



BLANTYRE HOTELS PLC

SUMMARISED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Consolidated 12 months ended 31-Dec-22 K'000	Audited Consolidated 15 months ended 31-Dec-21 K'000	Unaudite Separate 12 month ended 31-Dec-22 K'000	Audited Separate 15 months ended 31-Dec-21 K'000
Revenue	3 370 851	1 974 975	3 370 851	1 974 975
Cost of sales	<u>(1 504 808)</u>	<u>(1 086 962)</u>	<u>(1 504 808)</u>	<u>(1 086 962)</u>
Gross Profit	1 866 043	888 013	1 866 043	888 013
Other income	6 672	6 455	6 672	6 455
Selling and administration expenses	<u>(1 768 189)</u>	<u>(1 518 392)</u>	<u>(1 708 806)</u>	<u>(1 258 935)</u>
EBITDA	104 526	(623 924)	163 909	(364 467)
Depreciation and Amortisation	<u>(164 669)</u>	<u>(221 054)</u>	<u>(164 699)</u>	<u>(221 054)</u>
Loss from operating activities	<u>(60 143)</u>	<u>(844 978)</u>	<u>(790)</u>	<u>(585 521)</u>
Net finance cost	<u>(339 390)</u>	<u>(194 288)</u>	<u>(445 819)</u>	<u>(60 768)</u>
Loss before taxation	(399 533)	(1 039 266)	(446 609)	(646 289)
Taxation	<u>109 107</u>	<u>287 427</u>	<u>102 190</u>	<u>169 212</u>
Loss for the period	<u>(290 426)</u>	<u>(751 839)</u>	<u>(344 419)</u>	<u>(477 077)</u>
Loss for the year attributable to: Owners of the Company	(329 301)	(751 839)	(344 419)	(477 077)
Non-controlling interest	<u>38 875</u>	-	-	-
Total	<u>(290 426)</u>	<u>(751 839)</u>	<u>(344 419)</u>	<u>(477 077)</u>
Other comprehensive income(net of tax)	<u>447 267</u>	<u>500 277</u>	<u>447 267</u>	<u>500 277</u>
Total comprehensive income for the period	<u>156 841</u>	<u>(251 562)</u>	<u>102 848</u>	<u>23 200</u>
Shares in issue	<u>839 750</u>	<u>839 750</u>	<u>839 750</u>	<u>839 750</u>
Loss per share (in tambala)	<u>(35)</u>	<u>(90)</u>		

SUMMARY STATEMENT OF FINANCIAL POSITION

	Unaudited Consolidated 12 months ended 31-Dec-22	Audited Consolidated 15 months ended 31-Dec-21	Unaudited Separate 12 months ended 31-Dec-22	Audited Separate 15 months ended 31-Dec-21
ASSETS				
Non -current assets				
Property and equipment	17 838 369	14 652 418	9 256 164	8 783 141
Intangible assets	11 362	-	11 362	-
Investment in subsidiary	-	-	4 043 517	3 686 301
Deferred tax asset	<u>150 527</u>	<u>143 610</u>	-	-
Total non-current assets	<u>18 000 258</u>	<u>14 796 028</u>	<u>13 311 043</u>	<u>12 469 442</u>
Current assets				
Inventories	381 162	292 216	381 162	292 216
Trade and other receivables	1 098 663	381 868	384 962	406 070
Tax recoverable	98 566	83 520	98 566	83 307
Cash and cash equivalents	<u>3 822 221</u>	<u>664 723</u>	<u>686 233</u>	<u>136 943</u>
Total current assets	<u>5 400 612</u>	<u>1 422 327</u>	<u>1 550 923</u>	<u>918 536</u>
Total assets	<u>23 400 870</u>	<u>16 218 355</u>	<u>14 861 966</u>	<u>13 387 978</u>
EQUITY AND LIABILITES				
Equity				
Share capital	41 988	41 988	41 988	41 988
Share premium	1 340 153	1 340 153	1 340 153	1 340 153
Revaluation reserve	5 691 059	5 314 507	5 691 059	5 314 507
(Accumulated loss)/retained earnings	(462 356)	(203 770)	(147 155)	126 549
Total equity attributable to equity holders of the company	6 610 844	6 492 878	6 926 045	6 823 197
Non-controlling interests	<u>8 058 609</u>	-	-	-
Total equity	<u>14 669 453</u>	<u>6 492 878</u>	<u>6 926 045</u>	<u>6 823 197</u>
Liabilities				
Non-current liabilities				
Deferred tax liabilities	2 043 924	2 006 683	2 043 924	2 006 683
Loan and Borrowings	<u>2 418 889</u>	<u>3 842 162</u>	<u>2 418 889</u>	<u>3 842 162</u>
Total non -current liabilities	<u>4 462 813</u>	<u>5 848 845</u>	<u>4 462 813</u>	<u>5 848 845</u>
Current liabilities				
Trade and other payables	1 515 233	1 686 447	764 029	688 129
Loan and Borrowings	2 686 734	2 133 253	2 68 6432	-
Bank overdraft	2 955	27 807	2 955	27 807
Amount due to related parties	<u>63 682</u>	<u>29 125</u>	<u>19 692</u>	-
Total current liabilities	<u>4 268 604</u>	<u>3 876 632</u>	<u>3 473 108</u>	<u>715 936</u>
Total liabilities	<u>8 731 417</u>	<u>9 725 477</u>	<u>7 935 921</u>	<u>6 564 781</u>
Total equity and liabilities	<u>23 400 870</u>	<u>16 218 355</u>	<u>14 861 966</u>	<u>13 387 978</u>

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Unaudited Consolidated 12 months ended 31-Dec-22	Audited Consolidated 15 months ended 31-Dec-21	Unaudited Separate 12 months ended 31-Dec-22	Audited Separate 15 months ended 31-Dec-21
At the beginning of period	6 492 878	6 744 440	6 823 197	6 799 997
Loss for the period	(290 426)	(751 839)	(344 419)	(477 077)
Funds received for capital	8 019 734	-	-	-
Total other comprehensive income	<u>447 267</u>	<u>500 277</u>	<u>447 267</u>	<u>500 277</u>
At the end of period	<u>14 669 453</u>	<u>6 492 878</u>	<u>6 926 045</u>	<u>6 823 197</u>

SUMMARY STATEMENT OF CASHFLOWS

	Unaudited Consolidated 12 months ended 31-Dec-22	Audited Consolidated 15 months ended 31-Dec-21	Unaudited Separate 12 months ended 31-Dec-22	Audited Separate 15 months ended 31-Dec-21
Cash generated from/ (used in) operations	(978 071)	(707 851)	191 664	(423 791)
Interest paid	(101 660)	(37 575)	(101 660)	(37 575)
Taxation paid	<u>(15 259)</u>	<u>(567)</u>	<u>(15 259)</u>	(567)
Net cash generated from/ (used in) operating activities	<u>(1 094 990)</u>	<u>(745 993)</u>	<u>74 745</u>	<u>(461 933)</u>
Net cash used in investing activities	<u>(1 769 808)</u>	<u>(3 142 548)</u>	<u>(603)</u>	<u>(3 327 883)</u>
Net cash generated from financing activities	<u>6 047 148</u>	<u>3 455 523</u>	<u>500 000</u>	<u>3 500 000</u>
Net increase/(decrease) in cash and cash equivalents	3 182 350	(433 018)	574 142	(289 816)
Cash and cash equivalents at the beginning of the year	<u>636 916</u>	<u>1 069 934</u>	<u>109 136</u>	<u>398 952</u>
Cash and cash equivalents at the end of the year	<u>3 819 266</u>	<u>636 916</u>	<u>683 278</u>	<u>109 136</u>

Publication commentary:

Delay in publication of audited financial statements

As per the Malawi Stock Exchange Listing Requirements, we are aware of the requirement to publish the summary audited financial statements and annual general meeting notice by 30 June 2023; and dispatch of the full set of the audited financial statements by the same date. The audit for the FY2022 is almost complete except for one item of audit information which the company is yet to provide to the auditor before concluding the audit, ready for publication. The Board regrets the delay, but expects this matter to be resolved by mid-July 2023. The Group intends to publish the annual general meeting notice by 30 July for an annual general meeting that has been planned for 21 August 2023. The Board therefore publishes these results which have been reviewed by the auditors.

Overview of results

Group revenue for the year amounted to K3.4 billion which was 71% higher than the revenue realized in same period last year. Hotel Occupancy averaged 46% in the period compared to 23% in the previous period. The increase in revenues was due to increase in occupancy in the period.

Cost of sales increased by 38% from K1.08 billion to K1.5 billion in the period due to the increase in general price of goods coupled with the increase in volume of business. Selling and administration expenses increased by 10% with notable increases in staff costs, fees to Management Company and capital raising costs.

The Group registered an EBITDA of K105 million against an EBITDA of negative K624 million in prior period. The group incurred net finance charges of K339 million for the Lilongwe project, resulting in a loss of K290 million (2021: a loss of K751 million).

Prospects

The outlook for the next twelve months is promising with expected full recovery from the negative impact of COVID 19. We continue to drive operational excellence while personalising the experience for our guests through the Marriott Bonvoy® rewards loyalty program which will grow our business and drive profitability.

The first five months of 2023 have started off positively, as the hotel has performed better than projections.

The Lilongwe Hotel Project

The construction of the hotel building structures commenced in November 2022 and is progressing very well.

The funding for the project is through a special purpose vehicle (Oasis Hospitality Limited) which is owned by Blantyre Hotels plc and other investors. The Board planned to raise capital for the project through a rights issue in 2020. However, due to adverse economic effects caused by the COVID 19 pandemic, the planned rights issue was postponed and a bridging loan facility was obtained for the initial construction phase. As reported above, the finance charges are weighing down the improved performance of Blantyre Ryalls Hotel. The Board therefore has resolved to resuscitate the rights issue offering by second quarter of 2024, the proceeds of which will be used for the Lilongwe Project and also settle the bridging loan facility.

Dividends

The Board resolved not to pay a dividend due to the current performance.

Approval of the financial statements

The summarized consolidated and separate financial statements for the year ended 31 December 2022 were approved by the Board of Directors on 29 June 2023.

E Makuta
Chairperson

E A Malion
Director