



COMMENTARY ON 2013 RESULTS

Revenue

The Group's revenues at MK8.5 billion were 55% above the previous year's revenues of MK5.5 billion.

Occupancy rates increased from 55% in 2012 to 57% in 2013. This good performance is attributed to sound leadership of the Company that pioneered highly effective sales and marketing initiatives to grow sales volumes.

The Corporate and Conference segments performed very well accounting for almost 50% of total room nights sold during the year.

Operating Costs

Administration and other expenses increased by 46%, largely due to increased trading during the year and rising costs of goods and services.

Finance Charges

Financing costs increased from MK558 million in 2012 to MK1 billion in 2013 as a result of increased interest rates during the year. We continue to incur financing costs on project loans acquired to fund the recent rooms refurbishment programme.

Profit after tax

The Group's profit after tax for the year ended 31st December 2013 increased by 162% from MK174 million in 2012 to MK457 million in 2013.

Dividend

At the forthcoming Annual General Meeting the Board will recommend a total dividend for the year 2013 of MK60 million or 22 tambala per share. (2012: MK20 million or 7 tambala per share).

During the year the company paid an interim dividend of MK27 million or 10 tambala per share. The final dividend payable will therefore be MK33 million or 12 tambala per share.

A notice to this effect will be sent to all Shareholders.

Outlook

The Directors are very optimistic that the performance of the Company for the year 2014 will remain solid as it is expected that Corporate and Conference segments of our business will continue to achieve more growth.

Directors and Management remain focused to deliver excellent service standards to customers and good financial returns for the Group at the close of this year.

Audit Opinion

These financial statements have been audited by KPMG who have expressed an unqualified audit opinion.

On behalf of the Board

L. W. B. Chikadya

Chairman

R. Nkhoma

Director

SUNBIRD TOURISM LIMITED

(Registration number 2774)

AUDITED RESULTS FOR THE YEAR ENDED 31st DECEMBER 2013

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
	2013 K,000	2012 K,000	2013 K,000	2012 K,000
Revenue	8,498,610	5,548,769	7,921,051	5,053,157
Cost of sales	(2,213,132)	(1,517,871)	(1,875,399)	(1,229,680)
Gross profit	6,285,478	4,030,898	6,045,652	3,823,477
Other income	47,032	41,424	31,230	62,698
Administration and other expenses	(4,740,185)	(3,271,873)	(4,515,247)	(3,097,530)
Operating profit	1,592,325	800,449	1,561,635	788,645
Financing expenses	(1,025,441)	(558,265)	(1,013,443)	(556,790)
Profit before tax	566,884	242,184	548,192	231,855
Income tax expense	(109,880)	(67,582)	(97,671)	(58,581)
Profit for the year	457,004	174,602	450,521	173,274
Other Comprehensive Income				
Deferred tax on severance provision reversals	-	-	-	-
Revaluation surplus net of deferred tax	78,721	2,048,384	-	2,048,384
Total other Comprehensive income for the year	78,721	2,048,384	0	2,048,384
Total Comprehensive Income	535,725	2,222,986	450,521	2,221,658
Profit attributable to				
Equity holders of the company	455,869	166,276	450,521	173,274
Non-controlling interest	1,135	8,326	-	-
Profit for the year	457,004	174,602	450,521	173,274
Total Comprehensive Income attributable to				
Equity holders of the company	534,590	2,214,660	450,521	2,221,658
Non-controlling interest	1,135	8,326	-	-
Total Comprehensive income for the year	535,725	2,222,986	450,521	2,221,658
Basic and diluted	174	64		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	2013 K,000	2012 K,000	2013 K,000	2012 K,000
ASSETS				
Non-current assets				
Property, plant and equipment	13,757,269	13,604,404	13,594,698	13,553,257
Investment in subsidiaries	-	-	102,023	23
Total non current assets	13,757,269	13,604,404	13,696,721	13,553,280
Current assets				
Inventory	784,936	515,723	767,944	492,154
Trade and other receivables	1,075,296	873,636	912,979	666,209
Cash and cash equivalents	101,455	153,390	101,455	152,816
Income tax recoverable	8,157	85,422	-	27,794
Amounts due from related parties	-	-	1,255	11,391
Total current assets	1,969,844	1,628,171	1,783,633	1,350,364
TOTAL ASSETS	15,727,113	15,232,575	15,480,354	14,903,644
EQUITY AND LIABILITIES				
Share capital	13,079	13,079	13,079	13,079
Share premium	1,966	1,966	1,966	1,966
Property revaluation reserve	5,969,774	5,932,021	5,876,883	5,917,851
Retained earnings	1,747,298	1,317,983	1,623,945	1,179,541
Equity attributable to shareholders of parent company	7,732,117	7,265,049	7,515,873	7,112,437
Non-controlling interest	-	80,428	-	-
Total equity	7,732,117	7,345,477	7,515,873	7,112,437
Non current liabilities				
Loans and Borrowings	446,130	692,833	446,130	692,833
Corporate Bond	1,540,000	1,140,000	1,540,000	1,140,000
Obligations under finance leases	112,597	75,631	112,597	75,631
Employee benefits	333,052	358,107	321,822	348,901
Deferred Income	30,799	46,864	30,799	46,864
Deferred tax liabilities	2,884,772	2,833,902	2,847,639	2,828,813
Total non-current liabilities	5,347,350	5,147,337	5,298,987	5,133,042
Current liabilities				
Bank overdraft	305,398	325,000	304,426	300,000
Trade and other payables	1,647,731	1,444,226	1,588,581	1,388,961
Employee benefits	236,282	128,948	236,282	127,617
Loans and borrowings	370,276	287,706	358,826	287,706
Corporate Bond	-	500,000	-	500,000
Obligations under finance leases	50,324	37,816	50,324	37,816
Deferred Income - Government grants	16,065	16,065	16,065	16,065
Amounts due to related parties	-	-	89,420	-
Income tax payable	21,570	-	21,570	-
Total current liabilities	2,647,646	2,739,761	2,665,494	2,658,165
TOTAL EQUITY AND LIABILITIES	15,727,113	15,232,575	15,480,354	14,903,644

CONSOLIDATED STATEMENT OF CASHFLOWS

	GROUP		COMPANY	
	2013 K'000	2012 K'000	2013 K'000	2012 K'000
Cash flows from operating activities				
Cash receipts from customers	7,669,905	5,148,878	7,059,245	4,723,806
Cash paid to suppliers and employees	(5,934,788)	(4,093,071)	(5,362,200)	(3,694,810)
Cash generated from operations	1,735,117	1,055,807	1,697,045	1,028,996
Interest paid	(982,722)	(517,386)	(970,724)	(515,911)
Income tax paid	(44,468)	(89,157)	(29,481)	(18,522)
Net cash flows from operating activities	707,927	449,264	696,840	494,563
Cash flows from investing activities				
Purchase of property, plant and equipment	(415,262)	(260,517)	(411,520)	(255,580)
Dividend received	-	-	-	22,461
Interest received	4,659	1,022	-	-
Proceeds from disposal of property, plant and equipment	12,941	11,963	12,941	10,996
Net cash flows used in investing activities	(397,662)	(247,532)	(398,579)	(222,123)
Cash flows from financing activities				
Proceeds from medium term loans	167,527	127,795	142,527	127,795
Repayment of borrowings	(470,027)	(215,151)	(456,477)	(215,151)
Dividend paid to minority shareholders	-	(12,095)	-	-
Dividend paid to equity holders of parent	(47,085)	(20,000)	(47,085)	(20,000)
Net cash generated from financing activities	(349,585)	(119,451)	(361,035)	(107,356)
Net decrease in cash and cash equivalents	(39,320)	82,281	(62,774)	165,084
Effect of exchange rate fluctuations on cash held	6,987	6,331	6,987	6,331
Cash and cash equivalents at beginning of the year	(171,610)	(260,222)	(147,184)	(318,599)
Cash and cash equivalents at end of the year	(203,943)	(171,610)	(202,971)	(147,184)
Additional statutory disclosures				
Net movement in working capital	(433,788)	(643,047)	(425,940)	(636,364)