



BLANTYRE HOTEL PLC

SUMMARISED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2020

SUMMARY STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited Consolidated 31-Mar-20 K'000	Audited Consolidated 30-Sep-19 K'000	Unaudited Separate 31-Mar-20 K'000	Unaudited Separate 31-Mar-19 K'000	Audited Separate 30-Sep-19 K'000
Revenue	1,746,512	4,065,765	1,746,512	1,992,558	4,065,765
Cost of sales	(807,780)	(1,739,738)	(807,780)	(872,315)	(1,739,738)
Gross profit	938,732	2,326,027	938,732	1,120,243	2,326,027
Other income	9,825	15,177	9,825	4,743	15,177
Selling and administrative expenses	(858,708)	(1,714,013)	(823,090)	(853,263)	(1,676,625)
Profit from operating activities	89,849	627,191	125,467	271,723	664,579
Net finance income	22,908	69,284	19,121	27,371	34,825
Profit before taxation	112,757	696,475	144,588	299,094	699,404
Taxation	(42,745)	(229,778)	(52,294)	(103,228)	(230,657)
Profit for the year	70,012	466,697	92,294	195,866	468,747
Other comprehensive (loss)/income (net of income tax)	-	(3,092)	-	-	(3,092)
Total comprehensive income for the year	70,012	463,605	92,294	195,866	465,655
Shares in issue (thousands)	839,750	839,750	839,750	839,750	839,750
Earnings per share (in tambala)	8	56	10	23	56

SUMMARY STATEMENTS OF FINANCIAL POSITION

	Unaudited Consolidated 31-Mar-20 K'000	Audited Consolidated 30-Sep-19 K'000	Unaudited Separate 31-Mar-20 K'000	Unaudited Separate 31-Mar-19 K'000	Audited Separate 30-Sep-19 K'000
ASSETS					
Non-current assets					
Property and equipment	8,431,339	8,398,120	7,354,347	7,540,045	7,434,600
Intangible assets	1,860	3,278	1,860	5,129	3,278
Investment in subsidiary	-	-	77,500	-	77,500
Total non-current assets	8,433,199	8,401,398	7,433,707	7,545,174	7,515,378
Current assets					
Inventories	380,212	349,208	380,212	367,561	349,208
Trade and other receivables	357,735	313,721	304,469	355,907	313,721
Cash and cash equivalents	794,152	882,482	768,817	692,099	756,180
Tax recoverable	7,616	11,151	7,403	14,808	11,151
Total current assets	1,539,715	1,556,562	1,460,901	1,430,375	1,430,260
Total assets	9,972,914	9,957,960	8,894,608	8,975,549	8,945,638

	Unaudited Consolidated 31-Mar-20 K'000	Audited Consolidated 30-Sep-19 K'000	Unaudited Separate 31-Mar-20 K'000	Unaudited Separate 31-Mar-19 K'000	Audited Separate 30-Sep-19 K'000
EQUITY AND LIABILITIES					
Equity					
Share capital	41,988	41,988	41,988	41,988	41,988
Share premium	1,340,153	1,340,153	1,340,153	1,340,153	1,340,153
Revaluation reserve	4,265,148	4,265,148	4,265,148	4,325,404	4,265,148
Retained earnings	915,533	845,521	939,865	674,490	847,571
Total equity	6,562,822	6,492,810	6,587,154	6,382,035	6,494,860
Liabilities					
Non-current liabilities					
Deferred tax liabilities	1,871,032	1,875,081	1,881,460	1,921,764	1,875,960
Total non-current liabilities	1,871,032	1,875,081	1,881,460	1,921,764	1,875,960
Current liabilities					
Trade and other payables	648,130	764,493	425,994	671,750	574,818
Borrowings	890,930	825,576	-	-	-
Total current liabilities	1,539,060	1,590,069	425,994	671,750	574,818
Total liabilities	3,410,092	3,465,150	2,307,454	2,593,514	2,450,778
Total equity and liabilities	9,972,914	9,957,960	8,894,608	8,975,549	8,945,638

SUMMARY STATEMENTS OF CHANGES IN EQUITY

	Unaudited Consolidated 31-Mar-20 K'000	Audited Consolidated 30-Sep-19 K'000	Unaudited Separate 31-Mar-20 K'000	Unaudited Separate 31-Mar-19 K'000	Audited Separate 30-Sep-19 K'000
At the beginning of period	6,492,810	6,253,349	6,494,860	6,253,349	6,253,349
IFRS 9 transitional adjustment	-	(5,809)	-	-	(5,809)
Profit for the year	70,012	466,697	92,294	195,866	468,747
Total other comprehensive (loss)/income	-	(3,092)	-	-	(3,092)
Dividends paid	-	(218,335)	-	(67,180)	(218,335)
At the end of period	6,562,822	6,492,810	6,587,154	6,382,035	6,494,860

SUMMARY STATEMENTS OF CASH FLOWS

	Unaudited Consolidated 31-Mar-20 K'000	Audited Consolidated 30-Sep-19 K'000	Unaudited Separate 31-Mar-20 K'000	Unaudited Separate 31-Mar-19 K'000	Audited Separate 30-Sep-19 K'000
Cash generated from operations	66,695	988,439	57,764	377,857	836,152
Interest paid	-	(1,786)	-	-	(1,786)
Taxation paid	(43,259)	(249,178)	(43,046)	(79,000)	(249,178)
Net cash generated by operating activities	23,436	737,475	14,718	298,857	585,188
Other cash flows					
Purchase of property and equipment	(136,660)	(1,004,951)	(23,188)	(60,722)	(72,007)
Acquisition of intangibles	-	-	-	-	-
Proceeds from the sale of equipment	1,986	8,450	1,986	-	8,450
Proceeds from the sale of investment	-	-	-	-	-
Investment in subsidiary	-	-	-	-	(77,500)
Finance income	22,908	71,070	19,121	27,371	36,611
Dividends paid to owners of the company	-	(218,335)	-	(67,180)	(218,335)
Loan received	-	795,000	-	-	-
Repayment of loans	-	-	-	-	-
Net cash out flows	(111,766)	(348,766)	(2,081)	(100,531)	(322,781)
Net (decrease)/increase in cash and cash equivalents	(88,330)	388,709	12,637	198,326	262,407
Cash and cash equivalents at the beginning of the year	882,482	493,773	756,180	493,773	493,773
Cash and cash equivalents at the end of the year	794,152	882,482	768,817	692,099	756,180

Publication commentary:

Overview of results

Group revenue for the first half of the year decreased by 12% to K1.746 billion from K1.993 billion realized in the same period last year. Hotel occupancy rate was at 52% compared to 58% in previous period. The drop in the occupancy level was due to reduced travel from both the local and foreign markets as a result of the political climate in the country, the closure of the Chileka International Airport as well as the Coronavirus (COVID 19) pandemic travel restrictions.

Cost of sales decreased by 7% from K872million to K808million mainly due to cost control measures employed during the period.

The group registered a profit after tax of K70 million (2019: NIL) while the Company registered a profit after tax of K92 million compared to K196 million achieved in the previous period representing a decrease of 53%.

Prospects

Due to the unprecedented impact of the COVID 19 global pandemic the Board expects business for the next six months to be tough due to the worldwide lockdowns and travel restrictions. The pandemic has affected the tourism and hospitality sector like never before through cancellations of bookings. However, the Board has put in place measures to ensure business continuity. Our major focus, during the pandemic, is on the safety of our guests, employees and stakeholders. As a hotel we will become even more creative and guest centric to explore all potential business options, beginning with the local travel market as we believe that this will be the first market to show signs of recovery followed by the regional market and later the international long term travel. We will continue with the cost control measures and provide new product offering supported by the international Protea Marriott brand. The Board is very confident that the Company will be able to weather the storm and come out after this very difficult period as still the leading hospitality provider.

The Lilongwe Hotel Project

The project is making steady progress as the Deed Plans of the land were approved and the application for title is in process. The COVID-19 pandemic has also affected progress. However, the plans to raise additional capital are at an advanced stage with commencement of construction expected before the end of the year.

Dividends

The Board resolved not to pay an interim dividend (2019: K84 million translating to 10 tambala per share) due to the challenging business environment and related cash flow constraints.

Approval of the financial statements

The half year summarized unaudited financial statements were approved by the Board of Directors on 3rd June 2020.

V Kumwenda
Chairman

E A Malion
Director