

**AUDITED SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

2021 FINANCIAL YEAR RESULTS PUBLICATION COMMENTARY		SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
		2021		2020			
		MK'000	MK'000	MK'000	MK'000		
The Board is pleased to present the audited financial results for the Company for the year ended 31 December 2021.		<b>Revenue</b>	<b>16,588,548</b>	<b>13,510,287</b>			
<b>Background</b>		Cost of sales	(5,875,977)	(5,035,104)			
Following the easing of COVID-19 restrictions around the globe, the hospitality industry's recovery is on track with increased travel compared to prior year, though still lower than the pre-pandemic levels. Industry experts, including UN's World Tourism Organisation (UNWTO) expect the international travel to return to pre-pandemic levels in 2024.		<b>Gross profit</b>	<b>10,712,571</b>	<b>8,475,183</b>			
<b>Revenue</b>		Other income	176,416	234,011			
Total revenue rose to MK16.6 billion in 2021 representing a 23% increase from MK13.5 billion reported in the previous year due to improved occupancy. The Company's occupancy improved to 36% during the year from 32% achieved in the prior year spurred largely by partial recovery of the economy.		Administration and other expenses	(8,850,342)	(8,878,145)			
The Company's marketing strategies and positioning have played a pivotal role in driving the activities in both rooms and catering segments of the business. The Corporate individual market segment which constituted 57% of total room nights sold continues to be the anchor segment for the business, followed by corporate groups market segment at 27%. There is continued focus on sustaining these key segments while initiatives to grow the other segments, such as leisure, continue to be prioritized in order to optimize the potential of the different properties of the Company, especially the resorts.		<b>Operating profit / (loss)</b>	<b>2,038,645</b>	<b>(168,951)</b>			
<b>Operating expenses</b>		Finance income	67,249	21,291			
Administrative and other expenses remained flat at MK8.9 billion in 2021 primarily driven by management's efforts to align expenditure with business performance. Included in the administrative costs is depreciation and amortization of MK853.5 million (2020: MK827.7 million)		Finance costs	(1,242,888)	(825,952)			
<b>Finance costs</b>		<b>Profit / (loss) before taxation</b>	<b>863,006</b>	<b>(973,612)</b>			
Total finance costs increased by 50% to MK1.2 billion in 2021 primarily due to capitalization of debt financed projects which were completed during the year.		Income tax expense	(113,614)	(206,234)			
<b>Profit after tax</b>		<b>Profit / (loss) for the period</b>	<b>749,392</b>	<b>(1,179,846)</b>			
The Company recorded a profit after tax of MK749.4 million (2020: loss K1.2 billion) largely on account of improved business environment and cost control management strategies that the company implemented during the year.		<b>Other comprehensive income, net of tax</b>					
<b>Dividend</b>		Revaluation surplus on property, net of deferred tax	-	4,983,144			
Having regard to the cash obligations on the Company for the ensuing year (the partial recovery of the business notwithstanding), the Directors have resolved not to pay dividend with respect to the results for the year ended 31 December 2021.		<b>Total comprehensive income</b>		<b>4,983,144</b>			
<b>Strategy and Outlook</b>		<b>Total comprehensive income attributable to:</b>					
The Board expects the country's economy to continue on its recovery path following the reduction of cases which has resulted in easing of the COVID-19 pandemic restrictions worldwide.		Owners of the company	<b>749,392</b>	<b>3,803,298</b>			
The Company will continue its efforts to improve service delivery, enhance guest experience, undertake product improvements (refurbishments) and developments, and also intensify sales and marketing activities.		<b>Earnings per share (tambala) - Basic and diluted</b>	<b>286</b>	<b>(451)</b>			
There are a number of key product improvement plans that are currently underway including: the refurbishment of all rooms at Sunbird Ku Chawe and Sunbird Mzuzu, construction of a magnificent lake side view restaurant at Sunbird Water Front and Sunbird Livingstonia Beach and the construction of an eco-lodge in Majete Game Reserve. These projects are expected to be completed in 2022.		<b>SUMMARISED STATEMENT OF FINANCIAL POSITION</b>					
Sunbird will continue to offer unrivalled guest experience through delivery of high quality products and services in order to retain and grow its client base both in the domestic as well as the international market sectors.		2021		2020			
<b>On behalf of the Board</b>		MK'000		MK'000			
<b>G. Partridge</b>		<b>ASSETS</b>					
<b>Chairman</b>		<b>Non-current assets</b>					
<b>V. Munthali</b>		Property and equipment	46,411,839	42,907,387			
<b>Director</b>		Intangible assets	114,509	137,356			
		<b>Total non-current assets</b>	<b>46,526,348</b>	<b>43,044,743</b>			
		<b>Current assets</b>					
		Inventories	2,277,439	2,858,156			
		Trade and other receivables	3,310,184	1,724,092			
		Amounts due from related parties	955,400	1,107,937			
		Income tax receivable	625,579	541,895			
		Cash and cash equivalents	877,263	1,109,609			
		<b>Total current assets</b>	<b>8,045,865</b>	<b>7,341,689</b>			
		<b>TOTAL ASSETS</b>	<b>54,572,213</b>	<b>50,386,432</b>			
		<b>EQUITY AND LIABILITIES</b>					
		<b>Equity</b>					
		Share capital	13,079	13,079			
		Share premium	1,966	1,966			
		Revaluation reserve	15,632,180	15,819,988			
		Retained earnings	12,120,615	11,183,415			
		<b>Total equity</b>	<b>27,767,840</b>	<b>27,018,448</b>			
		<b>Non-current liabilities</b>					
		Corporate bonds	9,810,000	10,400,000			
		Deferred income	494,735	228,301			
		Deferred tax liabilities	9,973,761	9,860,147			
		Medium term loan	286,714	-			
		Lease liabilities	62,846	-			
		<b>Total non-current liabilities</b>	<b>20,628,056</b>	<b>20,488,448</b>			
		<b>Current liabilities</b>					
		Trade and other payables	3,186,261	2,123,818			
		Bank overdraft	107,655	-			
		Corporate bonds	757,759	66,503			
		Employee benefits	152,039	32,713			
		Amounts due to related parties	663,533	525,805			
		Deferred income	230,453	130,697			
		Medium term loan	1,057,200	-			
		Lease liabilities	21,417	-			
		<b>Total current liabilities</b>	<b>6,176,317</b>	<b>2,879,536</b>			
		<b>Total liabilities</b>	<b>26,804,373</b>	<b>23,367,984</b>			
		<b>TOTAL EQUITY AND LIABILITIES</b>	<b>54,572,213</b>	<b>50,386,432</b>			
		<b>SUMMARISED STATEMENT OF CHANGES IN EQUITY</b>					
		Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total	
		<b>2021</b>					
		At 1 January	13,079	1,966	15,819,988	11,183,415	27,018,448
		Profit for the period	-	-	-	749,392	749,392
		<b>Total Comprehensive Income</b>				<b>749,392</b>	<b>749,392</b>
		Transfer to retained earnings	-	-	(187,808)	187,808	-
		<b>At 31 December</b>	<b>13,079</b>	<b>1,966</b>	<b>15,632,180</b>	<b>12,120,615</b>	<b>27,767,840</b>
		<b>2020</b>					
		At 1 January	13,079	1,966	10,995,252	12,335,644	23,345,941
		Loss for the year	-	-	-	(1,179,846)	(1,179,846)
		<b>Other comprehensive income</b>					
		Revaluation surplus	-	-	7,118,777	-	7,118,777
		Deferred tax on revaluation surplus	-	-	(2,135,633)	-	(2,135,633)
		<b>Total comprehensive income</b>			<b>4,983,144</b>	<b>(1,179,846)</b>	<b>3,803,298</b>
		Transfer to retained earnings	-	-	(158,408)	158,408	-
		Dividends	-	-	-	(130,791)	(130,791)
		<b>At 31 December</b>	<b>13,079</b>	<b>1,966</b>	<b>15,819,988</b>	<b>11,183,415</b>	<b>27,018,448</b>
		<b>SUMMARISED STATEMENT OF CASH FLOWS</b>					
		2021		2020			
		MK'000		MK'000			
		<b>Cash flows from operating activities</b>					
		Cash receipts from customers	15,725,958	15,646,680			
		Cash paid to suppliers and employees	(11,427,285)	(13,667,273)			
		<b>Cash generated from operations</b>	<b>4,298,673</b>	<b>1,979,407</b>			
		Interest paid	(1,747,014)	(1,380,424)			
		Income tax paid	(410,986)	(207,474)			
		<b>Net cash from operating activities</b>	<b>2,140,673</b>	<b>391,509</b>			
		<b>Cash flows from investing</b>					
		Acquisition of property and equipment	(3,945,860)	(2,438,412)			
		Acquisition of intangible assets	(9,604)	(46,958)			
		Proceeds from sale of property and equipment	18,437	9,195			
		<b>Net cash used in investing activities</b>	<b>(3,937,027)</b>	<b>(2,476,175)</b>			
		<b>Cash flows from financing activities</b>					
		Proceeds from borrowings	2,671,356	3,411,728			
		Repayment of borrowings	(1,210,713)	(818,453)			
		Dividends paid	-	(37,663)			
		<b>Net cash from financing activities</b>	<b>1,460,643</b>	<b>2,555,612</b>			
		<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(335,711)</b>	<b>470,946</b>			
		<b>Cash and cash equivalents at beginning of the year</b>	<b>1,109,609</b>	<b>638,749</b>			
		<b>Effect of exchange rate fluctuations on cash held</b>	<b>(4,290)</b>	<b>(86)</b>			
		<b>Cash and cash equivalents at end of the year</b>	<b>769,608</b>	<b>1,109,609</b>			
		<b>Basis of preparation</b>					
		The Directors have prepared the summary financial statements to meet the requirements of the Malawi Stock Exchange. The Directors have considered the Malawi Stock Exchange requirements and believe that the summary statement of financial position, summary statement of profit or loss and other comprehensive income and summary statement of cash flows are sufficient to meet the requirements of the users of the summary financial statements. The amounts in the summary financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards.					
<b>Grant Thornton</b>							
<b>Lamion Gama</b>							
Chartered Accountant (Malawi)							
Partner							
Blantyre, Malawi							
<b>29 March 2022</b>							