



BLANTYRE HOTELS PLC

SUMMARISED SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

a) SUMMARY STATEMENT OF FINANCIAL POSITION

	Unaudited 6 months ended 30 June 2024	Unaudited 6 months ended 30 June 2023 (restated)	Audited 12 months ended 31 December 2023
	K'000	K'000	K'000
ASSETS			
Non-current assets			
Property and equipment	12,450,501	9,220,596	10,361,837
Intangible assets	5,519	10,388	7,467
Investment	<u>7,087,123</u>	<u>3,942,842</u>	<u>3,842,240</u>
Total non-current assets	19,543,143	13,173,826	14,211,544
Current assets			
Inventories	396,387	306,283	399,038
Trade and other receivables	1,047,304	668,056	492,936
Tax recoverable	139,055	98,566	112,767
Cash and cash equivalents	<u>579,648</u>	<u>925,757</u>	<u>612,253</u>
Total current assets	2,162,394	1,998,662	1,616,994
Total assets	21,705,537	15,172,488	15,828,538
EQUITY AND LIABILITIES			
Equity			
Share capital	41,988	41,988	41,988
Share premium	1,340,153	1,340,153	1,340,153
Revaluation reserve	7,972,653	5,691,059	6,490,204
Retained earnings / (Accumulated Loss)	<u>(1,733,768)</u>	<u>(399,192)</u>	<u>(986,994)</u>
Total equity	7,621,026	6,674,008	6,885,351
Liabilities			
Non-current liabilities			
Deferred tax	2,953,764	1,916,518	2,076,508
Loan and Borrowings	6,046,927	1,888,880	2,045,056
Total non-current liabilities	9,000,691	3,805,398	4,121,564
Current liabilities			
Trade and other payables	878,290	971,659	771,137
Loan and Borrowings	3,978,956	3,721,423	4,050,486
Bank Overdraft	107,047	-	-
Amount due to related parties	<u>119,527</u>	<u>-</u>	<u>-</u>
Total current liabilities	5,083,820	4,693,082	4,821,623
Total liabilities	14,084,511	8,498,480	8,943,187
Total equity and liabilities	21,705,537	15,172,488	15,828,538

b) SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months ended 30 June 2024	Unaudited 6 months ended 30 June 2023 (restated)	Audited 12 months ended 31 December 2023
	K'000	K'000	K'000
Revenue	3,555,162	2,189,761	4,617,375
Cost of sales	<u>(1,116,379)</u>	<u>(803,169)</u>	<u>(2,011,410)</u>
Gross profit	2,438,783	1,386,592	2,605,965
Other income	13,545	-	26,016
Selling and administration expenses	<u>(1,887,527)</u>	<u>(1,027,685)</u>	<u>(2,385,388)</u>
Impairment loss	<u>(4,100)</u>	<u>(2,036)</u>	<u>(4,567)</u>
EBITDA	560,701	356,871	242,026
Depreciation and amortisation	<u>(153,573)</u>	<u>(94,266)</u>	<u>(254,811)</u>
Profit / (Loss) from operating activities	407,128	262,605	(12,785)
Net finance cost	<u>(883,639)</u>	<u>(541,373)</u>	<u>(929,913)</u>
Share of profit in associate	<u>(38,857)</u>	<u>35,171</u>	<u>(74,594)</u>
Loss before Taxation	<u>(515,368)</u>	<u>(243,597)</u>	<u>(1,017,292)</u>
Taxation	<u>(265,532)</u>	<u>113,370</u>	<u>224,530</u>
Loss for the period	(780,900)	(130,227)	(792,762)
Other comprehensive Income (net of tax)	<u>1,516,575</u>	<u>-</u>	<u>873,878</u>
Total Comprehensive Income for the period	735,675	(130,227)	81,116
Shares in issue	839,750	839,750	839,750
Loss per share (in tambala)	(93)	(16)	(94)

c) SUMMARY STATEMENT OF CHANGES IN EQUITY

	Unaudited 6 months ended 30 June 2024	Unaudited 6 months ended 30 June 2023 (restated)	Audited 12 months ended 31 December 2023
At the beginning of the period			
	6,885,351	6,804,235	6,804,235
Loss for the period	<u>(780,900)</u>	<u>(130,227)</u>	<u>(792,762)</u>
Total other comprehensive income	<u>1,516,575</u>	<u>-</u>	<u>873,878</u>
At the end of the period	7,621,026	6,674,008	6,885,351

d) SUMMARY STATEMENT OF CASHFLOWS

	Unaudited 6 months ended 30 June 2024	Unaudited 6 months ended 30 June 2023 (restated)	Audited 12 months ended 31 December 2023
	K'000	K'000	K'000
Cash flows from operating activities			
Cash generated from / (used in) operations	232,390	336,594	(39,360)
Interest paid	<u>(446,167)</u>	<u>(36,391)</u>	<u>(1,214,423)</u>
Tax paid	<u>(26,288)</u>	<u>-</u>	<u>(14,201)</u>
Net cash (used in)/generated from operating activities	<u>(240,065)</u>	<u>300,203</u>	<u>(1,267,984)</u>
Other cashflows			
Purchase of property and equipment	<u>(111,992)</u>	<u>(57,724)</u>	<u>(211,561)</u>
Finance income	<u>18,887</u>	<u>-</u>	<u>418,299</u>
Net cash generated from financing activities	<u>193,518</u>	<u>-</u>	<u>990,221</u>
Net other cashflows	100,413	(57,724)	1,196,959
Net (decrease)/increase in cash and cash equivalents	(139,652)	242,479	(71,025)
Cash and cash equivalents at the beginning of the year	<u>612,253</u>	<u>683,278</u>	<u>683,278</u>
Cash and cash equivalents at the end of the period	472,601	925,757	612,253

Publication Commentary

Overview of the results

Total revenue for the six months period ended 30 June 2024 was K3.6 billion which was 62% higher than the revenue realised same period last year. Occupancy rate averaged 51% in the period, which is the same as reported in the previous period.

Cost of sales increased by 39% from K803 million to K1.1 billion in the period due to the increase in general prices of goods and services. Selling and administration expenses increased by 84% with notable increases in staff costs and hotel management fees. Selling and Administration expenses also include capital raising costs of MK149 million for the Lilongwe Hotel project which were not incurred during same period last year. Staff costs increased mainly because of the cost-of-living adjustments made as a result of the devaluation of the Malawi Kwacha towards the end of 2023 whose major impact was felt in the first half of 2024.

The hotel registered earnings before interest, taxes, depreciation and amortisation (EBITDA) of K561 million against the restated amount of K357 million in the prior period. Profit from operating activities increased by 55% to K407 million from K263 million for the prior period. After assessing the recoverability of the deferred tax asset, certain adjustments have been made which have resulted in higher income tax expense of K266 million compared to income tax credit of K133 million in the previous corresponding period. The company incurred finance charges of K908 million relating to the Lilongwe Project resulting in a loss of K781 million (2023: restated loss of K130 million). Note that prior period amounts have been restated in order to be consistent with the treatment of Lilongwe Project lease rentals in the audited results for the year ended 31 December 2023.

Prospects

Prospects for the second half of the year appear promising, we expect continued business growth.

Lilongwe Hotel Project

The second phase of the project pertaining to installations is in progress. Negotiations are at an advanced stage with various lenders for loan facilities of up to US\$15 million out of which the company has secured US\$6 million to fastrack the project. The planned rights issue is on course. As at the time of issuing this report, notice of an Extra Ordinary General meeting to consider resolutions for the rights issue offering had been sent to shareholders.

Dividends

The Board resolved not to pay an interim dividend due to the current performance of the company.

Approval of the financial statements

The summarized financial statements for the half year to 30 June 2024 were approved by the board on 25 September 2024.

R Scharar
Director

E A Malion
Director