56,231	60,622	58,398
Non-current liabilities	156,583	165,400	187,756
Current liabilities	115,191	106,247	77,806
	328,005	332,269	323,960

CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	KShs. M	KShs. M
Cash generated from operating activities	26,750	28,266
Net Cash used in investing activities	(20,947)	(27,733)
Net Cash generated from financing activities	(3,626)	(6,986)
Decrease in cash and cash equivalents	2,177	(6,453)
Cash and cash equivalents at beginning of year	(7,603)	(1,150)
Cash and cash equivalents at close of year	(5,426)	(7,603)

PERFORMANCE OVERVIEW

Trading Performance

The Company recorded a profit before tax of KShs.334 million for the year ended 30 June 2019 down from KShs.4,968 million recorded in the previous year. This was mainly attributable to increase in non-fuel power purchase costs by KShs.18,083 million from KShs.52,795 million to KShs.70,878 million following the commissioning of two power plants with a combined generation capacity of 360MW during the period. In addition, finance costs rose by KShs.3,267 million due to increased levels of short-term borrowings and foreign exchange losses.

Revenue from electricity sales grew by KShs.16,994 million from KShs.95,435 million the previous year to KShs.112,429 million, representing an increase of 17.8 percent. The rise in revenue was partly attributed to a tariff review at the beginning of the year prior to the subsequent tariff harmonisation that lowered rates for Small Commercial customers and broadened life-line tariff for Domestic Customers. The growth in revenue was also supported by a 3.4 percent increase in unit sales from 7,905 GWh to 8,174 GWh owing to an expanding customer base.

Fuel cost decreased by KShs.5,302 million (or 22.5 percent) from KShs.23,591 million the previous year to KShs.18,289 million due to improved energy mix following less utilisation of expensive thermal plants during the year. Units generated from thermal plants decreased by 904 GWh from 2,202 GWh the previous year to 1,298 GWh.

Transmission and distribution costs decreased by 7.8 percent from KShs.44,541 million incurred the previous year to KShs.41,043 million. The reduction of KShs.7,253 million was attributed to less provisions for trade and other receivables during the year compared to the previous year.

Finance costs and interest income

During the year, finance income increased to KShs.118 million up from KShs.100 million realised the previous period due to increased bank balances. On the other hand, finance costs increased by 46.4 percent from KShs.7,048 million the previous year to KShs.10,315 million due to increased usage of short-term borrowings to bridge cash flow shortfalls and unrealised foreign exchange losses.

Profit

The net profit after tax was KShs.262 million compared to KShs.3,268 million the previous year, after taking into account a tax charge of KShs.72 million.

BY ORDER OF THE BOARD

IMELDA BORE
COMPANY SECRETARY
25 February 2020