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TOTAL KENYA LIMITED

SUMMARY OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

STATEMENT OF FINANCIAL POSITION

AS AT	31 Dec 2014 Kshs'000'	31 Dec 2013 Kshs'000'
ASSETS		
Non - current assets		
Property, plant and equipment, prepaid operating leases and intangible assets	9,421,861	9,160,770
Goodwill	416,679	416,679
Deferred tax asset	463,123	369,452
Total non-current assets	**10,301,663**	**9,946,901**
Current assets		
Inventories	11,159,064	14,953,214
Trade and other receivables	10,582,108	10,104,545
Cash and cash equivalents	498,965	4,979,505
Total current assets	**22,240,137**	**30,037,264**
TOTAL ASSETS	**32,541,800**	**39,984,165**
EQUITY AND LIABILITIES		
Equity		
Share capital	9,974,771	9,974,771
Share premium	1,967,520	1,967,520
Retained earnings	4,483,132	3,436,769
Total equity	**16,425,423**	**15,379,060**
Non-current liabilities		
Trade and other payables	1,192,167	1,117,028
Current liabilities		
Trade and other payables	7,583,792	20,993,447
Short term borrowings	7,340,418	2,494,630
Total current liabilities	**14,924,210**	**23,488,077**
TOTAL EQUITY AND LIABILITIES	**32,541,800**	**39,984,165**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED	31 Dec 2014 Kshs'000'	31 Dec 2013 Kshs'000'
Gross sales	170,725,560	154,626,092
Indirect taxes and duties	(15,623,868)	(12,908,050)
Net sales	**155,101,692**	**141,718,042**
Cost of sales	(148,351,545)	(135,371,011)
Gross profit	**6,750,147**	**6,347,031**
Other income	487,693	456,621
Operating expenses	(4,548,854)	(4,323,842)
Finance income	8,541	7,153
Finance costs	(272,336)	(278,695)
Net foreign exchange loss	(149,186)	(123,751)
Profit before tax	**2,276,005**	**2,084,517**
Tax charge	(851,917)	(772,240)
Profit for the year	**1,424,088**	**1,312,277**
Other comprehensive income, net of tax	**-**	**-**
Total comprehensive income for the year	**1,424,088**	**1,312,277**
Earnings per share (basic and diluted) (Kshs)	2.26	2.08

COMMENTS

The company recorded good performance for the year ended 31 December 2014, in line with the Board projections.

Sales volumes increased by 8.5% from 1,491 KMT in 2013 to 1,618 KMT in 2014. This increase was attributable to increased sales to other Oil Marketing Companies (OMCs) after the company continued to win several contracts to supply the industry with refined products under the Open Tender System (OTS) agreement, increased sales in Network, General Trade and Lubricants channels. Due to this continued good performance, the company was able to retain inland market leadership position in 2014.

Net sales increased by 9.4% mainly as a result of the increase in sales volumes while cost of sales increased by 9.6%. The company recorded a 6.4% growth in gross profit from Kshs 6.35 billion in 2013 to Kshs 6.75 billion in 2014.

Other income increased by Kshs 31 million as a result of increase in rents and commissions. Operating expenses remained relatively stable and increased by 5.2% (Kshs 225 million) attributable to general annual inflation for 2014 and higher depreciation resulting from new investments in property, plant and equipment. Finance expenses also remained controlled at Kshs 272 million (2013: Kshs 279 million).

Profit before tax of Kshs 2.28 billion (2013: Kshs 2.08 billion) was realized. Net profit for the year was Kshs 1.42 billion (2013: Kshs 1.31 billion).

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED	31 Dec 2014 Kshs'000'	31 Dec 2013 Kshs'000'
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in)/generated from operations	(5,659,873)	8,333,638
Tax paid	(1,423,566)	(459,283)
Net cash (used in)/ generated from operating activities	**(7,083,439)**	**7,874,355**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, prepaid operating leases and intangible assets	(1,446,669)	(1,339,977)
Proceeds on disposal of property, plant and equipment	34,316	27,301
Interest received	8,541	7,153
Net cash used in investing activities	**(1,403,812)**	**(1,305,523)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(272,336)	(278,695)
Dividends paid	(375,932)	(126,661)
Net cash used in financing activities	**(648,268)**	**(405,356)**
Net (decrease)/ increase in cash and cash equivalents	**(9,135,519)**	**6,163,476**
CASH AND CASH EQUIVALENTS		
As at 1 January	**2,484,875**	**(3,661,480)**
Effect of exchange rate changes on cash and cash equivalents	**(190,809)**	**(17,121)**
As at 31 December	**(6,841,453)**	**2,484,875**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 December 2014	Share Capital Kshs'000'	Share Premium Kshs'000'	Retained Earnings Kshs'000'	Total Equity Kshs'000'
As at 1 January 2013	**9,974,771**	**1,967,520**	**2,250,385**	**14,192,676**
Dividends declared - 2012	-	-	(125,893)	(125,893)
Profit for the year	-	-	1,312,277	1,312,277
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,312,277	1,312,277
As at 31 December 2013	**9,974,771**	**1,967,520**	**3,436,769**	**15,379,060**
As at 1 January 2014	**9,974,771**	**1,967,520**	**3,436,769**	**15,379,060**
Dividends declared - 2013	-	-	(377,725)	(377,725)
Profit for the year	-	-	1,424,088	1,424,088
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,424,088	1,424,088
As at 31 December 2014	**9,974,771**	**1,967,520**	**4,483,132**	**16,425,423**

The company maintained a very strong statement of financial position recording a growth in net assets by 6.8% from Kshs 15.38 billion in 2013 to Kshs 16.43 billion in 2014.

Investments totalling Kshs 1.45 billion were made in the year compared to Kshs 1.34 billion in 2013, representing an increase of 8.2% in line with the strategy to develop the business and safety standards.

OUTLOOK

The macroeconomic environment remained stable over the year under review and the Board is optimistic that this will persist in 2015. However, stability of petroleum refined products prices may continue to be affected as experienced in the last quarter of 2014 and first quarter of 2015. It is on the premise of stable macroeconomic environment and expected return on planned investments that the Board has guarded confidence that the company will continue to perform well in line with the growth strategy put in place.

PROPOSED DIVIDEND

In view of the good performance of the company and the continued need to invest in all business segments and safety improvements, the Directors are recommending for approval at the Annual General Meeting the payment of a first and final dividend of Kshs 0.70 (2013: Kshs 0.60) per share for the year ended 31 December 2014, payable to shareholders on the register of members at the close of business on 12 June 2015, subject to withholding tax where applicable.

ANNUAL GENERAL MEETING

The 61st Annual General Meeting of Total Kenya Limited will be held on 12 June 2015

CLOSURE OF THE SHARE REGISTER

Subject to shareholders' approval at the 61st Annual General Meeting, the share register will be closed on 12 June 2015 for the purpose of dividend calculation.

By order of the Board

Ada EZE
Managing Director
March 31, 2015

TOTAL KENYA
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Celebrating 60 Years of Service