

TOTAL KENYA PLC

SUMMARY OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

STATEMENT OF FINANCIAL POSITION

AS AT	31 Dec 2020	31 Dec 2019
	Kshs'000	Kshs'000
ASSETS		
Non-current assets		
Property, plant and equipment and intangible assets	11,253,669	11,056,001
Right-of-use of assets	1,672,470	1,885,342
Goodwill	416,679	416,679
Deferred tax asset	308,343	377,462
Total non-current assets	13,651,161	13,735,484
Current assets		
Inventories	6,436,314	6,668,240
Tax recoverable	-	34,242
Trade and other receivables	11,833,785	11,326,753
Amounts due from related companies	1,449,598	1,494,073
Cash and cash equivalents	9,591,950	4,281,548
Total current assets	29,311,647	23,804,856
Non-current assets classified as held for sale	24,364	24,364
TOTAL ASSETS	42,987,172	37,564,704
EQUITY AND LIABILITIES		
Equity		
Share capital	9,974,771	9,974,771
Share premium	1,967,520	1,967,520
Retained earnings	14,918,006	12,439,879
Total equity	26,860,297	24,382,170
Non-current liabilities		
Lease liability	848,908	1,055,509
Trade and other payables	990,838	1,069,997
	1,839,746	2,125,506
Current liabilities		
Tax payable	36,748	-
Lease liability	311,096	284,044
Trade and other payables	11,939,415	6,981,726
Amounts due to holding company	1,725,080	2,398,488
Amounts due to related companies	274,790	644,183
Short term borrowings	-	748,587
Total current liabilities	14,287,129	11,057,028
TOTAL EQUITY AND LIABILITIES	42,987,172	37,564,704

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED	31 Dec 2020	31 Dec 2019
	Kshs'000	Kshs'000
Gross sales	97,351,821	143,990,455
Indirect taxes and duties	(31,920,643)	(32,113,529)
Net sales	65,431,178	111,876,926
Cost of sales	(56,374,062)	(103,266,119)
Gross profit	9,057,116	8,610,807
Other income	1,902,801	1,496,356
Operating expenses	(6,179,802)	(6,181,277)
Net allowance for expected credit losses	62,050	(27,193)
Finance income	243,660	272,967
Finance costs	(157,482)	(183,808)
Net foreign exchange loss	(143,769)	(106,484)
Profit before tax	4,784,574	3,881,368
Tax charge	(1,488,042)	(1,346,836)
Profit for the year	3,296,532	2,534,532
Other comprehensive income, net of tax	-	-
Total comprehensive income for the year	3,296,532	2,534,532
Earnings per share (basic and diluted) (Kshs)	5.24	4.03

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED	31 Dec 2020	31 Dec 2019
	Kshs'000	Kshs'000
Operating profit before working capital changes	6,317,283	5,486,726
Decrease in inventories	291,405	3,366,965
Increase in trade and other receivables	(400,505)	(2,427,678)
Increase/(decrease) in trade and other payables	3,906,522	(5,500,648)
Legal provisions paid	(40,500)	(67,553)
Working capital changes	3,756,922	(4,628,914)
Cash generated from operations	10,074,205	857,812
Tax paid	(1,347,934)	(1,132,933)
Net cashflows from operating activities	8,726,271	(275,121)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,720,276)	(2,010,964)
Proceeds on disposal of property, plant and equipment	5,300	25,372
Interest received	243,660	272,967
Net cash used in investing activities	(1,471,316)	(1,712,625)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest expense on borrowings	(57,298)	(75,046)
Lease liability payments - principal	(203,917)	(253,486)
Lease liability payments - interest	(75,817)	(28,635)
Dividends paid	(818,405)	(818,405)
Net cash used in financing activities	(1,155,437)	(1,175,572)
Net increase/(decrease) in cash and cash equivalents	6,099,518	(3,163,318)
Effect of exchange rate changes on cash and cash equivalents	(40,529)	(2,899)
Cash and cash equivalent as at 1 January	3,532,961	6,699,178
Cash and cash equivalent as at 31 December	9,591,950	3,532,961

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED	Share capital	Share premium	Retained earnings	Total equity
31 DECEMBER 2020	Kshs'000	Kshs'000	Kshs'000	Kshs'000
As at 1 January 2019	9,974,771	1,967,520	10,723,752	22,666,043
Dividends declared - 2018	-	-	(818,405)	(818,405)
Profit for the year	-	-	2,534,532	2,534,532
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,534,532	2,534,532
As at 31 December 2019	9,974,771	1,967,520	12,439,879	24,382,170
As at 1 January 2020	9,974,771	1,967,520	12,439,879	24,382,170
Dividends declared - 2019	-	-	(818,405)	(818,405)
Profit for the year	-	-	3,296,532	3,296,532
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	3,296,532	3,296,532
As at 31 December 2020	9,974,771	1,967,520	14,918,006	26,860,297

The above statement of financial position, statement of profit and loss and other comprehensive income, statement of cash flows and statement of changes in equity are extracts from the Company's financial statements as audited by Ernst & Young LLP.

COMMENTARY

The business environment faced extremely challenging circumstances in 2020 resulting from Covid-19 pandemic which negatively impacted all aspects of the world economy, putting pressure on consumer expenditure and adversely impacting the operating environment. The Kenya Government instituted measures to curb the spread which were relaxed later in the year.

The Company realized exceptional result and positive cashflows demonstrating its resilience to the exceptionally difficult and challenging environment with a profit after tax of Kshs 3,297 million (2019: Kshs 2,535 million). This performance resulted from the effective action plans put in place by the board and management from the start of the pandemic. They included; optimization of fuel stocks, diversification of revenues and prudent management of operating expenses.

The Company recorded an increase in gross margins to Kshs 9,057 million (2019: Kshs 8,611 million) mainly driven by efficient and effective management of inventories and growth in lubricant and Liquefied Petroleum Gas (LPG) revenues.

Other income increased to Kshs 1,903 million (2019: Kshs 1,496 million) mainly resulting from the continued investments in Shop, Food and Services (SFS), rental income from partnership with third parties and sundry income coming from VAT relief received in the year.

Operating expenses have been controlled at the same level as last year. Net finance income of Kshs 86 million resulted from positive cash position in Kenya shillings emanating from better working capital management.

The foreign exchange loss increased to Kshs 144 million (2019: Kshs 106 million). The loss is attributable to the valuation of liabilities in foreign currency impacted by the depreciation of the Shilling against the US Dollar in the period.

The Company's statement of financial position remained strong with assets of Kshs 42.99 billion (2019: Kshs 37.56 billion). The Company invested Kshs 1,720 million (2019: Kshs 2,010 million) in line with the business strategy to enhance safety standards in our operations and continue to develop profitable business lines.

FUTURE OUTLOOK

The environment remains challenging due to the uncertainty of the Covid-19 pandemic related impacts and the speed of economic recovery post the pandemic. The Company's priority is to generate a level of cashflows that allows it to continue to invest in profitable projects, to preserve an attractive shareholder return and maintain a strong balance sheet. The Company will continue to focus on safety, operational excellence and cash flow generation while mitigating challenges caused by the impacts of Covid-19 pandemic.

PROPOSED DIVIDENDS

The Directors recommend payment of a first and final dividend of Kshs 1.57 per share for the year ended 31st December 2020 (2019: Kshs 1.30) payable on or around 30th July 2021, subject to shareholders' approval at the 67th Annual General Meeting.

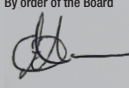
ANNUAL GENERAL MEETING

The 67th Annual General Meeting of Total Kenya Plc will be held via electronic means on 25 June 2021.

CLOSURE OF THE SHARE REGISTER

Subject to shareholders' approval at the Annual General Meeting, the share register will be closed for one day at the close of business on 25th June 2021 for the purpose of dividend calculation.

By order of the Board


Olagoke ALUKO
Managing Director
March 31, 2021

