



# BLANTYRE HOTELS PLC

## SUMMARISED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

### SUMMARY STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited Consolidated 6 months to	Unaudited Consolidated 6 months to	Audited Consolidated 12 months to	Unaudited Separate 6 months to	Unaudited Separate 6 months to	Audited Separate 12 months to
	30-Sep-21 K'000	30-Sep-20 K'000	30-Sep-20 K'000	30-Sep-21 K'000	30-Sep-20 K'000	30-Sep-20 K'000
Revenue	846 863	330 147	2 076 659	846 863	330 147	2 076 659
Cost of sales	<u>(474 834)</u>	<u>(345 151)</u>	<u>(1 152 931)</u>	<u>(474 834)</u>	<u>(345 151)</u>	<u>(1 152 931)</u>
Gross Profit	372 029	(15 004)	923 728	372 029	(15 004)	923 728
Other income	2 021	-	3 569	2 021	-	1 569
Selling and administrative expenses	(593 292)	(789 577)	(1 642 029)	(552 824)	(747 769)	(1 562 603)
Net finance (cost)/income	<u>(238 010)</u>	<u>24 137</u>	<u>47 045</u>	<u>(192 962)</u>	<u>28 521</u>	<u>47 642</u>
Loss before taxation	(457 252)	(780 444)	(667 687)	(371 736)	(734 252)	(589 664)
Taxation	<u>172 213</u>	<u>256 661</u>	<u>213 916</u>	<u>182 517</u>	<u>241 694</u>	<u>189 400</u>
Loss for the period	(285 039)	(523 783)	(453 771)	(189 219)	(492 558)	(400 264)
Other comprehensive income(loss)(net of tax)	<u>(14 379)</u>	<u>705 401</u>	<u>705 401</u>	<u>(24 683)</u>	<u>705 401</u>	<u>705 401</u>
Total comprehensive (loss)income for the period	<u>(299 418)</u>	<u>181 618</u>	<u>251 630</u>	<u>(213 902)</u>	<u>212 843</u>	<u>305 137</u>
Shares in issue	839 750	839 750	839 750	839 750	839 750	839 750
Loss per share(in tambala)	(34)	(62)	(54)	(23)	(59)	(48)

### STATEMENT OF FINANCIAL POSITION

	Unaudited Consolidated	Unaudited Consolidated	Audited Consolidated	Unaudited Separate	Unaudited Separate	Audited Separate
	30-Sep-21 K'000	31-Mar-21 K'000	30-Sep-20 K'000	30-Sep-21 K'000	31-Mar-21 K'000	30-Sep-20 K'000
<b>ASSETS</b>						
<b>Non -current assets</b>						
Property and equipment	13 529 278	13 113 659	12 253 081	8 102 880	8 155 755	8 249 184
Intangible assets	-	325	813	-	325	813
Investment in subsidiary	-	-	-	3 476 850	77 500	77 500
Deferred tax asset	<u>35 699</u>	<u>35 699</u>	<u>25 395</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total non-current assets</b>	<u>13 564 977</u>	<u>13 149 683</u>	<u>12 279 289</u>	<u>11 579 730</u>	<u>8 233 580</u>	<u>8 327 497</u>
<b>Current assets</b>						
Inventories	323 744	319 665	283 129	323 744	319 665	283 129
Trade and other receivables	333 954	225 278	142 832	333 954	223 956	198 265
Tax recoverable	69 438	50 383	82 953	69 225	50 170	82 740
Cash and cash equivalents	<u>1 087 126</u>	<u>258 453</u>	<u>1 069 934</u>	<u>111 176</u>	<u>141 842</u>	<u>398 952</u>
<b>Total current assets</b>	<u>1 814 262</u>	<u>853 779</u>	<u>1 578 848</u>	<u>838 099</u>	<u>735 633</u>	<u>963 086</u>
<b>Total assets</b>	<u>15 379 239</u>	<u>14 003 462</u>	<u>13 858 137</u>	<u>12 417 829</u>	<u>8 969 213</u>	<u>9 290 583</u>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share capital	41 988	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	1 340 153
Revaluation reserve	4 903 821	4 903 821	4 903 821	4 903 821	4 903 821	4 903 821
Retained earnings	<u>(231 588)</u>	<u>67 830</u>	<u>458 478</u>	<u>(42 590)</u>	<u>171 312</u>	<u>514 035</u>
<b>Total equity</b>	<u>6 054 374</u>	<u>6 353 792</u>	<u>6 744 440</u>	<u>6 243 372</u>	<u>6 457 274</u>	<u>6 799 997</u>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Deferred tax liabilities	1 802 190	1 960 024	1 960 024	1 802 190	1 960 024	1 960 024
Borrowings	<u>3 682 500</u>	<u>-</u>	<u>-</u>	<u>3 682 500</u>	<u>-</u>	<u>-</u>
<b>Total non current liabilities</b>	<u>5 484 690</u>	<u>1 96 0024</u>	<u>1 960 024</u>	<u>5 484 690</u>	<u>1 960 024</u>	<u>1 960 024</u>
<b>Current liabilities</b>						
Trade and other payables	1 696 239	3 815 163	3 212 479	689 767	551 915	530 562
Borrowings	-	1 745 605	1 786 846	-	-	-
Amount due to related parties	<u>2 143 936</u>	<u>128 878</u>	<u>154 348</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current liabilities</b>	<u>3 840 175</u>	<u>5 689 646</u>	<u>5 153 673</u>	<u>689 767</u>	<u>551 915</u>	<u>530 562</u>
<b>Total liabilities</b>	<u>9 324 865</u>	<u>7 649 670</u>	<u>7 113 697</u>	<u>6 174 457</u>	<u>2 511 939</u>	<u>2 490 586</u>
<b>Total equity and liabilities</b>	<u>15 379 239</u>	<u>14 003 462</u>	<u>13 858 137</u>	<u>12 417 829</u>	<u>8 969 213</u>	<u>9 290 583</u>

### SUMMARY STATEMENTS OF CHANGES IN EQUITY

	Unaudited Consolidated	Unaudited Consolidated	Audited Consolidated	Unaudited Separate	Unaudited Separate	Audited Separate
	6months to	6months to	12 months to	6months to	6months to	12 months to
	30-Sep-21 K'000	31-Mar-21 K'000	30-Sep-20 K'000	30-Sep-21 K'000	31-Mar-21 K'000	30-Sep-20 K'000
At the beginning of period	6 353 792	6 744 440	6 492 810	6 457 274	6 799 997	6 494 860
(Loss)/profit for the period	(299 418)	(390 648)	(453 771)	(189 219)	(342 723)	(400 264)
Total other comprehensive (loss)/income	<u>-</u>	<u>-</u>	<u>705 401</u>	<u>(24 683)</u>	<u>-</u>	<u>705 401</u>
At the end of period	<u>6 054 374</u>	<u>6 353 792</u>	<u>6 744 440</u>	<u>6 243 372</u>	<u>6 457 274</u>	<u>6 799 997</u>

### SUMMARY STATEMENTS OF CASHFLOWS

	Unaudited Consolidated	Unaudited Consolidated	Audited Consolidated	Unaudited Separate	Unaudited Separate	Audited Separate
	30-Sep-21 K'000	31-Mar-21 K'000	30-Sep-20 K'000	30-Sep-21 K'000	31-Mar-21 K'000	30-Sep-20 K'000
Cash generated from/ (used in) operations	(2 539 321)	300 904	357 673	(70 638)	(301 144)	(300 814)
Interest paid	(286 874)	(393)	(3 055)	(207 181)	(393)	(98)
Taxation paid	<u>(19 055)</u>	<u>32 570</u>	<u>(71 802)</u>	<u>(19 055)</u>	<u>32 570</u>	<u>(71 589)</u>
Net cash generated from/ (used in) operating activities	<u>(2 845 250)</u>	<u>333 081</u>	<u>282 816</u>	<u>(296 874)</u>	<u>(268 967)</u>	<u>(372 501)</u>
Other cash flows						
Purchase of property and equipment	(470 530)	(984 968)	(972 828)	(31 161)	(1 836)	(34 831)
Proceeds from sale of equipment	-	-	2 364	-	-	2 364
Finance income	22 936	19 961	50 100	14 219	13 693	47 740
Investment in subsidiary	-	-	-	(3 399 350)	-	-
Net proceeds of loans received and paid	<u>4 121 517</u>	<u>(179 555)</u>	<u>825 000</u>	<u>3 682 500</u>	<u>-</u>	<u>-</u>
Net other cash flows	<u>3 673 923</u>	<u>(1 144 562)</u>	<u>(95 364)</u>	<u>266 208</u>	<u>11 857</u>	<u>15 273</u>
Net increase/(decrease) in cash and cash equivalents	828 673	(811 481)	187 452	(30 666)	(257 110)	(357 228)
Cash and cash equivalents at the beginning of the period	<u>258 453</u>	<u>1 069 934</u>	<u>882 482</u>	<u>141 842</u>	<u>398 952</u>	<u>756 180</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>1 087 126</u>	<u>258 453</u>	<u>1 069 934</u>	<u>111 176</u>	<u>141 842</u>	<u>398 952</u>

### Publication commentary:

#### Overview of results

Group revenue for the 6 months amounted to K847 million which was 157% above the revenue realized in the same period prior year. Hotel Occupancy averaged 28.5% in the period compared to 8.6% in the previous period. The increase in revenues was due to improved occupancy levels as the world was slowly recovering from the impact of the COVID-19 pandemic in the hospitality industry.

Cost of sales increased by 38% from K345 million to K475million and a loss of K285 million was registered in the period compared to a loss of K524 million in the previous period due to the increase in business in the period compared to prior period.

The group incurred net finance charges of K238 million during the period attributable to the loan facility obtained for the Lilongwe hotel project. The group obtained a K3.5 billion loan in the period for the Lilongwe project which was used to pay for the land consideration and other costs. This is a bridging finance which will be repaid from the proceeds of the rights issue.

#### Prospects

As the world starts opening up and operating under the new normal, due to the unprecedented impact of the global pandemic, we believe that we are steadily adapting to and moving past the tough period. The reopening of airports and the easing of COVID-19 restrictions, following the roll out of COVID-19 vaccines, have boosted the business through gradual increase in occupancy levels. We hope this trend continues. However, recent news and fears of the fourth wave of COVID-19 might pose a serious threat to the expected recovery. The Board, nevertheless, remains committed to continue providing safe and best quality services to our guests.

#### The Lilongwe Hotel Project

Blantyre Hotels plc is expanding its portfolio of hotels to Lilongwe. Pursuant to this a special purpose vehicle, Oasis Hospitality Limited was incorporated in March 2019, which will own the hotel buildings. Oasis Hospitality Limited was granted title to the project land at Lilongwe Golf Club. The site was chosen to target both international and local business travelers and tourists.

The site of the hotel is set on the lushly planted Lilongwe Golf Course on 3.271 hectares of land. A new site is to be created by re-configuring the existing golf club house. Oasis will develop a new four-star, 180 room hotel on the site.

The architectural style looks to the landscape for its inspiration. The natural vegetation is visually dominant, creating a lush, shady and serene environment. Large verandahs, deep overhangs and expansive glazed elements blur the edge between inside and out. The architecture has its origins in a classical form; however, it is applied in a simplified style, with a colour palette that is muted.

The hotel will be operated under a long-term management agreement with a leading widely known luxury hotel management company, Marriott International under the brand name Protea Hotel by Marriott. Hence the design brief is being developed in line with Marriott International's standards. An intimate health & fitness complex is planned to incorporate a spa and gym facilities. These facilities are centred around landscaped courtyards and create a peaceful environment for relaxation and leisure activities.

The site has a strong golfing legacy. The Lilongwe Golf Course is the only 18-hole PGA rated golf course in the country, with well-kept fairways and greens framed by century old trees. The new design harnesses the energy and styling of a golf clubhouse and provides a fresh new look for the spaces. The Golf facilities can be accessed independently from the rest of hotel complex. The golfing facilities include a reception, pro-shop, halfway house, change rooms and members club. The project developer, Oasis Hospitality Limited, is currently finalizing a subscription agreement in respect of a majority portion of the estimated project cost. In parallel to this process, the main contractor agreement is also in the final stages of negotiations ahead of execution and planned site mobilization in Q4 2022.

The Board remains on track regarding preparations for a capital raise through a rights issue for the purpose of funding furniture and equipment for the new hotel. The rights issue is expected to be finalized by the second quarter of 2022.

#### Dividends

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

#### Change of financial year

At the company's Annual General Meeting held on 12 May 2021, the shareholders approved the change of the company's financial year from 30 September to 31 December. Therefore, for the first year of this change, the final results will be for fifteen months from 1 October 2020 to 31 December 2021. These results will be published within the time period as stipulated in the Listing Requirements of the Malawi Stock Exchange.

#### Approval of the financial statements

The summarized unaudited interim consolidated and separate financial statements for the six months ended 30 September 2021 were approved by the Board of Directors on 23 December 2021

E Makuta  
Chairperson

E A Malion  
Director