

TOTAL KENYA LIMITED
REPORT AND FINANCIAL STATEMENTS 1993

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TOTAL KENYA LIMITED

NOTICE OF MEETING

Notice is hereby given that the 40th Annual General Meeting of the Company will be held at the French Cultural Centre Theatre Room, Nairobi on Monday, 25 April 1994 at 3.00 p.m. for the following purposes:

ORDINARY BUSINESS

1. To confirm the minutes of the 39th Annual General Meeting held on 14 April 1993.
2. To receive and consider the financial statements for the year ended 31 December 1993 together with the reports thereon of the Directors and the Auditors.
3. To approve the payment of a final dividend as recommended by the Directors.
4. To approve the Directors' remuneration for the year ended 31 December 1993.
5. To note that Murdoch, McCrae & Smith will continue in office as the Auditors by virtue of Section 159 (2) of the Companies Act (Cap 486) and to authorise the Directors to fix their remuneration.

By order of the Board

P A Spence

Secretary

P O Box 30736

NAIROBI

24 March 1994

Note:

A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not be a Member of the Company. To be valid a form of proxy, which is provided with this report, must be duly completed by the Member and must be lodged at the Registered Office of the Company, Chai House, Koinange Street, P O Box 30736, Nairobi, or posted in time to reach not later than 3.00 p.m. Thursday, 21 April 1994.

2007/1040

TOTAL KENYA LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	J L Harmel*	Chairman	
	C G Chammas*	Managing	(Appointed 28 June 1993)
			(Alternate to J L Harmel)
	P Y Noblanc*		(Resigned 28 June 1993)
	J A Gethenji		
	V Sergent*		
	D Harel*		(Appointed 24 March 1994)
	J C Boilon*		(Resigned 24 March 1994)
	G A Kneuss*		(Alternate to V Sergent)
	J W Sitati		(Alternate to C G Chammas)
	P A Spence		(Alternate to J A Gethenji)
	C M P Charzat*		(Alternate to D Harel)

* French

Secretary P A Spence, FCA, CPA(K), CPS(K), MIMgt.

Head Office and
Registered Office Chai House,
Koinange Street,
P O Box 30736,
Nairobi,
Kenya.

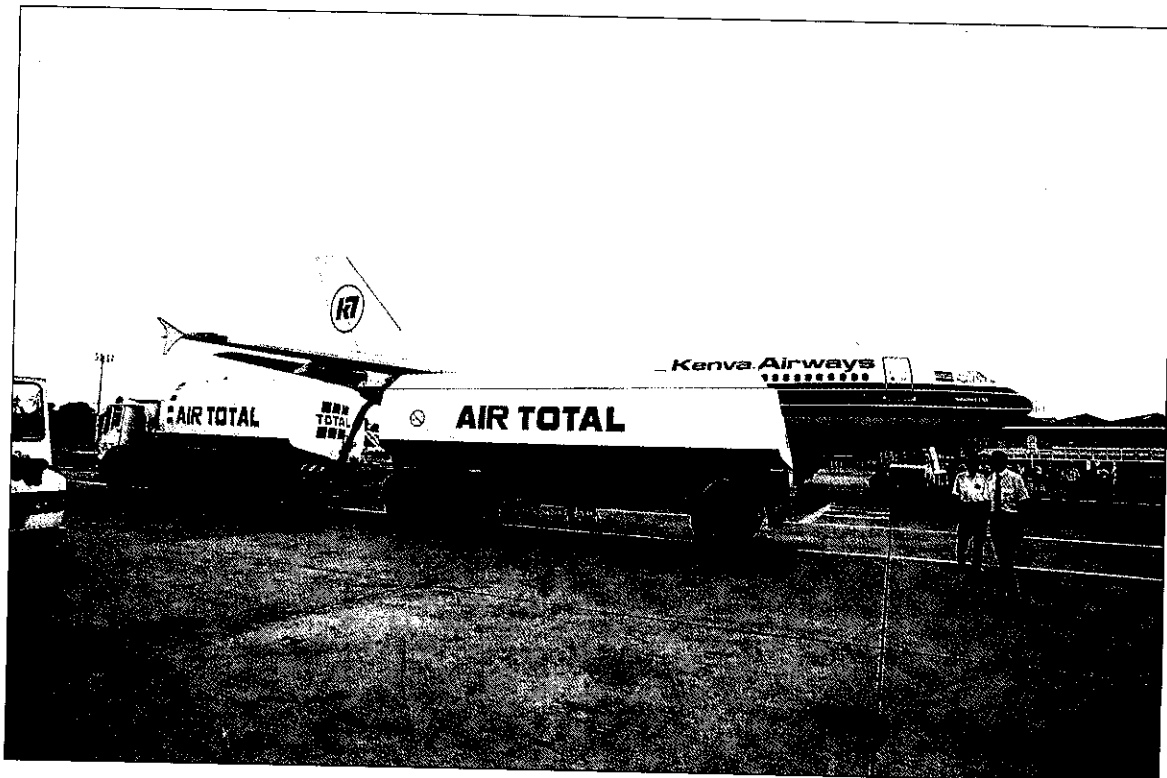
Auditors Murdoch, McCrae & Smith,
P O Box 40092,
Nairobi,
Kenya.

Advocates Robson Harris & Co.,
P O Box 30423,
Nairobi,
Kenya.

TOTAL KENYA LIMITED



Meko stoves using Totalgaz have a positive impact on environment and health, by offering a cost-effective, clean and convenient alternative to charcoal. Growth prospects are substantial.



High service standards and business efficiency are helping to increase Total Kenya's share of the aviation fuels business-both Jet A1 and avgas-as well as other bulk market products.

TOTAL KENYA LIMITED

CHAIRMAN'S STATEMENT TO THE SHAREHOLDERS

Ladies and gentlemen,

It is with great pleasure that I welcome you to our 40th Annual General Meeting.

Our company results for 1993, whilst they confirm the past year's trend of growth, must be seen as exceptional by any standards and prospects for 1994 should be considered on their own merits.

Kenya in 1993 made fundamental choices which are moving the country towards a market orientated economy. The resulting business environment will be one in which productivity, customer satisfaction and competitive strength will form the basis for success.

During the year under review Foreign Exchange became more readily available but the high level of inflation restricted market growth and made budgetary control a key issue for management.

Our Network continued to be a leader with 18.5% of the market. Competition was fierce but service and quality, as exemplified by our new look, ensured the ongoing success of TOTAL Kenya.

Our Specialities department in 1993 launched the 'Meko' an innovative gas cylinder kit which is affordable to new segments of the population and has proved a winner-selling at a rate of 3000 units per month.

Careful selection and satisfaction of our clientele stabilised our consumer market share at 14.6%. Similarly our overall market share in all products and all channels was stable at 16.3%.

In summary, 1993 was a year of consolidation in which the highest standards of service combined with favourable crude price and exchange rate trends enabled TOTAL Kenya to achieve the results before you today. After carefully reviewing these results the Board of Directors have decided that, following the interim dividend of Shs. 10 per share declared earlier, they now recommend a final dividend of Shs. 3 per share for 1993 which, if approved, will be mailed to shareholders on 25 April 1994. The Share Register will be closed from 11 April to 22 April 1994, both dates inclusive to facilitate payment.

The outlook for 1994 is one of major change in the oil industry including complete deregulation of prices entailing a new framework of operation and whilst this is awaited margins have already been cut by taxation increases not reflected in the controlled prices.

The management and staff of TOTAL Kenya have proved during 1993 that they can manage change and are well able to face the challenges of 1994. On behalf of your Board I wish to thank them for their contribution to our results and pass a vote of confidence in their abilities.

J.L. Harmel
Chairman

Nairobi
24 March 1994

TOTAL KENYA LIMITED

TAARIFA YA MWENYEKITI KWA WENYEHISA

Mabibi na Mabwana,

Nina furaha nyingi sana kuwakaribisha kwenye mkutano wetu wa kila mwaka, wa mwaka wa arobaini.

Ingawa matokeo ya kampuni yetu ya mwaka wa 1993 yamethibitisha maendeleo mazuri ya kibiashara ya mwaka uliopita, matokeo hayo ni lazima yaonekane kama ya kipekee kwa vyovyote vile, na matazamio ya mwaka huu wa 1994 imebidi yapendekezwe kivyake.

Katika mwaka wa 1993 nchi ya Kenya ilifanya maamuzi muhimu ambayo yanaelekeza nchi hii kufuata aina ya uchumi unaotegemea biashara. Hivi basi, kufaulu kwa matokeo ya mazingira ya kibiashara kutategemea uhodari wa kutoa matukio mazuri, kutosheleza wateja na ustadi wa kushindana na washindani kibiashara.

Mnamo mwaka uliopita pesa za kigeni ziliweza kupatikana kwa urahisi, lakini hali ya juu ya gharama za maisha ilizuia upanuzi wa biashara na iliwabidi wasimamizi wa kampuni yetu kuimarisha usimamizi wa fedha kulingana na makisio.

Vituo vyetu vya kuuzia petroli kote nchini viliendelea kuongoza kibiashara na kufikia kiwango cha 18.5%. Ingawa mashindano ya kibiashara yalikuwa makali sana, huduma bora kwa wateja na sifa za ubora wetu, kama inavyodhihirishwa na vituo vyetu vilivyofanywa upya mwaka uliopita, vilituwezesha kupata ushindi unaoendelea wa kampuni yetu ya TOTAL Kenya.

Idara yetu mpya ya "Specialities Department" ilibunisha mnamo mwaka wa 1993, "MEKO"- mtungi mdogo wa gasi wenye jiko lake, ambao uliuzwa kwa bei rahisi kwa watu wengi. "MEKO" imeshajinyakulia ushindi, hivi kwamba "MEKO" elfu tatu zinauzwa kila mwezi.

Uchaguzi wa makini na utoshelezaji wa huduma kwa wateja wetu umeimarisha sehemu ya biashara za mafuta, nje ya vituo vya kuuzia petroli, kufikia kiwango cha 14.6%. Kwa jumla, matokeo yetu ya kibiashara ya kuuza mafuta, ilisimama imara katika kiwango cha 16.3%.

Kwa muhtasari, mwaka wa 1993 ulikuwa mwaka wa kujiimarisha ambapo huduma bora zaidi pamoja na bei nafuu za mafuta yasiyosafishwa, na nafuu wa kupata pesa za kigeni, ziliwezesha kampuni ya TOTAL Kenya kufaulu kupata matokeo yaliyo mbele yenu leo. Wakurugenzi wa kampuni yenu, baada ya kuchunguza kwa makini matokeo haya, wameamua kwamba kufuata mgawo wa kwanza wa shilingi 10 kwa kila hisa, uliopendekezwa mbeleni, sasa wanapendekeza mgawo wa mwisho wa shilingi 3 kwa kila hisa, kwa mwaka wa 1993.

Ikiwa pendekezo hili litakubaliwa, wenyehisa watatumiwa migawo yao kwa njia ya posta mnamo tarehe 25 Aprili 1994. Daftari ya hisa itafungwa kuanzia tarehe 11 Aprili hadi tarehe 22 Aprili 1994 ili kuwezesha malipo kukamilishwa.

Matazamio ya mwaka huu wa 1994 yanabashiriwa kuwa ya mabadiliko makubwa kwa biashara za mafuta, ikitarajiwa kuondolewa kwa vikwazo vya bei na kuanzisha mipango mipya ya kufanya biashara. Wakati mabadiliko haya yanangojewa, tayari viwango vyetu vya faida vimepunguzwa na uongezaji wa kodi za mafuta bila kuongezwa kwa bei za kuuzia mafuta zinazosimamiwa na serekali.

Viongozi na wafanya kazi wa kampuni ya TOTAL Kenya walithibitisha katika mwaka wa 1993 kwamba wanaweza kustahimili mabadiliko ya kibiashara na wako tayari kabisa kupambana na matatizo ya 1994. Kwa niaba ya wakurugenzi wa kampuni yenu, ningependa kuwashukuru viongozi na wafanyi kazi wa kampuni yenu kwa msaada wao kuhusu matokeo yetu, na kuwapongeza kwa bidii zao.

J.L. Harmel
Mwenyekiti

Nairobi
24 Machi 1994

TOTAL KENYA LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 1993.

ACTIVITY

The principal activity of the Company is the sale of petroleum products.

RESULTS

The results for the year ended 31 December 1993 are as follows:

		1993 Shs '000
Profit after taxation		540,556
Dividend (gross) - Interim (paid)	280,000	
- Final (proposed)	84,000	364,000
		<hr/>
Retained profit for the year transferred to reserves		176,556
		<hr/>

DIVIDEND

An interim dividend of Shs. 10 (1992-Nil) per share was paid on 5 August 1993.

The Directors recommend a final dividend of Shs. 3 (1992 - Shs. 4) per share for the year ended 31 December 1993.

DIRECTORS

The present membership of the Board is set out on page 3.

On 24 March 1994 Mr J G Soria resigned as an Alternate Director to Mr J C Boilon who also resigned on that date.

In accordance with Article 97 of the Articles of Association of the Company Messrs J L Harmel and J A Gethenji retire by rotation and, being eligible, offer themselves for re-election at the 40th Annual General Meeting.

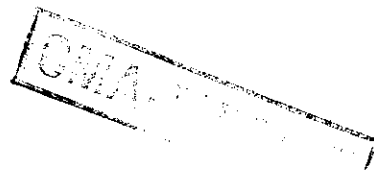
AUDITORS

Murdoch, McCrae & Smith continue in office in accordance with section 159 (2) of the Companies Act (Cap. 486).

BY ORDER OF THE BOARD

P A Spence
Secretary

Nairobi
24 March 1994



TOTAL KENYA LIMITED

AUDITORS' REPORT TO THE MEMBERS OF TOTAL KENYA LIMITED

We have examined the financial statements on pages 9 to 17 and have obtained all the information and explanations considered necessary for our audit.

In our opinion, proper books of account have been kept by the Company and the financial statements, which are in agreement therewith, comply with the Companies Act and give a true and fair view of the state of affairs of the Company at 31 December 1993 and of its profit and cash flow for the year ended on that date.

Murdoch, McCrae & Smith
Certified Public Accountants (Kenya)

Nairobi
24 March 1994

TOTAL KENYA LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 1993

	Notes	1993 Shs '000	1992 Shs '000
Turnover			
Gross	2	8,054,544	5,016,044
Indirect taxes and duties		<u>1,800,262</u>	<u>1,571,634</u>
Net		<u>6,254,282</u>	<u>3,444,410</u>
Profit Before Taxation	3	827,120	241,930
Taxation	4	<u>286,564</u>	<u>86,931</u>
Profit After Taxation		540,556	154,999
Dividends (gross)	5	<u>364,000</u>	<u>112,000</u>
Retained and Transferred to Reserves	11	<u>176,556</u>	<u>42,999</u>
Earnings Per Share (Shs)	6	<u>19.30</u>	<u>5.54</u>

TOTAL KENYA LIMITED

BALANCE SHEET 31 December 1993

	Notes	1993 Shs '000	1992 Shs '000
Fixed Assets	7	325,767	268,991
Long Term Debtors and Prepayments	8	44,911	36,190
Current Assets			
Inventories	9	1,300,445	726,432
Debtors		576,726	535,104
Due from related companies		40,801	23,940
Product loans		108,878	49,067
Short term deposits		2,000	32,000
Bank balances and cash		140,200	72,879
		<u>2,169,050</u>	<u>1,439,422</u>
Current Liabilities			
Bank overdraft		711,058	-
Creditors		464,048	850,181
Bills discounted		-	100,000
Due to holding company		313,398	63,252
Due to related companies		18,749	3,502
Product loans		124,239	152,871
Taxation		224,376	39,493
Proposed dividend (gross)		84,000	112,000
		<u>1,939,868</u>	<u>1,321,299</u>
Net Current Assets		<u>229,182</u>	<u>118,123</u>
		<u>599,860</u>	<u>423,304</u>
Financed by:			
Share capital	10	140,000	140,000
Reserves	11	459,860	283,304
Shareholders' Funds		<u>599,860</u>	<u>423,304</u>

The financial statements on pages 9 to 17 were approved by the Board of Directors on 24 March 1994 and were signed on its behalf by:

C G Chammas)
J A Gethenji) **Directors**

TOTAL KENYA LIMITED

CASHFLOW STATEMENT Year ended 31 December 1993

	Notes	1993 Shs '000	1992 Shs '000
Net cash inflow from operating activities	A	9,424	448,457
Returns on investments and servicing of finance			
Interest received		6,463	20,441
Interest paid		(104,452)	(90,925)
Dividends paid		(392,000)	(175,000)
Net cash outflow from investments and servicing of finance		(489,989)	(245,484)
Taxation paid		(101,681)	(136,257)
Long term debtors and prepayments		(8,721)	(4,361)
Investing activities			
Purchase of fixed assets		(86,844)	(25,338)
Proceeds on sale of fixed assets		4,074	8,745
Net cash outflow from investing activities		(82,770)	(16,593)
(Decrease)/increase in cash and cash equivalents	B	(673,737)	45,762

TOTAL KENYA LIMITED

NOTES TO THE CASHFLOW STATEMENT Year ended 31 December 1993

	1993 Shs '000	1992 Shs '000
A. Reconciliation of profit before taxation to net cash inflow from operating activities		
Profit before taxation	827,120	241,930
Depreciation	28,846	24,409
Profit on sale of fixed assets	(2,852)	(3,849)
Increase in inventories	(574,013)	(174,236)
Increase in product loans	(88,443)	(37,363)
Increase in debtors	(41,631)	(194,618)
(Decrease)/increase in creditors	(386,133)	647,294
(Decrease)/increase in bills discounted	(100,000)	70,000
Increase/(decrease) in balance due to holding and related companies	248,532	(195,437)
Interest income	(6,454)	(20,598)
Interest expense	104,452	90,925
	<hr/> 9,424	<hr/> 448,457
B. (Decrease)/Increase in cash and cash equivalents		
Short term deposits	(30,000)	(10,000)
Bank balances and cash	67,321	55,762
Bank overdraft	(711,058)	-
	<hr/> (673,737)	<hr/> 45,762

TOTAL KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 1993

1. Accounting Policies

a) Basis of Accounting

The financial statements are prepared on the historical cost basis of accounting, modified to include the revaluation of certain fixed assets.

b) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase price and other costs incurred to bring the inventories to their present location and condition, together with refining costs as appropriate. For products refined locally, costs are allocated over the refinery output in proportion to the appropriate world market prices.

c) Product Loans

Product loans represent refined products and crude oil due to or from competitors, which are repaid by physically replacing the stock borrowed or lent.

Product loan balances to and from competitors are stated at whichever of inception or current replacement values yields the lowest net asset or the highest net liability.

d) Fixed Assets and Depreciation

Expenditure on improvements to leasehold office premises is charged to the profit and loss account. Depreciation is not provided on freehold land. Other assets are depreciated to write off the cost or valuation in equal annual instalments at the following rates:

Leasehold land	Over the term of lease
Buildings	2% - 15%
Machinery, plant and transport equipment	5% - 15%
Furniture, fittings and office equipment	10% - 25%
Motor vehicles	25%

e) Foreign Currencies

Assets and liabilities in foreign currencies are expressed in Kenya Shillings at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies during the year are converted at the rates ruling at the time of the transactions. The resulting gains or losses are dealt with in the profit and loss account.

f) Taxation

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

Deferred taxation is provided for using the liability method, on timing differences where, in the opinion of the directors, there is reasonable probability that such timing differences will reverse in the foreseeable future.

2. Turnover

Gross turnover represents amounts invoiced to customers.

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TOTAL KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 1993

	1993 Shs '000	1992 Shs '000
3. Profit before Taxation		
The profit before taxation is arrived at after charging:		
Directors' emoluments		
Fees	27	27
Other	1,555	1,433
	<hr/> 1,582	<hr/> 1,460
Depreciation	28,846	24,409
Auditors' remuneration	1,570	1,200
Unrealised exchange loss (net)	-	14,399
Realised exchange loss (net)	-	68,706
and after crediting:		
Unrealised exchange gain (net)	16,824	-
Realised exchange gain (net)	84,401	-
Investment income	6,454	20,598
	<hr/> <hr/>	<hr/> <hr/>
4. Taxation		
Income tax at 35% (1992 - 37.5%) on taxable profit for the year	286,564	81,628
Underprovision in prior years	-	5,303
	<hr/> 286,564	<hr/> 86,931
	<hr/> <hr/>	<hr/> <hr/>
5. Dividends - Gross		
An interim dividend of Shs 10 per share was paid on 5 August 1993	280,000	-
The directors recommend a final dividend of Shs 3 (1992-Shs 4) per share payable on 25 April 1994	84,000	112,000
	<hr/> 364,000	<hr/> 112,000
	<hr/> <hr/>	<hr/> <hr/>
6. Earnings per Share		
Earnings per share are calculated on the profit after taxation of Shs 540,556,000 (1992 - Shs 154,999,000) and 28,000,000 issued shares.		

TOTAL KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 1993

7. Fixed Assets

	Freehold land Shs '000	Leasehold land Shs '000	Buildings Shs '000	Plant and transport equipment Shs '000	Furniture, fittings and office equipment Shs '000	Total Shs '000
Cost or Valuation						
1 January 1993	8,800	41,877	113,732	185,735	31,687	381,831
Additions	-	730	22,105	58,097	5,912	86,844
Disposals	-	-	(272)	(1,809)	(831)	(2,912)
31 December 1993	8,800	42,607	135,565	242,023	36,768	465,763
Analysed as:						
At cost	1,700	4,696	86,368	144,139	32,539	269,442
At valuation	7,100	37,911	49,197	97,884	4,229	196,321
	8,800	42,607	135,565	242,023	36,768	465,763
Depreciation						
1 January 1993	-	12,687	9,990	70,282	19,881	112,840
Charge for the year	-	1,500	3,323	21,820	2,203	28,846
Disposals	-	-	(149)	(867)	(674)	(1,690)
31 December 1993	-	14,187	13,164	91,235	21,410	139,996
Net Book Value						
31 December 1993	8,800	28,420	122,401	150,788	15,358	325,767
31 December 1992	8,800	29,190	103,742	115,453	11,806	268,991

Included in fixed assets is capital work in progress amounting to Shs 43,658,590 (1992 - Shs 1,355,554).

The fixed assets were valued at 31 December 1986 by Lloyd Masika Limited on the following basis:

- (a) Land and buildings - on the basis of open market value for existing use.
- (b) Other assets - on the basis of depreciated replacement cost.

TOTAL KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 1993

7. Fixed Assets (Continued)

Freehold and Leasehold property comprise:

	Freehold property Shs '000	Long leasehold property Shs '000	Short leasehold property Shs '000	Total Shs '000
Cost or Valuation				
1 January 1993	23,956	25,585	114,868	164,409
Additions	8,816	349	13,670	22,835
Disposals	(272)	-	-	(272)
31 December 1993	32,500	25,934	128,538	186,972
Depreciation				
1 January 1993	1,099	2,342	19,236	22,677
Charge for the year	629	533	3,661	4,823
Disposals	(149)	-	-	(149)
31 December 1993	1,579	2,875	22,897	27,351
Net Book Value				
31 December 1993	30,921	23,059	105,641	159,621
31 December 1992	22,857	23,243	95,632	141,732

TOTAL KENYA LIMITED

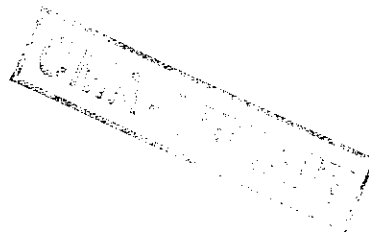
PROXY

The Secretary,
Total Kenya Limited,
P.O. Box 30736,
NAIROBI.

I/We of address
being a member/members of Total Kenya Limited hereby appoint
of address whom failing
..... of address
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on
Monday, 25 April 1994 at the French Cultural Centre, Theatre Room, Nairobi and at any adjournment thereof.

Signed this day of 1994.

- Notes: 1. This proxy is to be delivered to the Company's registered office not later than 3.00 p.m. on Thursday 21 April
1994 failing which it will be invalid.
2. In case of a Corporation, the Proxy must be under its Common Seal.

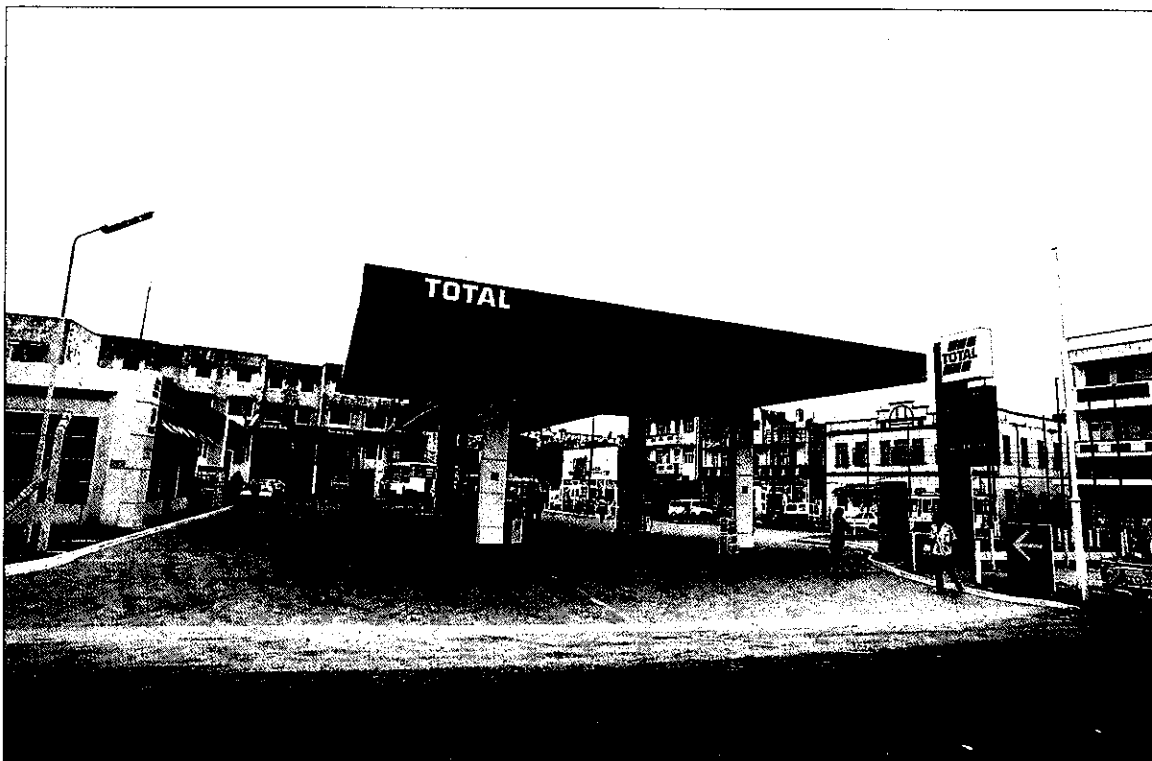


TOTAL KENYA LIMITED

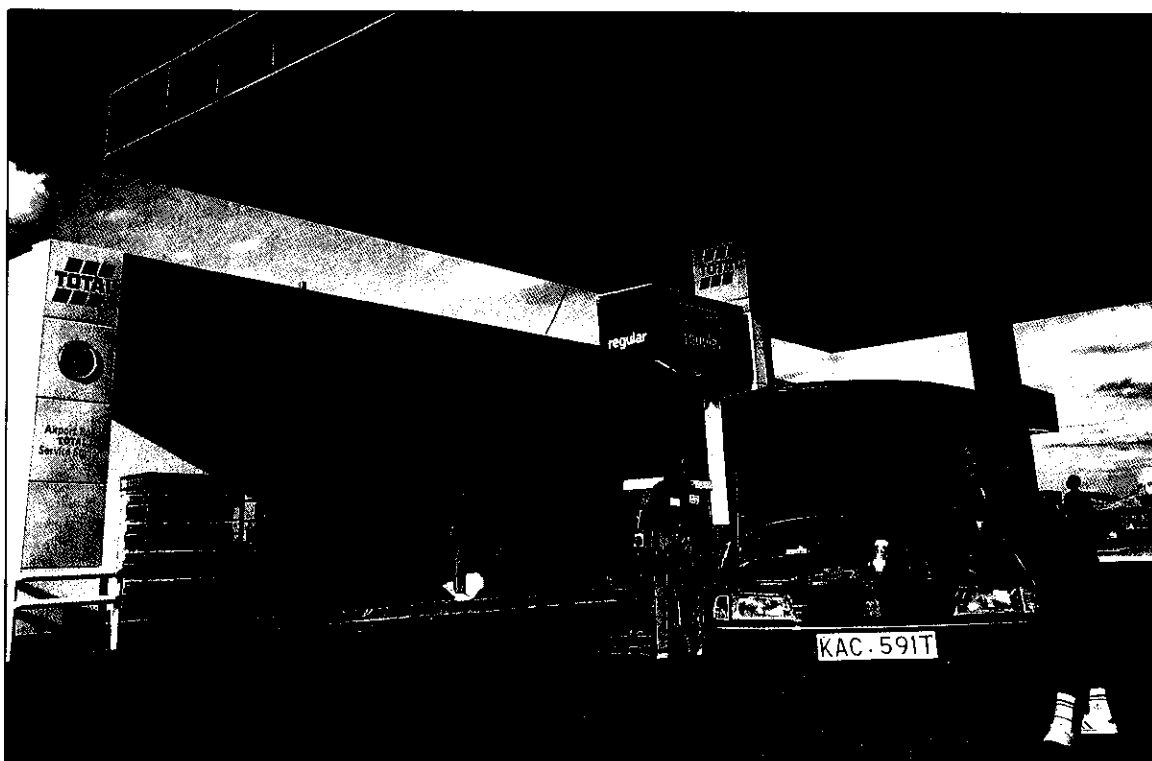
NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 1993

	1993 Shs '000	1992 Shs '000			
8. Long Term Debtors and Prepayments					
Receivable within one year	3,450	3,915			
Receivable after more than one year	41,461	32,275			
	<u>44,911</u>	<u>36,190</u>			
9. Inventories					
Raw materials	200,963	190,669			
Refined products	944,718	385,562			
Consumables	154,764	150,201			
	<u>1,300,445</u>	<u>726,432</u>			
10. Share Capital					
Authorised, issued and fully paid:					
27,400,000 Ordinary Shares of Shs 5 each	137,000	137,000			
600,000 Class 'A' Ordinary Shares of Shs 5 each	3,000	3,000			
	<u>140,000</u>	<u>140,000</u>			
11. Reserves					
	Share Premium Shs '000	Non- distributable Revaluation Surplus Shs '000	Sub-Total Shs '000	Distributable Retained Profit Shs '000	Total Shs '000
At 1 January 1993	30,487	67,428	97,915	185,389	283,304
Transfer	-	(6,406)	(6,406)	6,406	-
Retained profit for the year	-	-	-	176,556	176,556
	<u>30,487</u>	<u>61,022</u>	<u>91,509</u>	<u>368,351</u>	<u>459,860</u>
At 31 December 1993	<u>30,487</u>	<u>61,022</u>	<u>91,509</u>	<u>368,351</u>	<u>459,860</u>
The transfer from revaluation surplus to retained profits represents the excess depreciation charged as a result of the revaluation.					
	1993 Shs '000	1992 Shs '000			
12. Capital Commitments					
Capital commitments at year end for which no provision has been made in these financial statements:					
Contracted	54,786	18,498			
Authorised by the directors but not contracted	200,900	142,500			
	<u>255,686</u>	<u>161,000</u>			
13. Contingent Liabilities					
Guarantees and bonds in respect of immigration bonds and staff loans	341,000	319,000			
	<u>341,000</u>	<u>319,000</u>			

TOTAL KENYA LIMITED



Total Kenya is progressively implementing the worldwide "Project Premier" standard at all stations, improving their appearance, modernising their facilities and enhancing the scope and quality of their services.



The highest possible service standards and responsiveness to customer needs are central to Total Kenya's operating principles and the company's dynamic marketing outlook.