

**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					
The Board is pleased to present the audited financial results for the Company for the year ended 31 December 2021.				2021	2020		
				MK'000	MK'000		
<b>Background</b>		Revenue		16,588,548	13,510,287		
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.		Cost of sales		(5,875,977)	(5,035,104)		
		Gross profit		10,712,571	8,475,183		
		Other income		176,416	234,011		
		Administration and other expenses		(8,850,342)	(8,878,145)		
		Operating profit / (loss)		2,038,645	(168,951)		
<b>Revenue</b>		Finance income		67,249	21,291		
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.		Finance costs		(1,242,888)	(825,952)		
		Profit / (loss) before taxation		863,006	(973,612)		
		Income tax expense		(113,614)	(206,234)		
		Profit / (loss) for the period		749,392	(1,179,846)		
		Other comprehensive income, net of tax		-	-		
		Revaluation surplus on property, net of deferred tax		-	4,983,144		
		Total Comprehensive income		-	4,983,144		
		Total comprehensive income attributable to:					
		Owners of the company		749,392	3,803,298		
		Earnings per share (tambala)- Basic and diluted		286	(451)		
		SUMMARISED STATEMENT OF FINANCIAL POSITION					
				2021	2020		
				MK'000	MK'000		
<b>Operating expenses</b>		ASSETS					
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)		Non-current assets					
		Property and equipment		46,411,839	42,907,387		
		Intangible assets		114,509	137,356		
		Total non-current assets		46,526,348	43,044,743		
		Current assets					
		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		
		Total current assets		8,045,865	7,341,689		
		TOTAL ASSETS		54,572,213	50,386,432		
		EQUITY AND LIABILITIES					
<b>Profit after tax</b>		Equity					
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.		Share capital					
		13,079					
		Share premium					
		1,966					
		Revaluation reserve					
		15,632,180					
		Retained earnings					
		12,120,615					
		Total equity					
		27,767,840					
		27,018,448					
<b>Dividend</b>		Non-current liabilities					
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.		Corporate bonds					
		9,810,000					
		Deferred income					
		494,735					
		Deferred tax liabilities					
		9,973,761					
		Medium term loan					
		286,714					
		Lease liabilities					
		62,846					
		Total non-current liabilities					
		20,628,056					
		20,488,448					
		Current liabilities					
		Trade and other payables					
		3,186,261					
		Bank overdraft					
		107,655					
		Corporate bonds					
		757,759					
		Employee benefits					
		152,039					
		Amounts due to related parties					
		663,533					
		Deferred income					
		230,453					
		Medium term loan					
		1,057,200					
		Lease liabilities					
		21,417					
		Total current liabilities					
		6,176,317					
		2,879,536					
		Total liabilities					
		26,804,373					
		23,367,984					
		TOTAL EQUITY AND LIABILITIES					
		54,572,213					
		50,386,432					
		SUMMARISED STATEMENT OF CHANGES IN EQUITY					
			Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
		2021					
		At 1 January	13,079	1,966	15,819,988	11,183,415	27,018,448
		Profit for the period	-	-	-	749,392	749,392
		Total Comprehensive Income				749,392	749,392
		Transfer to retained earnings	-	-	(187,808)	-	-
		At 31 December	13,079	1,966	15,632,180	12,120,615	27,767,840
		2020					
		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)
		Other comprehensive income					
		Revaluation surplus	-	-	7,118,777	-	7,118,777
		Deferred tax on revaluation surplus	-	-	(2,135,633)	-	(2,135,633)
		Total comprehensive income			4,983,144	(1,179,846)	3,803,298
		Transfer to retained earnings	-	-	(158,408)	158,408	-
		Dividends	-	-	-	(130,791)	(130,791)
		At 31 December	13,079	1,966	15,819,988	11,183,415	27,018,448
		SUMMARISED STATEMENT OF CASH FLOWS					
				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)		
		Cash generated from operations		4,298,673	1,979,407		
		Interest paid		(1,747,014)	(1,380,424)		
		Income tax paid		(410,986)	(207,474)		
		Net cash from operating activities		2,140,673	391,509		
		Cash flows from investing					
		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		
		Net cash used in investing activities		(3,937,027)	(2,476,175)		
		Cash flows from financing activities					
		Proceeds from borrowings		2,671,356	3,411,728		
		Repayment of borrowings		(1,210,713)	(818,453)		
		Dividends paid		-	(37,663)		
		Net cash from financing activities		1,460,643	2,555,612		
		Net (decrease)/increase in cash and cash equivalents		(335,711)	470,946		
		Cash and cash equivalents at beginning of the year		1,109,609	638,749		
		Effect of exchange rate fluctuations on cash held		(4,290)	(86)		
		Cash and cash equivalents at end of the year		769,608	1,109,609		
		Basis of preparation					
		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>							

<b>On behalf of the Board</b>	
<b>G. Partridge</b> Chairman	<b>V. Munthali</b> Director
<b>INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS</b>	
<b>To the shareholders of Sunbird Tourism Plc</b>	
<b>Opinion</b> The summary financial statements, which comprise the summarised statement of financial position as at 31 December 2021, the summarised statement of profit or loss and other comprehensive income, summarized statement of changes in equity and summarised statement of cash flows for the year then ended, and basis of preparation note, are derived from the audited financial statement of Sunbird Tourism Plc for the year ended 31 December 2021.	
In our opinion, the accompanying summary statements are consistent, in all material respects, with the financial statements of Sunbird Tourism Plc, and in accordance with the basis of preparation note.	
<b>Summary Financial Statements</b> The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.	
<b>The Audited Financial Statements and Our Report Thereon</b> We expressed an unmodified audit opinion on the audited financial statements in our report dated 29 March 2022. That report also includes the communication of key audit matters (KAM). Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements for the current period.	
<b>Directors' Responsibility for the Summary Financial Statements</b> Directors are responsible for the preparation of the summary financial statements in accordance with the basis of preparation note.	
<b>Auditor's Responsibility</b> Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.	
<b>Grant Thornton</b>	
<b>Lamion Gama</b> Chartered Accountant (Malawi) Partner Blantyre, Malawi	
<b>29 March 2022</b>	