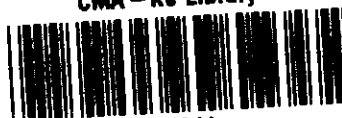


TOTAL KENYA LIMITED
REPORT AND FINANCIAL STATEMENTS 1994

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TOTAL KENYA LIMITED

NOTICE OF MEETING

Notice is hereby given that the 41st Annual General Meeting of the Company will be held at the French Cultural Centre Theatre Room, Nairobi on Tuesday, 11 April 1995 at 3.00 p.m. for the following purposes:

ORDINARY BUSINESS

1. To confirm the minutes of the 40th Annual General Meeting held on 25 April 1994.
2. To receive and consider the financial statements for the year ended 31 December 1994 together with the reports thereon of the Directors and the Auditors.
3. To approve the payment of a first and final dividend as recommended by the Directors.
4. To approve the Directors' remuneration for the year ended 31 December 1994.
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

13 March 1995

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. Friday, 7 April 1995.

2007/1041

TOTAL KENYA LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	J L Harmel*	Chairman	
	C G Chammas*	Managing	(Alternate to J L Harmel)
	J A Gethenji		
	V Sergent*		
	D Harel*		
	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

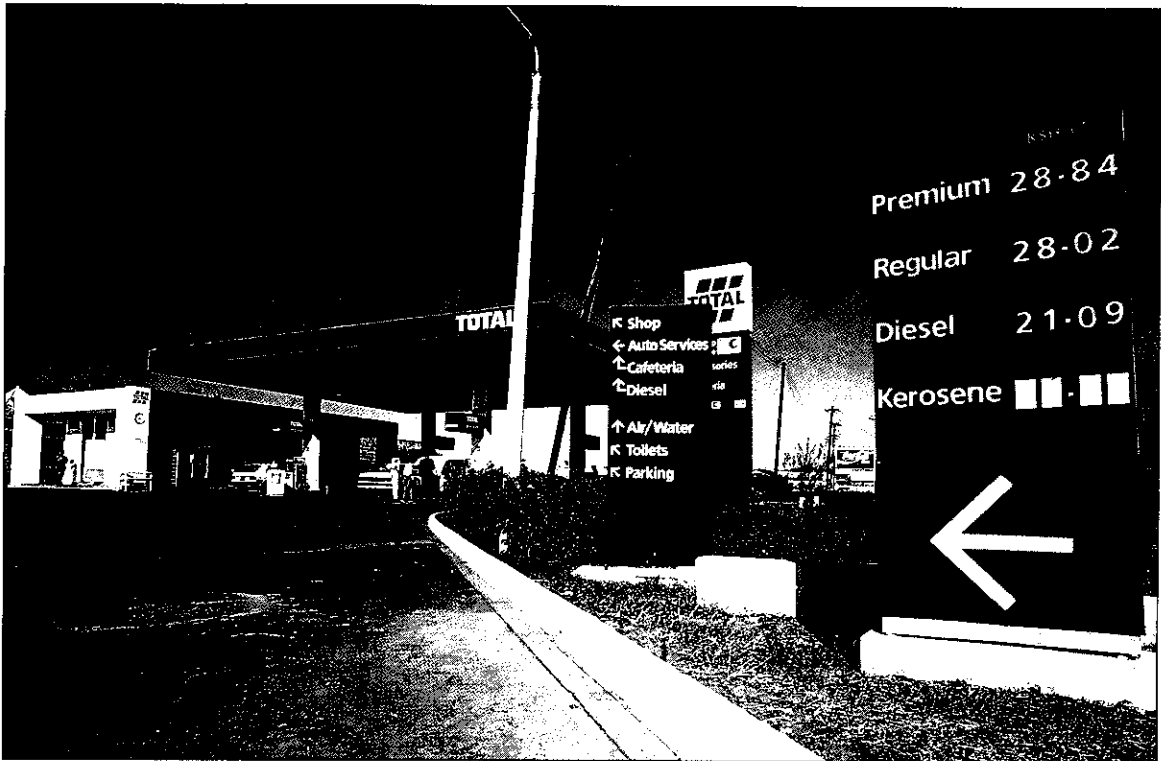
Secretary	P A Spence, FCA, CPA(K), CPS(K), MIMgt.
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Head Office and Registered Office	Chai House, Koinange Street, P O Box 30736, Nairobi, Kenya.
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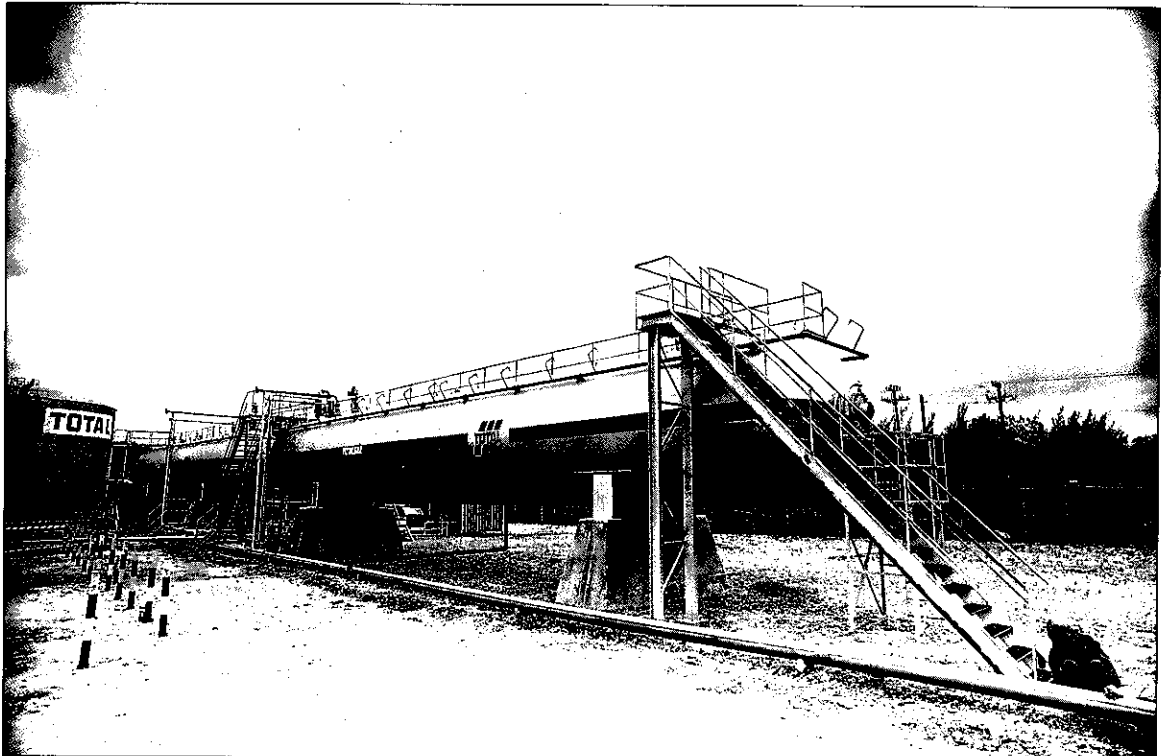
Auditors	Murdoch, McCrae & Smith, P O Box 40092, Nairobi, Kenya.
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Advocates	Robson Harris & Co., P O Box 30423, Nairobi, Kenya.
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TOTAL KENYA LIMITED



Total led the way in preparations for price deregulation and was the first oil company to introduce price display boards, at every station, to ensure customers had clear, up-to-the-minute information. There were some cheaper offers but no better value than Total.



Total's new bulk storage depot for LPG in Mombasa helps assure more reliable supply services to customers of Totalgaz and represents the company's commitment to investment in superior facilities and performance.

TOTAL KENYA LIMITED

CHAIRMAN'S STATEMENT TO THE SHAREHOLDERS

Ladies and gentlemen,

I wish first of all to extend a very warm welcome to all of you on the occasion of our 41st Annual General Meeting.

At our last Annual General Meeting I drew attention to the fact that our results for 1993 were exceptional and that 1994 would be a year of change including price deregulation preceded by a margin squeeze consequent upon taxation increases.

Petroleum price deregulation finally arrived in November and until that time our margins were seriously depleted for many months.

1994 also witnessed reversal of a factor which had contributed greatly to the exceptional results of 1993, the appreciation in the value of working inventory arising from the temporary weakening of the shilling against the US dollar.

The margin squeeze and the inventory depreciation were matters outside the control of the petroleum industry and together with historically high levels of interest were the major items to affect the profitability of TOTAL Kenya.

The Management of your Company were not idle in the face of adverse conditions. Intensive preparations were made for price deregulation and systems and procedures were put in place to ensure that all items of expense are closely controlled and monitored and that each activity is cost effective.

In the face of the then prevailing uncertainties it was decided not to declare an Interim Dividend. Taking into account the reduced profitability, the Board has now decided to recommend a first and final dividend of Shs 1.70 per share for 1994. If approved this dividend will be mailed to Shareholders on 12 April 1995. The Share Register will be closed from 30 March to 11 April 1995 to facilitate payment.

The outlook for 1995 is brighter; with all the measures which have been taken TOTAL Kenya welcomes the deregulated market and the challenges which it poses. We believe that TOTAL is well equipped to react to changing conditions of cost structure or market demand.

Major projects, such as construction of an LPG import facility at Mombasa, are due to commence in 1995 and will ensure that TOTAL can meet the needs of the market place without constraints. Furthermore we believe TOTAL has products such as the MEKO and the QUARTZ range of lubricants which, combined with the quality of our service, justify our new slogan "The Right Price" and that customers will continue to come to TOTAL by choice.

In conclusion, it is my pleasure to add that the Management and Staff of your Company are a team of which we can all be proud and your Board of Directors takes this opportunity to commend them for all their tireless efforts to make TOTAL Kenya the best Company in the industry.

J L Harmel
Chairman

Nairobi
13 March 1995

TOTAL KENYA LIMITED

TAARIFA YA MWENYEKITI KWA WENYEHISA

Mabibi na Mabwana,

Kwanza ningependa kuwakaribisha nyote kwa ukarimu kwenye mkutano huu wetu wa kila mwaka, wa mwaka wa arobaini na moja.

Katika mkutano wetu wa mwaka jana niliwajulisha kwamba matokeo ya kampuni yetu ya mwaka wa 1993 yalikuwa ya kipekee, na kwamba mwaka wa 1994 ungekuwa mwaka wa mabadiliko, pamoja na kuondolewa kwa usimamizi wa bei na serekali kulikotanguliwa na kupunguka kwa viwango vyetu vya faida na uongezaji wa kodi za mafuta.

Serikali iliondolea mbali usimamizi wake wa bei za mafuta mnamo mwezi wa Novemba mwaka jana, na hadi wakati huo viwango vya faida vilikuwa vimepungua sana kwa miezi kadhaa.

Mwaka wa 1994 pia ulishuhudia mabadiliko makubwa ya kile kilichofanya mwaka wa 1993 kuwa mwaka wa kipekee, yaani kuzidi kwa thamani ya bidhaa za mafuta kutokana na pesa zetu zikilinganishwa na pesa za kigeni za dollar za Merikani.

Kupungua kwa viwango vya faida na kupungua kwa thamani ya bidhaa za mafuta, yalikuwa mambo ambayo hayakutawaliwa na kampuni za mafuta nchini. Hivi pamoja na viwango vya juu vya riba vilikuwa vitu muhimu vilivyodhuru mapato ya faida ya kampuni ya TOTAL Kenya.

Wasimamizi wa kampuni yetu kawakukaa bure wakati huu wa hali ya tabu kibiashara. Matayarisho ya juhudi yalifanywa kujitayarisha kwa kuondolewa mbali kwa usimamizi wa serikali wa bei za mafuta, na mipango ya utaratibu ilibunishwa kuthibitisha kwamba njia zote za matumizi zimesimamiwa vyema hivi kwamba kila shughuli ya kampuni yetu inaleta faida.

Wakati huo wa matatizo haya yote, ilionelewa kwamba hakungeweza kuwa na mgawo wa kwanza wa faida. Wakurugenzi wa kampuni yetu, baada ya kutia maanani kupungua kwa viwango vya faida wameamua kupendekeza kuwe na mgawo wa kwanza na wa mwisho wa faida wa shilingi 1.70 kwa kila hisa kwa mwaka wa 1994. Ikiwa pendekezo hili mtalikuwali, wenye hisa watatumiwa migawo yao ya faida kwa njia ya posta mnamo tarehe 12 Aprili mwaka huu. Daftari ya hisa itafungwa kuanzia tarehe 30 Machi hadi tarehe 11 Aprili 1995 ili kuwezesha malipo kukamilishwa.

Matazamio ya mwaka huu wa 1995 yanabashiriwa kuwa ya mafanikio kulingana na matayarisho na juhudi zilizotekelezwa na kampuni yetu. TOTAL Kenya inakaribisha mipango mipya ya kibiashara isiyo na usimamizi wa serikali wa bei, pamoja na mashindano ya kibiashara yanayotarajiwa. Tuna hakika kwamba TOTAL imejitayarisha kishupavu kupambana na mabadiliko ya mipango ya bei au mahitaji yoyote ya biashara za mafuta.

Mipango muhimu, kama ujenzi wa mabomba na matangi huko Mombasa, ya kupokelea gesi ya kupikia, itanza mwaka huu na hii itahakikisha kwamba TOTAL inaweza kutosheleza mahitaji ya wateja bila matatizo yoyote. Ikizidi tanaamini kwamba TOTAL ina bidhaa kama MEKO na safu mpya ya mafuta ya QUARTZ, na hizi pamoja na huduma yetu ya hali ya juu kwa wateja wetu, vinathibitisha wito wetu mpya "Bei Sawa", na kwamba wateja wataendelea kuja TOTAL kwa kupenda kwao wenyewe.

Kwa kumalizia, nina furaha kuongeza kwamba wasimamizi na wafanyi kazi wa kampuni yetu ni timu ambayo sote tunapaswa kujivunia, na Wakurugenzi wa kampuni yetu wanachukua fursa hii kuwapongeza kwa juhudi zao zinazoendelea kuifanya TOTAL kuwa kampuni bora zaidi katika biashara ya kuuza mafuta.

J L Harmel
Mwenyekiti

Nairobi
13 Machi 1995

TOTAL KENYA LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 1994.

ACTIVITY

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

RESULTS

The results for the year ended 31 December 1994 are as follows:

	1994 Shs '000
Profit after taxation	117,742
Dividend (gross)	47,600
	<hr/>
Retained profit for the year transferred to reserves	70,142
	<hr/>

DIVIDENDS

The Directors recommend a first and final dividend of Shs 1.70 (1993-Shs 13) per share for the year ended 31 December 1994

DIRECTORS

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

In accordance with Article 97 of the Articles of Association of the Company Miss V Sergeant retires by rotation and, being eligible, offers herself for re-election at the 41st 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
13 March 1995



AUDITORS' REPORT TO THE MEMBERS OF TOTAL KENYA LIMITED

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

The financial statements are the responsibility of the directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the directors, and evaluating the overall financial statement presentation.

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 company's state of affairs at 31st December 1994 and of its profit and cash flows for the year ended on that date.

Nairobi
13 March 1995

TOTAL KENYA LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 1994

	Notes	1994 Shs '000	1993 Shs '000
Turnover			
Gross	1 (g)	8,811,368	8,054,544
Indirect taxes and duties		<u>2,423,141</u>	<u>1,800,262</u>
Net		<u>6,388,227</u>	<u>6,254,282</u>
Profit before Taxation	2	212,835	827,120
Taxation	3	<u>95,093</u>	<u>286,564</u>
Profit after Taxation		117,742	540,556
Dividends (gross)	4	<u>47,600</u>	<u>364,000</u>
Retained and Transferred to Reserves	10	<u>70,142</u>	<u>176,556</u>
Earnings per Share (Shs)	5	<u>4.21</u>	<u>19.30</u>

TOTAL KENYA LIMITED

BALANCE SHEET 31 December 1994

	Notes	1994 Shs '000	1993 Shs '000
Fixed Assets	6	464,207	325,767
Long Term Debtors and Prepayments	7	53,454	44,911
Current Assets			
Inventories	8	948,163	1,300,445
Debtors		958,496	576,726
Due from related companies		30,234	40,801
Product loans		22,586	108,878
Short term deposits		2,000	2,000
Bank balances and cash		250,252	140,200
		<u>2,211,731</u>	<u>2,169,050</u>
Current Liabilities			
Bank overdraft		1,315,443	711,058
Creditors		461,362	464,048
Bills discounted		10,331	-
Due to holding company		78,504	313,398
Due to related companies		4,134	18,749
Product loans		139,777	124,239
Taxation		2,239	224,376
Proposed dividend (gross)		47,600	84,000
		<u>2,059,390</u>	<u>1,939,868</u>
Net Current Assets		152,341	229,182
		<u>670,002</u>	<u>599,860</u>
Financed by:			
Share capital	9	140,000	140,000
Reserves	10	530,002	459,860
Shareholders' Funds		<u>670,002</u>	<u>599,860</u>

The financial statements on pages 9 to 17 were approved by the Board of Directors on 13 March 1995 and were signed on its behalf by:

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

TOTAL KENYA LIMITED

CASHFLOW STATEMENT Year ended 31 December 1994

	Notes	1994 Shs '000	1993 Shs '000
Net cash inflow from operating activities	13A	449,654	703
Returns on investments and servicing of finance			
Interest received		12,640	6,463
Interest paid		(382,609)	(104,452)
Dividends paid		(84,000)	(392,000)
Net cash outflow from investments and servicing of finance		(453,969)	(489,989)
Taxation paid		(317,230)	(101,681)
Investing activities			
Purchase of fixed assets		(173,923)	(86,844)
Proceeds on sale of fixed assets		1,135	4,074
Net cash outflow from investing activities		(172,788)	(82,770)
Decrease in cash and cash equivalents	13B	(494,333)	(673,737)

TOTAL KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 1994

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.

g) Turnover

Gross turnover represents amounts invoiced to customers.

TOTAL KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 1994

	1994 Shs '000	1993 Shs '000
2. Profit before Taxation		
The profit before taxation is arrived at after charging:		
Directors' emoluments		
Fees	27	27
Other	2,171	1,555
	<hr/> 2,198	<hr/> 1,582
Depreciation	35,279	28,846
Auditors' remuneration	2,000	1,570
Unrealised exchange loss (net)	28,210	-
Realised exchange loss (net)	87,633	-
and after crediting:		
Unrealised exchange gain (net)	-	16,824
Realised exchange gain (net)	-	84,401
	<hr/> <hr/>	<hr/> <hr/>
3. Taxation		
Current Taxation:		
Income tax at 35% (1993 - 35%)	80,189	286,564
Drought levy 2.5%	5,727	-
Underprovision in prior years	9,177	-
	<hr/> 95,093	<hr/> 286,564
	<hr/> <hr/>	<hr/> <hr/>
The chargeable income is higher than the profit before taxation mainly due to unrealised foreign exchange losses and retirement benefit scheme contributions disallowed for tax purposes		
4. Dividends - Gross		
No interim dividend was paid in 1994 (1993-Shs 10 per share)	-	280,000
The directors recommend a final dividend of Shs 1.70 (1993-Shs 3) per share payable on 12 April 1995	47,600	84,000
	<hr/> 47,600	<hr/> 364,000
	<hr/> <hr/>	<hr/> <hr/>

5. Earnings per Share

Earnings per share are calculated on the profit after taxation of Shs 117,742,000 (1993 - Shs 540,556,000) and 28,000,000 issued shares.

TOTAL KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 1994

6. 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 1994	8,800	42,607	135,565	242,023	36,768	465,763
Additions	-	8,700	23,232	131,173	10,818	173,923
Disposals	-	-	-	(954)	-	(954)
31 December 1994	8,800	51,307	158,797	372,242	47,586	638,732
Analysed as:						
At cost	1,700	13,396	109,600	274,358	43,357	442,411
At valuation	7,100	37,911	49,197	97,884	4,229	196,321
	8,800	51,307	158,797	372,242	47,586	638,732
Depreciation						
1 January 1994	-	14,187	13,164	91,235	21,410	139,996
Charge for the year	-	1,389	3,410	24,466	6,014	35,279
Disposals	-	-	-	(750)	-	(750)
31 December 1994	-	15,576	16,574	114,951	27,424	174,525
Net Book Value						
31 December 1994	8,800	35,731	142,223	257,291	20,162	464,207
31 December 1993	8,800	28,420	122,401	150,788	15,358	325,767

Included in fixed assets is capital work in progress amounting to Shs 88,340,089 (1993 - Shs 43,658,590).

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 1994

6. 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 1994	32,500	25,934	128,538	186,972
Additions	2,736	5,027	24,169	31,932
31 December 1994	35,236	30,961	152,707	218,904
Depreciation				
1 January 1994	1,579	2,875	22,897	27,351
Charge for the year	282	486	4,031	4,799
31 December 1994	1,861	3,361	26,928	32,150
Net Book Value				
31 December 1994	33,375	27,600	125,779	186,754
31 December 1993	30,921	23,059	105,641	159,621

TOTAL KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 1994

				1994	1993
				Shs '000	Shs '000
7. Long Term Debtors and Prepayments					
Receivable within a year				3,393	3,450
Receivable after more than a year				50,061	41,461
				<u>53,454</u>	<u>44,911</u>
8. Inventories					
Raw materials				117,474	200,963
Refined products				584,760	944,718
Consumables				245,929	154,764
				<u>948,163</u>	<u>1,300,445</u>
9. 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>
10. Reserves					
	Share Premium Shs '000	Non- distributable Revaluation Surplus Shs '000	Sub-Total Shs '000	Distributable Retained Profit Shs '000	Total Reserves Shs '000
At 1 January 1994	30,487	61,022	91,509	368,351	459,860
Transfer	-	(6,274)	(6,274)	6,274	-
Retained profit for the year	-	-	-	70,142	70,142
	<u>30,487</u>	<u>54,748</u>	<u>85,235</u>	<u>444,767</u>	<u>530,002</u>
At 31 December 1994	30,487	54,748	85,235	444,767	530,002
The transfer from revaluation surplus to retained profits represents the excess depreciation charged as a result of the revaluation.					
				1994	1993
				Shs '000	Shs '000
11. Capital Commitments					
Capital commitments at year end for which no provision has been made in these financial statements:					
Contracted				39,789	54,786
Authorised by the Directors but not contracted				<u>373,100</u>	<u>200,900</u>
12. Contingent Liabilities					
Guarantees and bonds in respect of customs and excise duties				499,306	341,000

TOTAL KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 1994

	1994 Shs '000	1993 Shs '000
13A. Reconciliation of profit before taxation to net cash inflow from operating activities		
Profit before taxation	212,835	827,120
Depreciation	35,279	28,846
Profit on sale of fixed assets	(931)	(2,852)
Decrease/(increase) in inventories	352,282	(574,013)
Increase in debtors	(381,770)	(41,631)
Increase/(decrease) in product loans	101,830	(88,443)
Decrease in creditors	(2,686)	(386,133)
Increase/(decrease) in bills discounted	10,331	(100,000)
(Decrease)/increase in balance due to holding and related companies	(238,942)	248,532
Increase in long term debtors	(8,543)	(8,721)
Interest income	(12,640)	(6,454)
Interest expense	382,609	104,452
	<u>449,654</u>	<u>703</u>
13B. Decrease in cash and cash equivalents		
Short term deposits	-	(30,000)
Bank balances and cash	110,052	67,321
Bank overdraft	(604,385)	(711,058)
	<u>(494,333)</u>	<u>(673,737)</u>

CMAA

CMAA

TOTAL KENYA LIMITED



Total underlined its market leadership in the motor sector with the sponsorship of Kenya's first indoor and biggest ever motorshow. The Total stand was an exact replica of a Project Premier station, elegantly decorated with displays of lubricants and meko, and featuring continuous video programmes on the company and its products.



Total maintained its commitment to unrivalled technical excellence with introduction of the quartz range of engine oils in three grades, including the premier quartz 7000 which is the highest quality multigrade oil ever marketed in Kenya. All quartz oils come in elegant and innovative new packaging.

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
Tuesday, 11 April 1995 at the French Cultural Centre, Theatre Room, Nairobi and at any adjournment thereof.

Signed this day of 1995.

Notes: 1. This proxy is to be delivered to the Company's registered office not later than 3.00 p.m. on Friday, 7 April
1995 failing which it will be invalid.

2. In case of a Corporation, the proxy must be under its Common Seal.

