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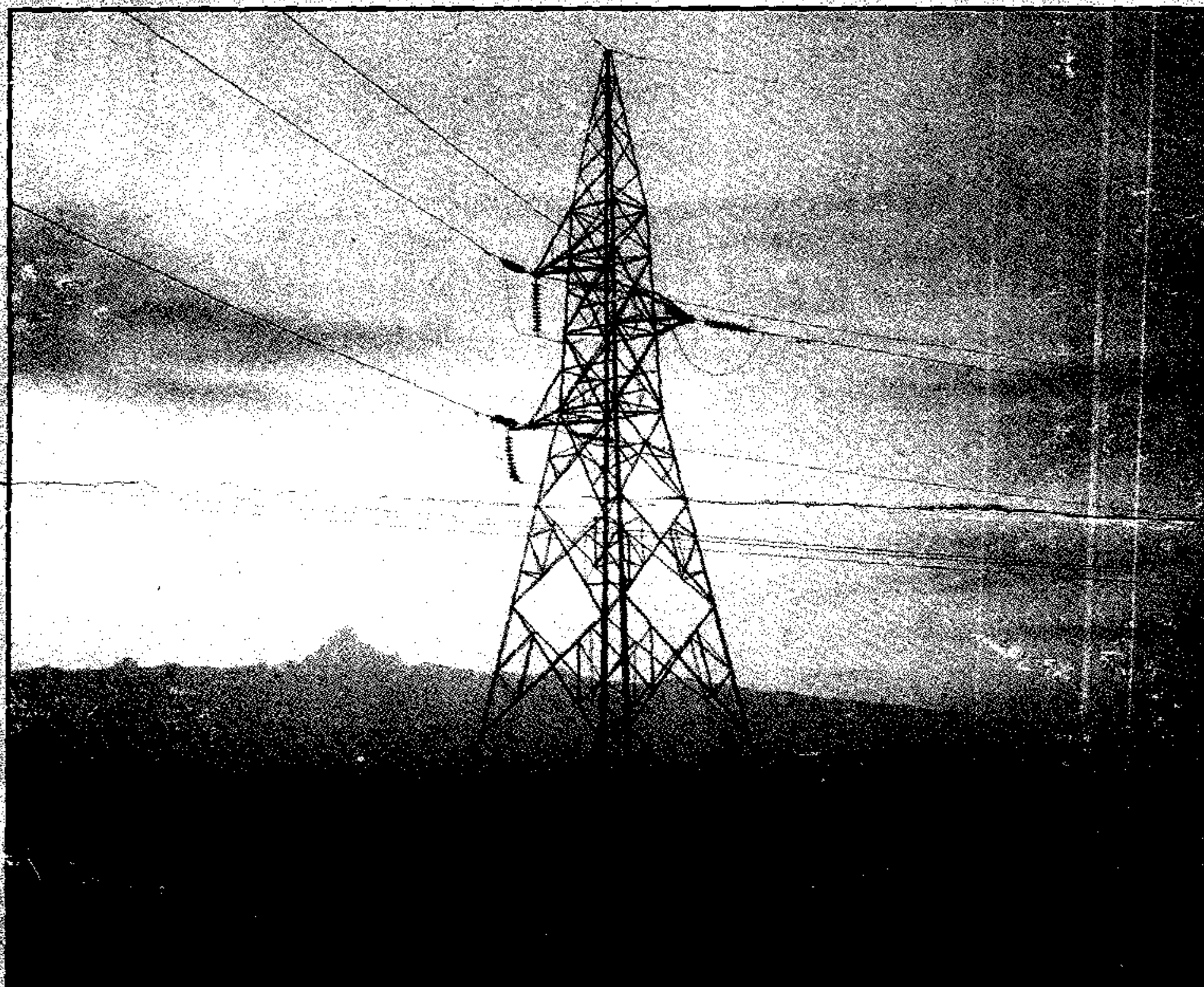

Annual Report & Accounts for the Year ended 30th June 1995

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The Seventy-Fourth Annual Report and Accounts of The Kenya Power and Lighting Company Limited

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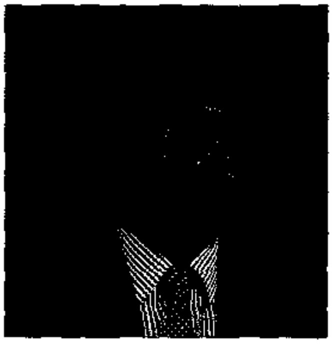
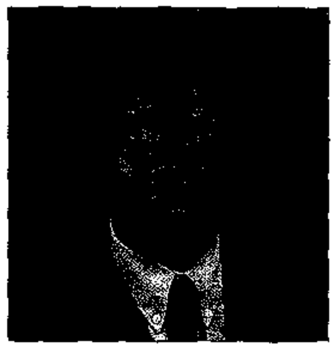
Board of Directors


Prof. J.M. Nyasani
Chairman

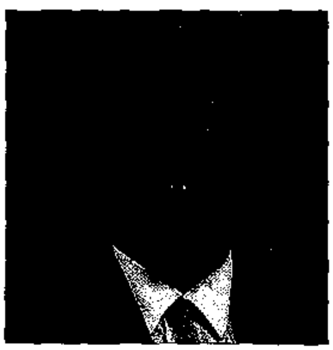

S.K. Gichuru


C.N. Mutitu


B.K. Kipkulei


P.K. Chemng'orem


S.O.J. Ambundo

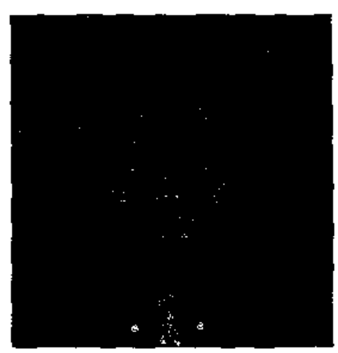

M. Rotich Maina


J.R. Mwasambo


J.M. Mutisya


P.G. Mureithi


J.M. Kinyua
(Alternate)


S.W. Ndindiri
(Alternate)

2007/0977

Board of Directors

Directors

PROF. J.M. NYASANI (CHAIRMAN)

S.K. GICHURU, E.B.S., M.B.S.

C.N. MUTITU, E.B.S.

B.K. KIPKULEI. C.B.S.

P.K. CHEMNG'OREM

S.O.J. AMBUNDO

J.R. MWASAMBO

M. ROTICH MAINA

J.M. MUTISYA

P.G. MUREITHI

Alternate Directors

J.M. KINYUA

S.W. NDINDIRI

Secretary and Registered Office

J.N. KIMANI
Electricity House, Harambee Avenue,
P.O. Box 30099,
Nairobi

Bankers

THE STANDARD CHARTERED BANK KENYA LIMITED
Harambee Avenue, Nairobi
THE KENYA COMMERCIAL BANK
Moi Avenue, Nairobi

Auditors

AUDITOR-GENERAL (CORPORATIONS)

Management

Managing Director
S.K. GICHURU, E.B.S., M.B.S., C.P.S.

Deputy Managing Director
L. KEITANY, B.Sc. (Eng.), R.Eng., C.Eng., F.I.E.E.

Chief Projects Development Manager
E.D. WASUNNA, B.Sc. (Eng.)

Chief Generation Manager
N.K. GICHUKI, B.Sc. (Hons.), R.Eng., M.I.E.K.

Chief Distribution Manager
M. NDETO, B.Sc. (Hons.)

Personal Assistant to Managing Director
MAINA KAMAU, B.Sc. (Eng.) (Hons.)

Company Secretary
J.N. KIMANI, C.P.S. (K)

Finance Manager
Z.O. AYIEKO, B.Com. (Hons.) C.P.A. (K).

Administration Manager
D.K.M. ROTICH, C.P.S. (K)

Supplies Manager
A. WATOLA, B.Sc. (Eng), Dip. PSMC, R.Eng., M.I.E.K.

Commercial Manager
F.N. GACHURI, B.Sc. (Eng.) (Hons.)

Corporate Planning Manager
M.A. GUPTA, B.E., M.I.E.

Credit Control Manager
S. ODUORI

Human Resources Manager
B.W. NDUBAI (MRS), B.A. (Hons.)

Notice of Meeting

NOTICE IS HEREBY GIVEN THAT THE SEVENTY-FOURTH ANNUAL GENERAL MEETING of members will be held at the Head Office of the Company, 8th Floor, Electricity House, Harambee Avenue, Nairobi, on Friday the 5th July, 1996, at 12.00 noon to transact the following business:-

A. ORDINARY BUSINESS:

(i) The receipt and adoption of the Directors' Report and Accounts for the year ended 30th June, 1995.

(ii) The declaration of a first and final dividend on the Ordinary Stock.

(iii) The re-election of retiring Directors.

(iv) Remuneration of Directors.

(v) The appointment of Auditors:- .

To consider and, if approved, pass the following Ordinary Resolution:-

"THAT Messrs. Deloitte & Touche, of P.O. Box 40092, Nairobi, be appointed the Auditors of the Company with effect from the 5th July, 1996, in place of the Auditor-General (Corporations)".

B. SPECIAL BUSINESS:

To consider and, if approved, adopt the following resolutions to to be proposed as Ordinary Resolutions:

(i) Bonus Issue:

"That it is desirable to capitalise the sum of Shs. 175,840,000 out of the Revenue Reserves of the Company and that such sum be distributed as bonus shares among the holders of Ordinary Stock in the register of members at the close of business on 22nd February, 1996 in the proportion of one new Ordinary Share of Shs. 20/= for every one Ordinary Stock then held. The new Shares will rank pari passu with the existing Ordinary Shares of the Company in all respects other than the first and final dividend for the year ended 30th June, 1995, for which they will not rank".

The bonus issue has been approved by the Capital Markets Authority with no responsibility as to the correctness of the information thereof.

(ii) "That as and when the said bonus Ordinary Shares of Shs. 20 each referred to in (i) above shall have been issued as fully paid, the same shall be converted into Ordinary Stock transferrable in units of Shs. 20 each or multiples thereof."

By Order of the Board

J.N. KIMANI
Secretary

Nairobi,
Kenya

13th June, 1996

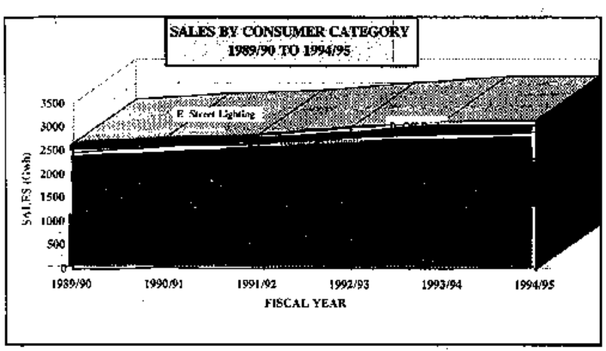
A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed with this booklet. To be valid, the form of proxy must be duly completed and must be lodged at the registered office of the Company or posted in time to reach there not later than 12.00 noon on Wednesday, the 3rd July, 1996.

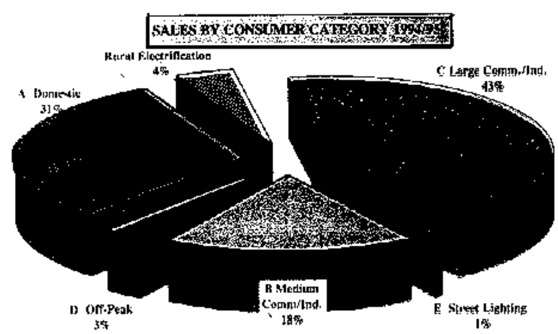
Chairman's Review

It gives me great pleasure to present my first review of the Company's trading results and, wish at the out set to thank H.E. The President for finding me worthy of appointment as Chairman of this prestigious Company. I wish to pledge my unswerving commitment to contributing towards steering the Company to greater heights in providing this essential service to our Country.

I joined the Company at a time when the industry was experiencing serious constraints in investment resources for implementing new generating capacity and in the reinforcement of the system network for the last five years due to lack of counter part funds from the external market. It has been consoling, however, that with the prevailing good relations with the funding agencies the industry was in the process of implementing programmes geared towards improving the capacity and that system network reinforcement is in hand. This is evidenced by the commitment, by the Overseas Economic Cooperation Fund of Japan (OECF) of 10.7 billion Japanese Yen for implementation of the First Kipevu Diesel Power Plant Project and their interest to fund the Sondu Miriu Hydro Power Project. Discussions with

President Moi presents a trophy to the Managing Director, Mr. S.K. Gichuru during the Baringo District Agricultural Show held in August, 1994. The stand won the first prize in the Large Trade stands category.





Chairman's Review (Continued)

the World Bank and the European Investment Bank have made substantial progress and both institutions have pledged to make contributions to the financing of the Power Sub-sector Investment Programme. On the reinforcement side, the Company has just completed work in Nairobi and Mombasa, and continues to implement further reinforcements in the other urban centres.

The period under review has been one of mixed blessings.

Inspite of breakdowns of major generating plant which necessitated load reduction, due to marked economic recovery in 1994/95, the Company achieved an overall growth rate in unit sales of 3.1% compared to the 3.3% while revenue went up by 39.63% compared to 85.6% achieved the previous year, respectively. The industrial and commercial customers, for instance, had to shift their operations from load reduction periods in order to meet their production targets. This is evidenced by the impressive growths in unit sales in the medium commercial and large industrial customers averaging 3.2% compared to 1.8% recorded during the previous year.

Growth in consumption of energy by domestic customers, however, declined from 7.9% last year to 3.2%. This was mainly due to rationing, but also due to the tariff increase the impact of which led to energy conservation by this category of customers.

Energy sales to customers in the agricultural sector also declined by 29% due mainly to stiff competition as a result of liberalisation of imports of agricultural products but also as a result of good rainfall. This compares to a growth in energy sales of 13% recorded during the previous year.

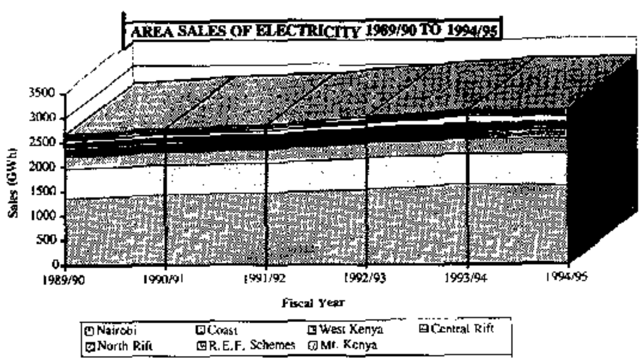
Operating expenditure, on the other hand, increased by 37.13% compared to an increase of 88.7% the previous year.

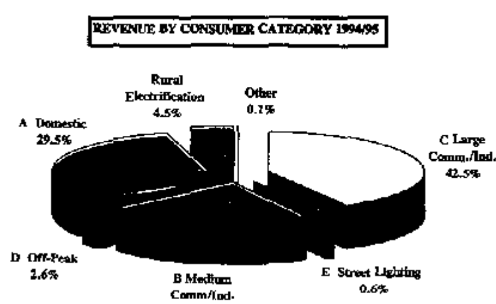
Revenue earned amounted to Shs. 12,958 million against a total operating expenditure of Shs. 11,653 million resulting in an operating income of Shs. 1,305 million. After crediting net interest receivable of Shs. 269 million and allowing for losses due to an exchange fluctuation of Shs. 74 million, the Company's trading profit before taxation was Shs. 1,500 million compared to Shs. 763 million realised the previous year.

Accounts

The total units sold were 3,089 million, an increase of 3.1% from 2,997 million units sold in 1993/94. After allowing for 72 million units relating to previous years adjustments the net sales of 3,017 million units realised a revenue of Shs. 12,958 million. Revenue earned from sales during the year, therefore, increased by Shs. 3,678 million (39.63%) from Shs. 9,280 million in 1993/94. The increase is attributable mainly to the full impact on the year under review of the belated revisions in electricity prices effected in August and September, 1993 and March, 1994, and also due to the overall growth in sales.

Operating expenditure, which includes debt service and development surcharge relating to bulk supply companies, on the other hand, rose from Shs. 8,498 million in 1993/94 to Shs. 11,653 million in 1994/95, representing a net increase of Shs. 3,155 million (or 37.13%). The rise is mainly attributable to an





Chairman's Review (Continued)

increase in development surcharge of Shs. 2,541 million for the local portion of the cost of developments of the proposed Olkaria 64MW Power Station, Kipevu First 75MW Diesel Power Plant and 60MW Sondu Miriu Hydro Power projects. An increase in the cost of fuel of Shs. 440 million due to stepped up thermal generation and Shs. 174 million on account of inflation also contributed to the rise in operating costs.

The trading results for the year, therefore, reflect an operating income of Shs. 1,305 (Year ended 30th June, 1994 - Shs. 782 million). Interest receivable amounted to Shs. 363 million (year ended 30th June, 1994 - Shs. 24 million) while interest payable was Shs. 94 million (year ended 30th June, 1994 - Shs. 125 million). Exchange losses of Shs. 74 million (year ended 30th June, 1994 - a gain of Shs. 83 million) was incurred on the Company's foreign loans as a result of the weakening of the Kenya Shilling against the hard currencies as of 30th June, 1995, compared to the previous year.

The net result of these transactions is a profit before taxation of Shs. 1,500 million (year ended 30th June, 1994 - Shs. 763 million). After allowing for Corporation Tax and Dividends for the year, the net profit of Shs. 1,046 million will be transferred to retained profits.

Taxation

Corporation Tax has been provided for in the accounts at Shs. 417 million (year ended 30th June, 1994 - Shs. 151 million) leaving a net profit after tax of Shs. 1,083 million (year ended 30th June, 1994 - Shs. 612 million).

In accordance with the Value Added Tax Act, 1989, VAT was charged at the rate of 5% of the value of consumption. This yielded Shs. 646 million (year ended 30th June, 1994 - Shs. 462 million). PAYE deducted at source from the Company employees remuneration yielded Shs. 153 million (year ended 30th June, 1994 - Shs. 106 million). Payment of Customs Duty and Value Added Tax in respect of imported machinery spares and other equipment amounted to Shs. 225 million (year ended 30th June, 1994 - Shs. 117 million).

Dividends

Preference dividends amounting to Shs. 1.9 million were paid on their due dates. Your Directors recommend a first and final cash dividend of 20% absorbing a further Shs. 35.2 million to be paid to the Ordinary Stockholders registered in the books of the Company at the close of business on 22nd February, 1996. Out of the total dividends paid and payable, the Treasury being the majority stockholder is entitled to Shs. 15 million.

The dividends, together with the taxes bring the Company's direct contribution to the national revenue to Shs. 1,456 million (year ended 30th June, 1994 - Shs. 850 million).

The Minister for Energy, Hon. Darius Mbela, presents a certificate to an employee during the Coast Area Long Service Awards and Accident-free Bonuses ceremony in August, 1995.

Chairman's Review (Continued)

Bonus Issue

The Directors have considered it appropriate to capitalise Shs. 175,840,000 of the Revenue Reserves of the Company and to distribute this as bonus shares. The new shares will be converted into Ordinary Stock Units and allotted on the basis of one new Ordinary Share of twenty shillings for every one Ordinary Stock Unit held. Although the new shares will not rank for the dividend to be recommended at the forthcoming Annual General Meeting, they will, in all other respects, rank pari passu with the existing Ordinary Stock of the Company. The necessary resolution will be submitted to Members at the Annual General Meeting.

Revaluation of Assets

In last year's review, it was indicated that revaluation of assets would be carried out as part of the power sub-sector reorganisation. This exercise is in hand.

Public Relations

As a corporate citizen, and in keeping with our tradition, the Company continued with participation in various public relations activities. These included mounting of exhibition stands at 9 Agricultural Society of Kenya (ASK) shows and 4 District Harambee shows where we won 11 first prizes and 12 second prizes among other meritorious awards.

Promotion of safety and conservation of energy was amplified through the 'Ulimwengu wa Bwana Kilowatt' radio programme among other media outlets. In the same pursuit, we also participated in the Jua Kali Exhibition sponsored by the Ministry of Research, Technical Training and Applied Technology in Nakuru.

As part of welfare activities, employees from all Areas participated in the July 1994 Inter Area Athletics Competitions held at Stima Club Sports grounds, Ruaraka.

Industrial Relations

The Company continued to enjoy peaceful industrial relations throughout the year. The Company's Trade Union - The Kenya Electrical Trade and Allied Workers Union, KETAWU - whose current term of office expires at the end of 1996, is preparing for the local and national elections scheduled for later in the year.

HUMAN RESOURCES AND TRAINING

Following an agreement reached between the Government, the World Bank and the International Monetary Fund, the Company implemented a staff reduction exercise through a voluntary early retirement programme. By December, 1995, the Company had attained a customer-staff ratio of 49:1. This reduced the workforce to 8,155. This optimum size of workforce will better complement available material and financial resources for more effective and efficient delivery of service to our customers. The exercise was implemented at a cost of Shs. 724 million.

Chairman's Review (Continued)

The Company had a work force of 8,864 by 30th June, 1995 compared to 10,186 the previous year.

1,381 employees left the Company compared to 363 who left during the previous year. Out of those 1,156 left under the Voluntary Early Retirement Programme, while the rest left for various other reasons.

59 employees joined the Company compared to 68 during the previous year.

A sum of Shs. 44 million was spent on training a total of 675 employees at the Company's Training School and the national polytechnics while an amount of Shs. 16.6 million was spent on management training and development for 56 Senior Staff.

DEVELOPMENT

Geothermal Resources

Drilling of one exploration well and topholing of three others were completed in Central Olkaria. Topholing of a fourth exploration well in the same area is in progress.

North East Olkaria (Olkaria II Power Station)

Since my predecessor's report, the European Investment Bank (EIB), who have expressed interest in co-financing this project have sent a mission to appraise the project and discussions with the World Bank on funding are in progress. The acquisition of way-leaves for the transmission line route continued.

East Olkaria

Connection of the four Make-Up wells to the existing steam transmission system was completed in April, 1995, as scheduled. Connection of two more such wells is progressing well and is expected to be completed in the first quarter of 1996.

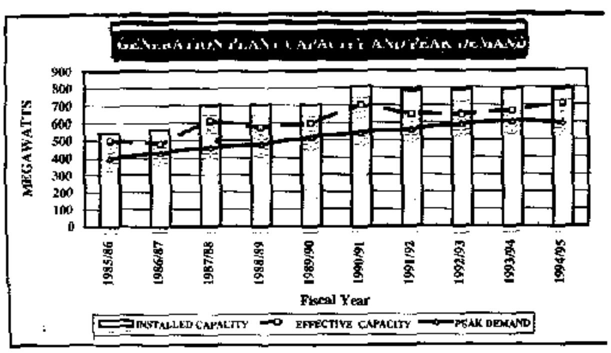
Sondu/Miriu Hydro Power Project

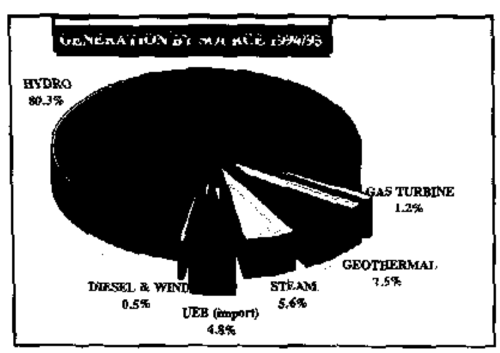
As stated in last year's review, Messrs Nippon Koei, the Project Consultant, submitted the Environmental Assessment Report while Research and Planning Services International Ltd. submitted the final Draft Report on the Resettlement Plan for those who will be affected by the development of this project.

The Government of Japan has indicated interest in funding the project implementation and discussions with the Kenya Government are continuing.

Nairobi/Mombasa and Kiambere/Nairobi 220kV Transmission Lines

Survey and way-leaves acquisition for the line routes of these transmission lines continued. In the meantime, efforts are being made to identify sources of funds for the implementation of the projects.





Chairman's Review (Continued)

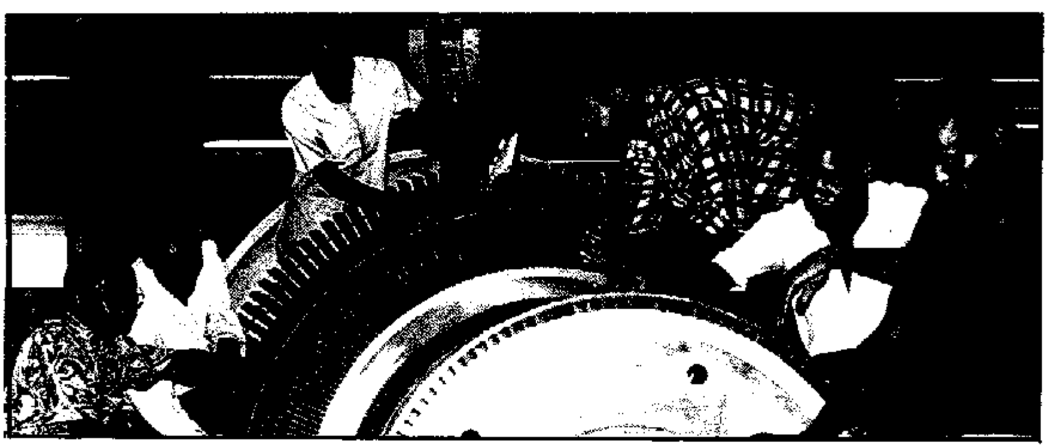
Kipevu First 75 MW Diesel Project

As stated in the previous report the government of Japan has pledged funds for the project implementation. A Loan Agreement has been signed between the Overseas Economic Cooperation Fund of Japan (OECF) for Japanese Yen 10.7 billion for the project funding and the loan became effective in December, 1995. Meanwhile Messrs Mott Ewbank Preece were, in July, 1995, appointed the project consultants to carry out detailed design, preparation of tender documents and supervision of project implementation. At the time of going to press work on preparation of the tender documents was in progress.

Mr. Gichuru and Mr. Yoshio Nagamine of Overseas Economic Cooperation Fund of Japan sign the 10.7 billion Japanese Yen loan to KPC from Japan's OECF for the 1st Kipevu 75 megawatts diesel power project.

Kipevu Second 75 MW Diesel Power Project

The consultant appointed to carry out the Environmental Impact Assessment, Dr. Anitra Thorhaug submitted the Final Report in July, 1994, while the project consultant Messrs. Mott Ewbank Preece Ltd. (formerly Ewbank Preece Ltd.) submitted the Final Feasibility Report in September, 1994. Messrs. Mott Ewbank Preece Ltd. were subsequently appointed the consultant by the Government for the preparation of tender documents and evaluation of bids for the selection of an independent power producer for the project. It is expected that negotiations with the Independent Power Producer would be carried out during 1995/96 .



Turbine No. 6 at Kipevu Power Station was overhauled to enhance generation capacity.

Chairman's Review (Continued)

180 MW Ewaso Ngiro (South) Multi-Purpose Project
Work on the detailed design and preparation of tender documents for the project will commence once the discussions with the World Bank in the Energy Sector Investment Programme are finalised.

Rural Electrification Programme 1994/95
The contract for the National Rural Electrification Master Plan Study was awarded to Messrs. Tractebel Consultants from Belgium. Full resumption of aid from the donor agencies is expected once the study is completed. During the year, the Company continued with the implementation of the programme using the limited locally available funds.

Supply to Bomet District Headquarters was completed during the year at a cost of Shs. 23 million while Shs. 254 million was spent on 135 schemes which were in progress at various stages of implementation, bringing the cumulative total capital expenditure incurred since inception to Shs. 2,439 million.

During the year the number of customers rose by 2,987 or 7.33% (previous year 14.93%) from 40,731 to 43,718. Units sold reduced from 138 million to 134 million, a reduction of 2.2% (previous year + 33%). Revenue realised was Shs. 613 million an increase of 50% from Shs. 410 million (previous year 111.4%).

Operating expenditure increased by 22.8% from Shs. 523 million to Shs. 642 million resulting in a net operating loss of Shs. 29 million.

Transition: Former KPLC Chairman the late Dr. Lawrence Sagini (right) receives a present from Professor Joseph Nyasani the current Chairman during a farewell party held in his honour.

Directorate
A number of changes have occurred since the last Annual General Meeting. Dr. Lawrence George Sagini, my predecessor, left the Company in February, 1995, as the longest serving director, having been on the Board for 25 years out of which he was its Chairman for the last 8 years of his tenure. Dr. Sagini, an ardent crusader for road safety consciousness, was to pass away shortly after his departure from the Company, when he met a tragic road accident on 1st August, 1995, and died on 3rd August, 1995, at the M.P. Shah Hospital. On your behalf, the Board would like to pay glowing tribute to Dr. Sagini's valuable contribution to the industry. May the Lord rest his soul in eternal peace.

Messrs. James R. Mwasambo, Peter G. Mureithi and Michael Rotich Maina were appointed directors of the Company in September, 1995.

Staff

In concluding this review I would like to pay special tribute to all our employees throughout the Country. The excellent co-operation, which we have received at all levels of the work force, at times under very trying circumstances, will encourage us to face the challenges ahead of us with confidence. On behalf of the Board of Directors, and myself, I thank them all.

Chairman's Review (Continued)

The Company spent over Shs. 500 million in a distribution system reinforcement project in Nairobi City and at the Coast. This included laying new bigger capacity cables to enhance stability and flexibility of electricity supply.

Future Prospects

Although the lag in implementation of planned projects necessary to meet growing demand has not been overcome, significant progress has been made during the year towards securing necessary funding for implementation of some of the projects. As stated elsewhere in this review, funding for implementation of the Kipevu First 75MW Diesel Power Plant has been secured and once completed in 1998, the station will accommodate substantial load growth. Negotiations with multilateral and bilateral lenders on funding the Power Subsector Investment Programme are making good progress and it is expected that full funding for the 64MW Olkaria II Geothermal and 60 MW Sondu/Miriu Hydro Power Project will be secured in the near future. In addition, two projects, namely, the Kipevu Second 75MW Diesel Power Plant and the 64MW Olkaria III Geothermal Power Station project will be offered to the private sector for development.

In conformity with energy sector reform policies of the Government, your Company commenced restructuring measures in 1995. Most notable was the staff retrenchment programme that has enabled attainment of a consumer staff ratio of 49:1 from 35:1 that it had been in June 1994. In addition, tenders for private sector participation in power production have formally been invited and the bids are in the course of evaluation.

Following completion of repairs on various generating plants, and the connection of make-up wells at Olkaria Geothermal Power Station, the generating capacity has been restored by about 148MW. On the other hand, as stated earlier in my review, the urgent system reinforcement work has been completed in Nairobi and Mombasa and continues in other urban centres. Thus, as promised to our customers, power rationing is unlikely to continue as widely in 1996 as it has been lately.

All in all, therefore, I feel confident that your Company is poised to offer an improved quality service, leading to even better trading performance in the new year, and this gives me reason to look into the future, with optimism.

PROF. J.M. NYASANI
Chairman

Report of the Directors

The Directors submit their report together with the audited accounts for the year ended 30th June, 1995

Results	Shs'000	Shs'000
Profit before Exchange Losses		1,573,750
Exchange Losses		(73,947)
Profit before Taxation		1,499,803
Provision for taxation	416,872	
Preference dividends paid for the year on:		
350,000 7% Cumulative Preference Stock Units (gross)	490	
1,800,000 4% Cumulative Preference Stock Units (gross)	1,440	418,802
Leaving a profit of		1,081,001
The Directors recommend a first and final dividend for the year of 20% on 8,792 ,000 Ordinary Stock Units absorbing		35,168
Retained Profit for the year		1,045,833
Balance brought forward		1,174,969
Balance carried forward		2,220,802

Bonus Issue

The Directors recommended that a sum of Shs. 175,840,000 be capitalised out of the Revenue Reserves of the Company and that such sum be distributed as bonus shares among the holders of Ordinary Stock in the register of members at the close of business on 22nd February, 1996 in the proportion of one new Ordinary Share of Shs. 20/- for every one Ordinary Stock then held. The new Shares will rank pari passu with the existing Ordinary Shares of the Company in all respects other than the first and final dividend for the year ended 30th June, 1995, for which they will not rank. The new Shares will be converted into Ordinary Stock Units of Shs. 20 each when alloted.

The bonus issue has been approved by the Capital Markets Authority with no responsibility as to the correctness of the information thereof.

Activities

The principal activity of the Company continued to be the distribution and sale of electricity in the country from energy purchased from the Bulk Supply Companies and from the Company's own generating stations. Unit sales of electricity for the year amounted to 3,089 million kilowatt-hours.

Capital Expenditure

During the year, a total of Shs. 1,403,295,000 was spent on fixed assets. Capital contributions received from customers amounted to Shs. 414,632,000 resulting in a net capital cost to the Company of Shs. 988,663,000. Net capital work-in-progress as at 30th June, 1995, amounted to Shs. 621,320,000.

Directorate

Prof. J.M. Nyasani was appointed a Director and Chairman of the Company on 28th March, 1995.

Messrs. P.G. Mureithi, J.R. Mwasambo, M. Rotich Maina and J.M. Mutisya were appointed Directors of the Company on 26th September, 1995. In accordance with Regulation 128 of the Articles of Association, they retire and, being eligible, offer themselves for re-election.

In accordance with Regulation 120 of the Articles, Messrs. C.N. Mutitu, Benjamin Kipkulei and P.K. Chemng'orem retire and, being eligible, offer themselves for re-election.

Nairobi, Kenya.
7th March, 1996

By Order of the Board
J .N. Kimani
Secretary

Report of the Auditor-General (Corporations) on the Accounts of The Kenya Power and Lighting Company Limited

for the year ended 30th June, 1995.

I have examined the accounts of The Kenya Power and Lighting Company Limited in accordance with Section 29(2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations required for the purpose of the audit. Proper books of account have been kept and the accounts, which have been prepared under the historical cost convention, are in agreement therewith and comply with the Companies Act, (Cap 486).

In my opinion, the accounts, when read together with the notes thereon, give a true and fair view of the state of affairs of the Company as at 30 June, 1995 and of its profit and source and application of funds for the year then ended.

W. K. KEMEI
AUDITOR-GENERAL (CORPORATIONS)

31st May, 1996.

Revenue Account and Statement of Retained Earnings

for the year ended 30th June, 1995

	Notes	1995 Shs'000	1994 Shs'000
REVENUE		12,957,798	9,279,744
OPERATING EXPENSES	2	11,652,948	8,497,922
OPERATING INCOME		1,304,850	781,822
INTEREST	4	268,900	(101,324)
NET OPERATING INCOME BEFORE EXCHANGE (LOSSES)/GAINS		1,573,750	680,498
EXCHANGE (LOSSES)/GAINS	3	(73,947)	82,638
PROFIT BEFORE TAXATION		1,499,803	763,136
TAXATION	5	416,872	151,000
PROFIT AFTER TAXATION		1,082,931	612,136
DIVIDENDS—GROSS	6	37,098	33,581
PROFIT RETAINED FOR THE PERIOD	10	1,045,833	578,555
EARNINGS PER ORDINARY STOCK UNIT	7	122.95	69.40
STATEMENT OF RETAINED PROFITS			
Retained profit brought forward		1,174,969	596,414
Retained profit for the year		1,045,833	578,555
Retained profit carried forward	10	2,220,802	1,174,969

Balance Sheet

30th June, 1995

	Notes	1995 Shs'000	1994 Shs'000
SHARE CAPITAL	9	218,840	218,840
RESERVES	10	2,727,586	1,681,753
SHAREHOLDERS' FUNDS		2,946,426	1,900,593
LOAN CAPITAL	12	1,771,903	2,100,132
CAPITAL EMPLOYED		4,718,329	4,000,725
Represented by:			
FIXED ASSETS	13	4,523,340	3,747,281
INVESTMENTS	15	4,300	4,300
Loan to Kenya Power Company	16	298,056	378,683
CURRENT ASSETS			
Stocks	14	2,634,430	2,835,036
Debtors	17	4,456,080	3,879,014
Short term investments		2,882,899	200,596
Bank and cash balances		493,256	154,173
		10,466,665	7,068,819
CURRENT LIABILITIES			
Creditors	18	9,108,850	6,598,614
Taxation	5	230,232	58,329
Dividends - payable		13,154	11,271
- proposed		37,098	33,581
Loans repayable within one year	12	332,954	352,303
Deferred credits due within one year	11		1,605
Bank overdraft	8	851,744	142,655
		10,574,032	7,198,358
NET CURRENT LIABILITIES		(107,367)	(129,539)
		4,718,329	4,000,725

The accounts on pages 16 to 25 were approved by the Board of Directors on 15th December, 1995, and were signed on its behalf by:

PROF. J.M. NYASANI)
) Directors
S.K.GICHURU)

Statement of Source and Application of Funds

for the year ended 30th June, 1995

	1995 Shs'000	1994 Shs'000
SOURCE OF FUNDS		
Profit before taxation	1,499,803	763,136
Adjustments for items not involving the movement of funds:		
Depreciation	203,058	239,858
Surplus on disposal of fixed assets	(221,240)	(28,781)
Loss/(Gain) on exchange — loan capital	73,947	(82,638)
Deferred credits	(1,605)	(3,213)
Total funds generated from operations	1,553,963	888,362
Funds from other sources		
Proceeds on disposal of fixed assets	221,903	29,369
Reallocated loss on exchange	(14,013)	(129,549)
Receipts from Loan to Kenya Power Company	80,627	152,296
	1,842,480	940,478
APPLICATION OF FUNDS		
Repayment of loan capital	407,510	368,393
Capital expenditure	979,782	410,642
Taxation paid	244,969	109,685
Dividends paid	31,698	25,120
	1,663,959	913,840
NET INFLOW OF FUNDS	178,521	26,638
Represented by:		
MOVEMENT IN WORKING CAPITAL		
Stocks	(200,606)	469,398
Debtors	577,066	1,713,848
Creditors	(2,510,236)	(2,370,618)
	(2,133,776)	(187,372)
MOVEMENT IN LIQUID FUNDS		
Short term investments	2,682,303	(40,628)
Bank and cash balances	339,083	76,200
Bank Overdraft	(709,089)	178,438
	2,312,297	214,010
	178,521	26,638

Notes to the Accounts

for the year ended 30th June, 1995

1 ACCOUNTING POLICIES

(a) Basis of accounting

The Company prepares its accounts on the historical cost basis of accounting.

(b) Revenue

Revenue represents the total income from the sale of electricity billed during the year excluding tax due to the Government.

(c) Interest

Interest receivable is brought into the Revenue Account as it accrues. Loan interest payable accruing during the construction of a project is capitalised as part of the cost of the project. Other interest payable is charged to the Revenue Account.

(d) Stocks

Stocks are valued at average cost less a provision for obsolescence.

(e) Fixed Assets

Cost
Additions during the year are capitalised net of customers' contributions.

Depreciation
Depreciation is provided for in accordance with the requirements of the Electric Power Act. This writes down the cost of the assets to residual values by equal annual instalments over their estimated useful lives. No depreciation is provided for on additions during the year.

(f) Taxation

The Company provides for taxation based on the profit for the year.

(g) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Kenya shillings at the rates of exchange ruling on the Balance Sheet date. Transactions during the year are converted at the rates ruling at the dates of the transactions. Exchange gains and losses arising during the period of construction are capitalised as part of the cost of the project. Other exchange gains and losses are charged to the Revenue Account.

Notes to the Accounts (continued)

		1995 Shs'000	1994 Shs'000
2	**OPERATING EXPENSES**		
	Operating and administration	3,307,804	2,120,970
	Fuel costs	824,404	383,851
	Cost of Bulk Supply:		
	Debt Service and Other Operating Costs	4,422,596	5,399,463
	Development surcharge	2,892,164	350,870
	Auditors' remuneration	2,500	2,500
	Directors' fees	422	410
	Depreciation	203,058	239,858
		11,652,948	8,497,922

The operating and administration expenses include an amount of Shs. 514 million spent on staff retrenchment during the year.

		1995 Shs'000	1994 Shs'000
3	**EXCHANGE GAIN/(LOSS)**		
	Loan capital	(59,934)	212,187
	Less: Reallocated/capitalised	14,013	129,549
		(73,947)	82,638
4	**INTEREST**		
	Interest receivable on bank and other deposits	363,268	24,067
	Interest payable on long term borrowing	(94,368)	(125,391)
	Net interest receivable/(payable)	268,900	(101,324)
5	**TAXATION**		
	Revenue account:		
	Based on the adjusted profit for the year	389,915	151,000
	Prior year under provision	26,957	
		416,872	151,000
	Balance Sheet:		
	Provision based on the adjusted profit for the year	389,915	151,000
	Prior year under provision	26,957	
	Prior year's balance	58,329	17,014
	Tax paid during the year	(244,969)	(109,685)
	Balance carried forward	230,232	58,329
6	**DIVIDENDS—GROSS**		
	Preference Stock Units - paid	1,930	1,930
	Ordinary Stock Units - proposed	35,168	31,651
		37,098	33,581

Notes to the Accounts (continued)

7 EARNINGS PER ORDINARY STOCK UNIT	1995 Shs'000	1994 Shs'000
The calculation is based on:		
Profit after taxation	1,082,931	612,136
Preference dividends	1,930	1,930
	1,081,001	610,206
Ordinary Stock Units	8,792,000	8,792,000

8 BANK OVERDRAFT

The bank has a right of set off against deposits and current account balances held by them.

9 SHARE CAPITAL	1995 Authorised Shs '000	1995 Issued and Fully paid Shs '000	1994 Authorised Shs '000	1994 Issued and Fully paid Shs '000
350,000 7% Cumulative Preference Stock Units of Shs. 20 each	7,000	7,000	7,000	7,000
1,800,000 4% Cumulative Preference Stock Units of Shs. 20 each	36,000	36,000	36,000	36,000
8,792,000 Ordinary Stock Units of Shs. 20 each	175,840	175,840	175,840	175,840
89,058,000 Ordinary Shares of Shs. 20 each	1,781,160		1,781,160	
	2,000,000	218,840	2,000,000	218,840

10 RESERVES	Balance at 1.7.94 Shs '000	Transfers during the year Shs '000	Balance at 30.6.95 Shs '000
Capital Reserve	12 ,304		12 ,304
Revenue reserves:			
General	147,480		147,480
Taxation equalisation	347,000		347,000
Retained profit	1,174,969	1,045,833	2,220,802
Total reserves	1,681,753	1,045,833	2,727,586

Notes to the Accounts (continued)

11 DEFERRED CREDITS

	1995 Shs'000	1994 Shs'000
Due to The Kenya Power Company Ltd.	—	1,605
Less: Amounts due within one year	—	1,605
	—	—

12 LOAN CAPITAL

	Balance 1.7.94	Payments	Exchange Gain/(Loss)	Balance 30.6.95
SECURED				
14.0% Kenya National Assurance Limited 1987/2001	6,000	800		5,200
UNSECURED				
8.0% Kenya Govt/Finnish Loan 1982/1996	11,511	9,179		2,332
10.0% Kenya Govt/Finnish Loan 1988/2002	33,619	14,942		18,677
5.0% Kenya Govt/Canadian Loan 1990/2020	755,523	39,367		716,156
3.0% Nordbanken 1990/1999 (USD.$ 6,792,534)	454,420	67,837	14,013	372,570
1.65% Nordbanken 1990/1999 (USD $2,252,335)	153,473	25,378	4,555	123,540
2.6% Indosuez Bank, Belgium 1991/2004 (BEF 158,904,399)	300,532	24,777	(28,244)	303,999
1.5% Finnish Export Credit 1990/2000 (FIM 20,398,234)	261,987	43,962	(43,770)	261,795
4.0% Nokia Cables Supply Credit 1990/1997 (DM. 2,111,086)	116,053	38,707	(5,749)	83,095
8.8% J.H. Schroder Wagg & Co. Ltd. 1987/1998 (Stg.£.810,867)	162,218	84,074	7,670	70,474
8.3% Southwales Transformers Supply Credit 1990/1995 (Stg. £48,166)	25,693	19,388	2,118	4,187
6.27% Bank Hispano Americano 1990/1995 (DM. 272)	6,984	6,036	937	11
8.3% Stork Wartsilla 1992/1998 (NLG 4,064,981)	164,422	33,066	(11,465)	142,821
	2,452,435	407,513	(59,935)	2,104,857
Less amount due within one year	352,303			332,954
	2,100,132			1,771,903

CMA - LIBRARY

Notes to the Accounts (continued)

13. FIXED ASSETS

	Land and buildings Shs'000	Trans-mission lines Shs'000	Plant and machinery Shs'000	Motor vehicles Shs'000	Furniture, equipment and others Shs'000	Total Shs'000
Cost						
1st July, 1994	646,550	2,902,143	557,746	513,559	636,726	5,256,724
Additions	*25,791*	*174,640*	*64,589*	*408,373*	*315,270*	*988,663*
Disposals		(3,609)				(3,609)
30th June, 1995	672,341	3,073,174	622,335	921,932	951,996	6,241,778
Depreciation						
1st July, 1994	185,373	858,766	317,787	427,733	349,985	2,139,644
Charge for year	17,434	108,513	18,355	16,580	42,176	203,058
On disposals		(2,944)				(2,944)
30th June, 1995	202,807	964,335	336,142	444,313	392,161	2,339,758
Net Book Value						
30th June, 1995	469,534	2,108,839	286,193	477,619	559,835	3,902,020
Work-in-progress						621,320
						4,523,340
Net Book Value						
30th June, 1994	461,177	2,043,377	239,959	85,826	286,741	3,117,080
Work-in-progress						630,201
						3,747,281

14 STOCKS

	1995 Shs'000	1994 Shs'000
General stores	1,219,334	1,339,365
Engine spares	182,694	94,918
Fuel and oil	267,974	180,942
Transformers	720,146	1,201,508
Motor vehicle spares	67,805	19,470
Goods in transit	314,548	234,007
	2,772,501	3,070,210
Less: Provision for obsolescence	(138,071)	(235,174)
	2,634,430	2,835,036

Notes to the accounts (continued)

15 INVESTMENTS

The investments, which are stated at cost, are represented by shares held in Consolidated Bank of Kenya. The shares were acquired in return for deposits with Jimba Credit Finance, one of the finance houses under rehabilitation from insolvency by the bank.

16 LOAN TO KENYA POWER COMPANY

	1995 Shs'000	1994 Shs'000
3.0% Nordbanken 1990/1999	372,570	454,420
Less: Amounts due within one year	74,514	75,737
	298,056	378,683

The KPC Loan represents the balance of on-lent loan contracted by The Kenya Power and Lighting Company limited for the financing of the National Control Centre project owned by The Kenya Power Company Limited.

17 DEBTORS

	1995 Shs'000	1994 Shs'000
Electricity Customers	3,528,692	2,984,909
Rural Electrification Schemes	325,002	627,797
Long Term KPC Loan due within one year (Note 16)	74,514	75,737
Others	527,872	190,571
	4,456,080	3,879,014

18 CREDITORS

	1995 Shs'000	1994 Shs'000
Tana River Development Company Limited	3,282,450	2,716,288
The Kenya Power Company Limited	3,126,043	753,738
Customers' deposits	361,520	267,508
Capital contributions	1,025,268	934,697
Suppliers' accounts	428,231	291,371
Treasury	463,223	1,305,756
Others	422,115	329,256
	9,108,850	6,598,614

Notes to the accounts (continued)

19 DEVELOPMENT SURCHARGE

According to the terms of the financing of development projects carried out by The Kenya Power Company Limited, the Company has agreed to finance part of the projects by a development surcharge. This is included in the cost of Bulk Supply in note 2.

	1995 Shs'000	1994 Shs'000
Total estimated development surcharge	5,041,075	2,724,500
Paid at 1st July	2,070,509	1,907,375
Incurred during the year	2,633,023	163,134
Incurred at 30th June	4,703,532	2,070,509
Expected development surcharge for the next year	337,543	653,991

RURAL ELECTRIFICATION FUND

The Company has contributed Shs. 259,141,000 towards the Rural Electrification Schemes by way of a development surcharge. This is included in the cost of Bulk Supply in note 2.

20 CAPITAL COMMITMENTS

Authorised but not contracted for:		
11 KV Capacitors for West Kenya		34,800
Kisian 33KV Substation Maseno Feeder		6,255
Malindi-Kilifi Line	15,001	
	15,001	41,055
Authorised and contracted for	2,687,492	1,621,147
Less: Amount incurred and included in work-in-progress	586,340	480,387
	2,101,152	1,140,760
Less: Capital contributions received	221,613	225,049
	1,879,539	915,711

21 CONTINGENT LIABILITIES

	1995 Shs'000	1994 Shs'000
Bank guarantees	136,540	6,200
Claims on the Company	14,545	16,667
Tariff case*		1,355,000
	151,085	1,377,867

* Approval of the tariff increase implemented in March 1994 was challenged in court and judgement was in the Company's favour.

Ten Year Financial and Statistical Record

for years ended	30th June, 1986	30th June, 1987	30th June, 1988	30th June, 1989	30th June, 1990
UNITS SOLD (Millions)	1,035	2,205	2,337	2,412	2,595
Average yield of units sold (cents)	81.48	90.97	104.18	109.02	111.82
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
REVENUE from sale of electricity	843,286	2,005,753	2,434,600	2,629,658	2,901,840
PROFIT/(LOSS) for the Year before exceptional item	132,138	181,751	162,067	47,772	75,300
Exceptional item				266,653	7,337
PROFIT/(LOSS) for the Year before taxation	132,138	181,751	162,067	314,425	82,637
TAXATION	57,377	55,966	69,097	5,177	3,408
NET PROFIT/(LOSS) AFTER TAXATION	74,761	125,785	92,970	309,248	79,229
Preference dividends (gross)	(965)	(1,930)	(1,930)	(1,930)	(1,930)
NET PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	73,796	123,855	91,040	307,318	77,299
ORDINARY DIVIDENDS (gross)	(11,429)	(22,859)	(22,859)	(22,859)	(22,859)
RETAINED PROFIT/(LOSS) FOR THE YEAR	62,367	100,996	68,181	284,459	54,440
FUNDS GENERATED FROM OPERATIONS					
Profit for the year	62,367	100,996	68,181	284,459	54,440
Depreciation	55,417	118,275	132,426	137,609	164,335
	117,784	219,271	200,607	422,068	218,775
CAPITAL EMPLOYED					
Fixed Assets less depreciation	2,049,536	2,340,392	2,556,888	2,964,813	3,557,098
Bulk supply companies					
Loan to KPC					
Investments	28,227	50,738			
Net current assets	161,536	98,191	(41,506)	(170,108)	(459,116)
	2,239,299	2,489,321	2,515,382	2,794,705	3,097,982
FINANCED BY:					
Ordinary shareholders' equity	988,041	1,063,464	1,131,645	1,416,104	1,470,544
Preference capital	43,000	43,000	43,000	43,000	43,000
Loan capital (secured)	49,591	54,428	49,670	38,503	33,730
Loan capital (unsecured)	1,052,553	1,225,016	1,214,447	1,247,271	1,527,674
Deferred liability	106,114	103,413	76,620	49,827	23,034
	2,239,299	2,489,321	2,515,382	2,794,705	3,097,982
CAPITAL EXPENDITURE	125,037	410,748	349,216	546,100	758,169
Average cost of units sold (cents)	67.00	80.76	94.7	104.96	105.12
PROFIT for the year before taxation as a percentage of average capital employed	6.00%	7.30%	6.44%	11.25%	2.67%
ORDINARY DIVIDEND RATES	6.5%	13%	13%	13%	16%
Earnings per share (Shs)	8.39	14.09	10.36%	34.95	8.79
Customers/employees ratio	28.13	26.65	31.89	29.97	24.58
Sales (KWHr) per employee	166,801	324,589	304,520	288,830	240,322

30th June, 1991	30th June, 1992	30th June, 1993	30th June, 1994	30th June, 1995	
2,708	2,719	2,859	2,997	3,017	UNITS SOLD (Millions)
141.23	*167.60*	*175.00*	*309.63*	*429.49*	*Average yield of units sold (cents)*
Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	
3,824,734	*4,556,374*	*5,001,004*	*9,279,744*	*12,957,798*	REVENUE *from sale of electricity*
157,673	162,191	(261,178)	763,136	1,499,803	PROFIT/(LOSS) for the Year before exceptional *item*
157,673	162,191	(261,178)	763,136	1,499,803	PROFIT/(LOSS) for the Year before taxation
19,000	81,000	60,000	151,000	416,872	TAXATION
138,673	81,191	(321,178)	612,136	1,082,931	NET PROFIT/(LOSS) AFTER TAXATION
(1,930)	(1,930)	(1,930)	(1,930)	(1,930)	Preference dividend (gross)
136,743	79,261	(323,108)	610,206	1,081,001	NET PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS
(28,134)	(28,134)	(28,134)	(31,651)	(35,168)	ORDINARY DIVIDENDS (gross)
108,609	51,127	(351,242)	578,555	1,045,833	RETAINED PROFIT/(LOSS) FOR THE YEAR
					FUNDS GENERATED FROM OPERATIONS
108,609	51,127	(351,242)	578,555	1,045,833	Profit for the year
201,334	246,602	246,562	239,858	203,058	Depreciation
309,943	297,729	(104,680)	818,413	1,248,891	
					CAPITAL EMPLOYED
3,623,425	3,475,186	3,577,085	3,747,281	4,523,340	Fixed Assets less depreciation
					Bulk supply companies
335,861	*307,229*	*530,979*	*378,683*	*298,056*	*Loan to KPC*
		4,300	4,300	4,300	Investments
(246,982)	(54,651)	(148,818)	(129,539)	(107,367)	Net current assets
3,712,304	3,727,764	3,963,546	4,000,725	4,718,329	
					FINANCED BY:
1,579,153	1,630 280	1,279 038	1,857,593	2,903,426	Ordinary shareholders' equity
43,000	43,000	43,000	43,000	43,000	Preference capital
23,444	*7,600*	*6,800*	*6,000*	*5,200*	*Loan capital (secured)*
2,058,676	2,042,066	2,633,103	2,094,132	1,766,703	Loan capital (unsecured)
8,031	4,818	1,605			Deferred liability
3,712,304	3,727,764	3,963,546	4,000,725	4,718,329	
269,596	*98,690*	*352,819*	*410,642*	*979,762*	CAPITAL *EXPENDITURE*
128.46	149.30	157.61	283.55	386.24	Average cost of units sold (cents)
4.25%	*4.35%*	*(6.59%)*	*19.07%*	*34.40%*	PROFIT for the year before taxation as a *percentage of average capital employed*
16%	16%	16%	18%	20%	ORDINARY DIVIDENDS RATES
15.55	9.02	(36.75)	69.40	122.95	Earnings per share (Shs)
26.35	*28.20*	31.20	*34.62*	41.79	Customers/employees ratio
248,566	249,610	274,067	295,096	340,366	Sales (KWHr) per employee

POWER SYSTEM OPERATION STATISTICS FOR 6 YEARS

TABLE 1: GROSS GENERATION AND CONSUMPTION OF ELECTRICITY FOR INTERCONNECTED AND ISOLATED SYSTEMS

LOCATION	CAPACITY (M) As at 30.6.95		ENERGY (GWHr)						Avg. Annual Growth over the Last 5 years
	Installed	Effective*	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	
HYDRO									
Tana (KPC)	14.4	12.4	94	80	72	75	64	78	
Kamburu (TRDC.)	91.5	84.0	382	431	402	417	421	485	
Gitaru (TRDC)	145.0	145.0	762	794	811	844	856	704	
Kindaruma (TRDC)	44.0	44.0	216	201	206	213	217	213	
KP.&L.C.	6.2	3.7	21	20	19	24	17	22	
UEB (Imports)	30.0	0.0	174	134	240	273	264	187	
Masinga (TARDA)	40.0	40.0	124	181	185	177	180	200	
Kiambere (TARDA) **	144.0	127.0	863	962	872	887	892	996	
Turkwel (KVDA)	106.0	106.0		47	166	275	371	379	
TOTAL HYDRO									
INCLUDING IMPORTS	628.5	569.5	2,691	2,894	3,016	3246	3,312	3,290	4.1%
THERMAL									
Kipevu +	93.0	50.0	97	74	75	59	140	218	
GEOTHERMAL									
Olkaria	45.0	45.0	336	298	272	272	261	290	
GAS TURBINE									
Fiat - Nairobi South	13.5	12.0	0.4	4.3	2.9	2.1	1.6	15.5	
JBE - Kipevu	30.0	30.0	10	17	0	0	0	31	
DIESEL									
Interconnected Diesel									
Stations (Ruiru & Nbi. South)	4.0	1.8	1.9	0.35	3.37	0.26	0.43	1.72	
WIND TURBINE - Ngong	0.35	0.35					0.71	1.09	
INTERCONNECTED									
SYSTEM	814.4	708.7	3,136	3,287	3,370	3,580	3,715	3,848	4.2%
ISOLATED DIESELS									
KPLC Diesel Stations	3.5	3.4	6.2	6.7	7.0	8.5	8.7	9.9	
REF Diesel Stations	3.8	3.28	6.1	7.0	9.5	11.2	8.3	7.1	
TOTAL ISOLATED DIESELS	7.3	6.7	12	14	16	20	17	17	7.1%
GROSS GENERATION	821.7	715.4	3,148	3,301	3,386	3,599	3,732	3,866	4.2%
AUXILIARY CONSUMPTION			33	33	30	29	38	45	6.3%
SYSTEM LOSSES ++			453	484	510	566	560	598	5.7%
SALES - KPLC SYSTEM			2,595	2,708	2,760	2,901	2,997	3,089	3.5%
- REF SYSTEM			66	76	85	104	138	134	15.0%
TOTAL SALES			2,661	2,784	2,846	3,005	3,134	3,223	3.9%
SYSTEM PEAK DEMAND MW			520	550	566	596	612	605	3.1%
System Load Factor			68.9%	68.2%	67.8%	68.6%	69.3%	72.6%	
Sales % of Net Generation			85.4%	85.2%	84.8%	84.2%	84.8%	84.4%	
Losses as % of Net Generation			14.6%	14.8%	15.2%	15.8%	15.2%	15.6%	
Annual growth - GENERATION			7.0%	4.9%	2.6%	6.3%	3.7%	3.6%	
- SALES KPLC			7.3%	4.4%	1.9%	5.1%	3.3%	3.1%	
- SALES REF			35.0%	14.7%	11.8%	21.6%	32.7%	-2.9%	

NOTE:

* Maximum available capacity during the year.
** Effective capacity of Kiambere Power station is 127MW because of insulation failure.
\+ Most of the year the station was undergoing repairs.
++ Comprises technical and non-technical losses.

Table 2: Area Maximum Demand (MW)

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	271	261	277	304	327	322	3.5%
Coast	105	120	124	124	131	121	2.8%
Central Rift	38	32	43	39	43	42	2.2%
West Kenya+	45	43	55	64	64	67	8.2%
Mt. Kenya	24	30	31	36	36	36	8.1%
North Rift +	19	28	26	27	30	29	8.8%
TOTAL SYSTEM (SIMULTANEOUS)	520	550	566	596	612	605	3.1%
% INCREASE P.A.	8.3%	5.8%	2.9%	5.2%	2.7%	-1.1%	

+Western Area was separated into West Kenya and North Rift in 1989/90.

Table 3: Sale of Electricity in GWhr Shown in Different Categories of Consumers

TARIFF	Types of Consumers Covered by this Tariff	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
A	Domestic, small commercial and small industrial	780	823	877	927	977	1,026	5.6%
B	Commercial (Medium) and industrial (medium))	554	585	567	564	559	569	0.6%
C	Commercial (large) Industrial (large)	1,130	1,178	1,198	1,281	1,326	1,356	3.7%
D	Off-peak	117	109	104	115	125	119	0.4%
E	Street lighting	14	14	14	13	10	18	5.7%
	TOTAL	2,595	2,708	2,760	2,901	2,997	3,089	3.5%
	% INCREASE P.A.	7.3%	4.4%	1.9%	5.1%	3.3%	3.1%	

Table 4: Area Total Units Sales (GWhr)

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	1,360	1,436	1,467	1,529	1,632	1,661	4.1%
Coast	613	615	616	653	622	664	1.6%
Central Rift	142	159	170	170	177	189	5.9%
West Kenya	241	258	272	296	305	303	4.7%
Mt. Kenya	110	113	110	123	126	133	3.8%
North Rift	129	128	126	130	134	139	1.5%
KPLC Sales	2,595	2,708	2,760	2,901	2,997	3,089	3.5%
R.E.F. Schemes	66	76	85	104	138	134	15.0%
TOTAL	2,661	2,784	2,846	3,005	3,134	3,223	3.9%
% INCREASE P.A.	7.8%	4.6%	2.2%	5.6%	4.3%	2.8%	

Table 5: Area Sale of Electricity in GWhr for Category "AO" Domestic Load

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	328	336	359	384	436	443	6.2%
Coast	84	90	98	101	93	103	4.1%
Central Rift	25	26	28	31	37	39	9.1%
West Kenya	22	22	25	27	29	29	5.7%
Mt. Kenya	18	22	20	25	28	29	10.1%
North Rift	11	11	13	14	18	19	10.7%
TOTAL	488	508	543	582	640	661	6.3%
% INCREASE P.A.	6.4%	4.1%	7.0%	7.1%	10.0%	3.2%	

Table 6: Area Sale of Electricity in GWhr for Category "A1" Small Commercial Load

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	154	167	180	175	171	191	4.4%
Coast	50	53	52	61	47	56	2.3%
Central Rift	24	27	30	33	39	36	8.7%
West Kenya	28	31	34	34	34	34	4.0%
Mt. Kenya	24	26	27	29	30	31	5.5%
North Rift	12	12	12	13	15	16	5.7%
TOTAL	292	315	334	345	336	365	4.5%
% INCREASE P.A.	8.1%	7.7%	6.0%	3.4%	-2.6%	8.6%	

Table 7: Area Sale of Electricity in GWhr for Category "BO" Irrigation Load

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	14	23	36	31	40	27	15.2%
Coast	0.28	0.25	0.36	0.40	0.43	0.34	3.7%
Central Rift	10	14	14	14	14	9	-2.2%
West Kenya	1.53	1.72	1.70	1.49	1.36	1.50	-0.4%
Mt. Kenya	0.72	1.20	1.49	1.32	1.87	1.48	15.6%
North Rift	1	0	0	0	0	0	
TOTAL	27	40	54	48	57	39	7.7%
% INCREASE P.A.	-22.5%	44.8%	35.6%	-11.2%	18.7%	-29.9%	

Table 8: Area Sale of Electricity in GWhr for Category "B1" Medium and Large Commercial Load

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	265	275	245	260	261	259	- 0.5%
Coast	102	102	110	106	101	106	0.7%
Central Rift	44	51	50	46	41	45	0.5%
West Kenya	37	50	41	41	38	41	1.9%
Mt. Kenya	30	22	20	21	22	23	-4.9%
North Rift	26	27	24	25	28	25	- 0.4%
TOTAL	504	527	490	499	491	499	- 0.2%
% INCREASE P.A.	7.9%	4.5%	- 7.0%	1.8%	- 1.5%	1.7%	

Table 9: Area Sale of Electricity in GWhr for Category "B2" Medium and Large Commercial Load

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	12.4	13.0	11.2	9.4	7.1	25.6	15.6 %
Coast	1.2	1.2	1.2	1.3	1.4	2.o	10.7%
CentralRift	3.5	1.3	2.1	1.7	1.1	1.2	- 19.4%
WestKenya	2.o	2.2	1.9	1.0	1.1	0.9	- 15.2%
Mt. Kenya	0.0	0.0	0.0	0.0	0.0	0.0	
North Rift	1 .6	0.5	0.7	0.9	0.6	0.5	- 21.9%
TOTAL	20.8	18.5	17.0	14.3	11.3	30.2	7.8%
% INCREASE P.A.	38.4%	- 11.2%	- 8.0%	- 15.9%	- 21.3%	168.5%	

Table 10: Area Sale of Electricity in GWhr for Category "C1" Medium and Large Industrial Load

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	146	156	191	211	2o7	201	6.6%
Coast	89	95	96	111	98	109	4.2%
Central Rift	20	21	26	24	27	82	10.0%
West Kenya	48	40	44	47	43	60	6.7%
Mt. Kenya	23	29	29	33	32	39	10.8%
North Rift	16	1 7	20	22	20	22	6.1%
TOTAL	338	357	406	449	430	463	6.5 %
%INCREASE P.A.	13.3%	5.7%	13.5%	10.6%	-4.1%	7.6%	

Table 11: Area Sale of Electricity in GWhr for Category "C2" Medium Industrial Load

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs.
Nairobi	274	300	295	305	320	329	3.7%
Coast	248	238	221	232	239	247	-0.1%
Central Rffl	13	16	17	18	17	21	9.9 %
West Kenya	40	42	43	50	53	52	5.3%
Mt. Kenya	12	11	10	11	10	7	-10.4%
North Rift	59	58	56	53	52	56	-1 1%
TOTAL	645	665	642	670	690	711	2.0%
%INCREASE P.A.	4.6%	3.0%	-3.4%	4.3%	3.0%	3.1%	

Table 12: Area Sale of Electricity in GWhr for Category "C3" Large Industrial Load

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	51	58	45	40	67	62	4.0%
Coast	34	32	32	36	40	38	2.1%
Central Rift	0	0	0	0	0	0	
West Kenya	64	66	79	91	99	82	5.3%
Mt. Kenya	0	0	0	0	0	0	
North Rift	0	0	0	0	0	0	
TOTAL	149	156.	157	166	205	182	4.1%
% INCREASE P.A.	14.7%	4.5%	0.7%	6.1%	23.6%	-11.4%	

Table 13: Area Sale of Electricity in GWhr for Category "D0" Off-Peak Load

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	106.6	99.0	94.9	106.0	117.9	112.2	1.0%
Coast	2.7	2.6	3.0	3.1	1.1	1.8	8.3%
Central Rift	1.8	1.9	1.9	1.5	1.4	1.2	-7.1%
West Kenya	1.8	1.6	1.5	1.5	1.5	1.4	-4.1%
Mt. Kenya	2.3	2.3	1.9	2.2	2.0	1.5	-7.3%
North Rift	1.4	1.2	1.2	0.9	1.0	0.9	-8.5%
TOTAL	117	109	104	115	125	119	0.4%
% INCREASE P.A.	3.2%	-6.9%	-3.8%	10.4%	8.5%	-4.7%	

Table 14: Area Sale of Electricity in GWhr for Category "E0" Street Lighting

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	8.8	9.4	9.5	8.7	6.5	10.2	2.9%
Coast	1.7	1.7	1.5	1.6	1.5	1.8	1.8%
Central Rift	0.7	1.0	0.7	0.8	1.1	4.4	45.1%
West Kenya	0.9	0.8	0.9	0.7	0.6	1.0	4.0%
Mt. Kenya	0.5	0.8	0.8	0.6	0.4	0.6	0.9%
North Rift	0.5	0.5	0.4	0.5	0.4	0.4	-2.5%
TOTAL	13.0	14.1	13.7	12.9	10.5	18	7.2%
% INCREASE P.A.	- 7.9%	8.5%	- 2.8%	- 6.2%	- 18.8%	76.4%	

Table 15: Area REF Unit Sales ('000 KWhrs)

AREA	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
Nairobi	12,957	16,154	19,630	23,453	36,099	25,330	14.3%
Coast	3,000	2,651	3,622	4,957	12,499	12,895	33.9%
Central Rift	5,572	7,211	9,008	14,487	19,947	19,967	29.1%
West Kenya	18,682	19,912	20,871	26,767	31,833	36,219	14.2%
MT. Kenya	12,385	13,514	15,206	17,217	18,401	20,589	10.7%
North Rift	13,891	16,852	16,750	16,887	18,933	18,710	6.1%
TOTAL	66,487	76,293	85,088	103,768	137,712	133,711	15.0 %
% INCREASE P.A.	35.0%	14.7%	11.5%	22.0%	32.7%	- 2.9%	

Table 16: Area Total Number of Consumers

	AS AT 30TH JUNE						
AREA	**1990**	**1991**	**1992**	**1993**	**1994**	**1995**	**Avg. Annual Growth over the Last 5 Yrs**
Nairobi	136,772	145,759	153,334	161,929	169,422	178,802	5.5%
Coast	47,287	49,609	51,872	53 844	56,362	58,481	4.3%
Central Rift	16,798	18,194	19,729	21 596	23,249	24,687	8.0%
West Kenya	20,092	21,699	23,118	24,689	26,508	27,607	6.6%
Mt. Kenya	17,669	18,619	20,113	21,718	23,632	24,796	7.0%
North Rift	7,728	8,641	9,456	10,744	11,743	12,365	9.9%
KPLC consumers	246,346	262,521	277,622	294,520	310,916	326,738	5.8%
R.E.F. consumers	19,067	24,491	29,513	34,561	40,731	43,718	18.1%
TOTAL	265,413	287,012	307,135	329,081	351,647	370,456	6.9%
% INCREASE P.A.	6.2%	8.1%	7.0%	7.1%	6.9%	5.3%	

Table 17:Number of Consumers in Terms of Tariff Category

Tariff	Main Type of Consumers Covered by this Tariff	As at 30th June 1990	1991	1992	1993	1994	1995	Average Annual Growth over the Last 5 Yrs.
A0 only	Domestic							
	KPLC	166,367	178,251	189,623	201,352	213,531	226,228	6.3%
	REF	11,235	14,238	17,200	19,975	23,258	25,200	17.5%
AO & DO	Domestic							
	KPLC	31,391	32,289	32,953	34,739	35,360	34,628	2.0%
	REF	30	33	40	62	68	60	14.9%
A1 only	Small Commercial							
	KPLC	41,346	44,298	47,049	50,724	54,154	57,696	6.9%
	REF	7,656	10,038	12,045	14,258	17,130	18,196	18.9%
A1 & D0	Small Commercial							
	KPLC	3,592	3,751	3,811	3,226	3,314	3,281	- 1.8%
	REF	74	92	120	117	123	120	10.2%
BO	Irrigation Load							
	KPLC	279	285	311	311	332	352	4.8%
	REF	4	8	14	16	20	27	46.5%
B1	Medium Commercial							
	and Industrial - KPL	1,687	1,757	1,773	1,842	1,871	1,977	3.2%
	REF	50	62	68	102	100	91	12.7%
B2	Medium Commercial							
	and Industrial — KPLC	23	21	20	21	21	21	-1.8%
C1	Large Commercial							
	KPLC	174	222	234	250	277	324	13.2%
	REF	5	6	6	11	10	9	
C2	Large Commercial							
	and Industrial - KPL	90	99	104	107	113	137	8.8%
	REF	1	1	2	2	1	1	0.0%
C3	Large Commercial							
	and Industrial -KPLC	11	11	11	10	14	19	11.6%
	REF	0	0	0	1	0	0	
D0 only	Off-peak							
	KPLC	1,295	1,439	1,630	1,829	1,817	1,963	8.7%
	REF	6	7	11	10	13	9	
E0	Street lighting							
	KPLC	91	98	103	109	112	112	4.2%
	REF	6	6	7	7	8	5	-3.6%
	TOTAL (KPLC)	246,346	262,521	277,622	294,520	310,916	326,738	5.8%
	TOTAL (R.E.F.)	19,067	24,491	29,513	34,561	40,731	43,718	18.1%
	GROSS TOTAL	265,413	287,012	307,135	329,081	351,647	370,456	6.9%
	% INCREASE P.A.	6.2%	8.1%	7.0%	7.1%	6.9%	5.3%	

Table 18: Revenue (KShs'000) in Category of Consumers

Tariff	Main Type of Consumers covered by this tariff	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Avg. Annual Growth over the Last 5 Yrs
A	*Domestic, small commercial and* Small industrial	936,193	1,223,009	1,502,502	1,628,900	2,881,215	3,998,789	33.7%
B	*Commercial* and industrial (medium)	660,603	876,959	1,014,150	1,122,928	2,063,936	2,878,647	34.2%
C	*Commercial (large,* Industrial (large)	1,149,741	1,552,273	1,850,572	2,055,216	3,893,662	5,625,890	37.4%
D	Off-peak	116,764	144,071	157,929	165,874	392,313	352,851	24.8%
E	*Street Lighting*	17,149	22,455	25,029	24,143	36,594	87,441	38.5%
	SUB-TOTAL	2,880,450	3,818,767	4,550,182	4,997,061	9,267,721	12,943,616	35.1%
	OTHERS	21,390	5,966	6,191	3,943	12,023	14,182	-7.9%
	TOTAL (KPLC)	2,901,840	3,824,733	4,556,374	5,001,004	9,279,744	12,957,798	34.9%
	R.E.F.	75,599	109,400	138,040	194,049	410,215	612,953	52.1%
	GROSS TOTAL	2,977,439	3,934,133	4,694,414	5,195,053	9,689,959	13,570,653	35.4%
	% INCREASE P.A.	10.8%	32.1%	19.3 %	10.7 %	86.5%	40.0%	

Table 19: Staff Analysis

CATEGORY OF STAFF	AS AT 30TH JUNE						Avg. Annual Growth over the Last 5 Yrs
	1990	1991	1992	1993	1994	1995	
Nationality							
-Citizen	10,760	10,864	10,857	10,569	10,180	8,862	-3.8%
-Non Citizen	29	31	23	16	6	2	-41.4%
Total	10,789	10,895	10,880	10,585	10,186	8,864	-3.9%
% INCREASE P.A.	29.2%*	1.0%	-0.1%	-2.7%	-3.8%	-13.0%	
Sex							
- Male	9,798	9,827	9,764	9,471	9,092	7,830	-4.4%
-Female	991	1,068	1,116	1,114	1,094	1,034	0.9%
Ratio- men/women	10	9	9	9	8	8	
Job							
-*Technical*	4,137	4,325	4,162	3,864	3,803	3,415	-3.8%
% of total staff	38.3%	39.7%	38.3%	36.5%	37.3%	38.5%	
-Non Technical	6,652	6,570	6,718	6,721	6,383	5,449	-3.9%
% of total staff	61.7%	60.3%	61.7%	63.5%	62.7%	61.5%	

Note: * Includes absorption of casual workers.

Table 20: Transmission and Distribution Lines Total Circuit Length (Kms)

	AS AT 30TH JUNE						Avg. Annual Growth over Last 5 Yrs.
VOLTAGE	1990	1991	1992	1993	1994	1995	
220 kV	657	877	877	877	877	877	
132 kV	1,980	1,980	1,980	1,980	1,980	1,980	
66 kV	444	451	451	451	573	573	
40 kV	113	113	126	126	126	126	
33 kV	3,300	3,342	3,451	3,583	3,686	3,876	
11 kV	7,627	7,870	8,309	8,613	8,838	9,250	
TOTAL	14,121	14,633	15,194	15,630	16,080	16,682	3.4%
% INCREASE P.A.	2.0%	3.6%	3.8%	2.9%	2.9%	3.7%	

Table 21: Transformers in Service Total Installed Capacity in MVA

	AS AT 30TH JUNE						Avg. Annual Growth over Last 5 Yrs.
Generation S/Stns	1990	1991	1992	1993	1994	1995	
11 /220 kV	170	288	288	288	288	288	
11 /132 kV	417	417	417	417	417	417	
11 /66 kV	30	30	30	30	30	30	
11/33 kV	217	217	217	217	217	217	
11 /40 kV	5	5	5	5	5	5	
3.3/11/40 kV	8	8	8	8	8	8	
3.3/40kV	4	4	4	4	4	4	
3.3/33kV	4	4	4	4	4	4	
132/220kV	540	690	690	690	690	690	
TOTAL	1,395	1,663	1,663	1,663	1,663	1,663	3.6%
Distribution S/Stns							
220/132 kV	580	580	580	580	580	580	
220/66 kV	180	180	180	180	180	180	
132/66 kV	330	330	330	330	330	330	
132/33 kV	331	349	349	372	415	415	
66/11 kV	441	470	470	470	470	516	
66/40 kV	15	15	15	15	15	15	
40/11 kV	19	24	24	24	24	24	
33!11 kV	375	392	392	400	400	400	
TOTAL	2,271	2,340	2,340	2,371	2,414	2,460	1.6%
Distribution TXS							
11/0.41 5kV and							
33/0.41 5kV	1,448	1,510	1,557	1,615	1,686	1,749	3.8%

THE KENYA POWER AND LIGHTING COMPANY LIMITED

P.O. Box 30099, Nairobi.

FORM OF PROXY FOR ANNUAL GENERAL MEETING

I/We ....) BLOCK

) Capitals

of ....) Please

being (a) Member(s) of the above-named Company, HEREBY APPOINT the

Chairman of the meeting or ....

....

as my/our proxy to vote for me/us and on my/our behalf at the ANNUAL GENERAL MEETING *of* the Company to be held on Friday, 5th July,1996, and at any adjournment thereof.

My/our proxy is to vote as indicated in respect of the following Resolutions:

A) ORDINARY BUSINESS

(i) The Receipt and adoption of the Directors' Report and Accounts for the year ended 30th June, 1995.

(ii) The declaration of a first and final dividend on the Ordinary Stock.

(iii) The re-election of retiring Directors.

(iv) Remuneration of Directors

(v) Appointment of Auditors

	FOR	AGAINST
I		
II		
III		
IV		
V		

B) SPECIAL BUSINESS

(i) The declaration of a bonus issue.

(ii) Conversion of shares into stock

I		
II		

Dated this ....*day of* ....*1996.*

Signature ....

FOR OFFICE USE ONLY	
7%	
4%	
ORDINARY	
TOTAL	

Principal Areas of Supply

ATHI RIVER
AWENDO
BARINGO
BONDO
BUMALA
BUNGOMA
BURA
BUSIA
BUTERE
CHEPKORIO
CHERANGANI
CHOGORIA
EGOJI
ELBURGON
ELDAMA RAVINE
ELDORET
ELGEYO MARAKWET
EMALI
EMBU
ENDARASHA
ENGINEER(KINANGOP)
GARISSA
GILGIL
GITHUNGURI
HAKATI
HAMISI
HOMABAY
ISHIARA
ISIOLO
ITEN
KABARNET
KABARTONJO
KIBIRICHIA
KAJIADO
KAKAMEGA
KALAMBA
KALOLENI
KANDARA
KANGUNDO -TALA
KANYAKIINE
KAPENGURI
KAPSABET
KAPSOKWANY
KAPSOWAR
KARATI
KARATINA
KIGUMO
KIHARU
KILGORIS
KILIFI
KILOME
KINANGO
KIRITIRI
KISII
KISUMU
KITALE
KITENGELA
KITUI
KENYALINE
KUTUS
KWALE
LAMU
LARI
LIMURU
LODWAR
LONDIANI
LURAMBI
MACALDER
MACHAKOS
MAGUMU
MALABA
MALAKISI
MALINDI
MAMBRUI
MANDERA
MARALAL
MARIAKANI
MARIGAT
MARSABIT
MASENO
MASII
MASINGA
MATERI
MATUNDA
MATUU
MAUA
MAZERAS
MERU
MIGORI
MITUNGUU
MOGOTIO
MOI'S BRIDGE
MTITO ANDEI
MUKURWEINI
MUMIAS
MURANG'A
MWINGI
NAIRAGE NKARE
NAIROBI
NAIVASHA
NAKURU
NANDI HILLS
NANYUKI
NAROK
NARUMORO
NGONG
NJORO
NKUBU
NYAHURURU
NYERI
OL-KALOU
OLENGURUONI
OLOITOKITOK
OTHAYA
OYUGIS
RABAI
RIBE
RONGAI
RUIRU
RUMURUTI
RUNYENJES
SAGANA
SEGA
SIAKAGO
SIAYA
SONDU
SOTIK
SULTAN HAMUD
TAMBACH
TAVETA
TENGES
THIKA
TIMAU
UGUNJA
UKWALA
VIHIGA
VOI
WAJIR