



BLANTYRE HOTELS PLC

SUMMARY INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

SUMMARY STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited Separate 6 months to 30-Jun-22 K'000	Unaudited Consolidated 6 months to 30-Jun-21 K'000	Audited Consolidated 15 months to 31-Dec-21 K'000	Unaudited Separate 6 months to 30-Jun-22 K'000	Unaudited Separate 6 months to 30-Jun-21 K'000	Audited Separate 15 months to 31-Dec-21 K'000
Revenue	1 387 960	959 745	1 974 975	1 387 960	959 745	1 974 975
Cost of sales	(617 301)	(599 500)	(1 086 962)	(617 301)	(599 500)	(1 086 962)
Gross Profit	770 659	360 245	888 013	770 659	360 245	888 013
Selling and administrative expenses	(748 371)	(716 465)	(1 519 204)	(695 922)	(657 077)	(1 259 747)
EBITDA	22 288	(356 220)	(631 191)	74 737	(296 832)	(371 734)
Depreciation and Amortisation	(82 080)	(140 468)	(220 242)	(82 080)	(140 468)	(220 242)
Other income	90 777	3 690	6 455	3 725	3 690	6 455
Operating profit/(loss)	30 985	(492 998)	(844 987)	(3 618)	(433 610)	(585 521)
Net finance cost	(475 324)	(139 090)	(194 288)	(340 159)	(86 560)	(60 768)
Loss before taxation	(444 339)	(632 088)	(1 039 266)	(343 777)	(520 170)	(646 289)
Taxation	(39 365)	33 575	287 427	(26 500)	-	169 212
Loss for the period	(483 704)	(598 513)	(751 839)	(370 277)	(520 170)	(477 077)
Other comprehensive income(net of tax)	-	-	500 277	-	-	500 277
Total comprehensive income for the period	(483 704)	(598 513)	(251 562)	(370 277)	(520 170)	23 200
Shares in issue	839 750	839 750	839 750	839 750	839 750	839 750
Loss per share (in tambala)	(58)	(71)	(90)			

SUMMARY STATEMENTS OF FINANCIAL POSITION

	Unaudited Consolidated 6 months to 30-Jun-22 K'000	Unaudited Consolidated 6 months to 30-Jun-21 K'000	Audited Consolidated 15 months to 31-Dec-21 K'000	Unaudited Separate 6 months to 30-Jun-22 K'000	Unaudited Separate 6 months to 30-Jun-21 K'000	Audited Separate 15 months to 31-Dec-21 K'000
ASSETS						
Non-current assets						
Property and equipment	15 222 854	13 223 520	14 652 418	8 710 172	8 111 281	8 783 141
Intangible assets	-	81	-	-	81	-
Investment in subsidiary	-	-	-	3 686 301	1 941 950	3 686 301
Deferred tax asset	130 745	58 970	143 610	-	-	-
Total non-current assets	15 353 599	13 282 571	14 796 028	12 396 473	10 053 312	12 469 442
Current assets						
Inventories	334 594	318 527	292 216	334 594	318 527	292 216
Trade and other receivables	526 486	345 180	381 868	523 883	344 716	406 070
Tax recoverable	99 887	50 383	83 520	83 307	50 170	83 307
Cash and cash equivalents	4 501 487	276 450	664 723	659 647	176 062	136 943
Total current assets	5 462 454	990 540	1 422 327	1 601 431	889 475	918 536
Total assets	20 816 053	14 273 111	16 218 355	13 997 904	10 942 787	13 387 978
EQUITY AND LIABILITIES						
Equity						
Share capital	4 051 855	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	5 314 507	4 903 821	5 314 507	5 314 507	4 903 821	5 314 507
Retained earnings	(687 474)	(140 035)	(203 770)	(243 728)	(6 135)	(126 549)
Total equity and earnings attributable to equity holders of the parent	6 009 174	6 145 927	6 492 878	6 452 920	6 279 827	6 823 197
Non controlling interests	4 009 867	-	-	-	-	-
Total equity	10 019 041	6 145 927	6 492 878	6 452 920	6 279 827	6 823 197
Liabilities						
Non-current liabilities						
Deferred tax liabilities	2 033 183	1 960 024	2 006 683	2 033 183	1 960 024	2 006 683
Loan and Borrowings	4 685 699	2 103 525	3 842 162	4 685 699	2 103 525	3 842 162
Total non-current liabilities	6 718 882	4 063 549	5 848 845	6 718 882	4 063 549	5 848 845
Current liabilities						
Trade and other payables	1 688 304	2 130 210	1 686 447	778 304	599 411	688 129
Loan and Borrowings	2 304 308	1 814 762	2 133 253	-	-	-
Bank overdraft	47 798	-	27 807	47 798	-	27 807
Amount due to related parties	37 720	118 663	29 125	-	-	-
Total current liabilities	4 078 130	4 063 635	3 876 632	826 102	599 411	715 936
Total liabilities	10 797 012	8 127 184	9 725 477	7 544 984	4 662 960	6 564 781
Total equity and liabilities	20 816 053	14 273 111	16 218 355	13 997 904	10 942 787	13 387 978

SUMMARY STATEMENTS OF CHANGES IN EQUITY

	Unaudited Consolidated 6 months to 30-Jun-22 K'000	Audited Consolidated 6 months to 30-Jun-21 K'000	Audited Consolidated 15 months to 31-Dec-21 K'000	Unaudited Separate 6 months to 30-Jun-22 K'000	Unaudited Separate 6 months to 30-Jun-21 K'000	Audited Separate 15 months to 31-Dec-21 K'000
At the beginning of period	6 492 878	6 744 440	6 744 440	6 823 197	6 799 997	6 799 997
Loss for the period	(483 704)	(598 513)	(751 839)	(370 277)	(520 170)	(477 077)
Capital call	4 009 867	-	-	-	-	-
Total other comprehensive income	-	-	500 277	-	-	500 277
At the end of period	10 019 041	6 145 927	6 492 878	6 452 920	6 279 827	6 823 197

SUMMARY STATEMENTS OF CASH FLOWS

	Unaudited Consolidated 6 months to 30-Jun-22 K'000	Unaudited Consolidated 6 months to 30-Jun-21 K'000	Audited Consolidated 15 months to 31-Dec-21 K'000	Unaudited Separate 6 months to 30-Jun-22 K'000	Unaudited Separate 6 months to 30-Jun-21 K'000	Audited Separate 15 months to 31-Dec-21 K'000
Cash generated from/(used in) operations	(553 655)	(1 533 620)	(557 191)	16 646	(406 138)	(423 791)
Interest paid	(394 368)	(103 689)	(530 397)	(394 368)	(103 689)	(379 737)
Taxation paid	(24 567)	32 570	(567)	(8 200)	32 570	(567)
Net cash used in operating activities	(972 590)	(1 604 739)	(1 088 155)	(385 922)	(477 257)	(804 095)
Other cash flows						
Purchase of property and equipment	(205 302)	(1 139 303)	(3 869 541)	(9 111)	(1 836)	(38 051)
Proceeds from sale of equipment	-	-	-	-	-	-
Finance income	141 261	26 588	336 109	54 209	17 128	318 969
Investment in subsidiary	-	-	-	-	(1 864 450)	(3 608 801)
Capital call(net)	4 009 867	-	-	-	-	-
Net proceeds of loans received and paid	843 537	1 923 970	4 188 569	843 537	2 103 525	3 842 162
Net other cash flows	4 789 363	811 255	655 137	888 635	254 367	514 279
Net increase/(decrease) in cash and cash equivalents	3 816 773	(793 484)	(433 018)	502 713	(222 890)	(289 816)
Cash and cash equivalents at the beginning of the period	636 916	1 069 934	1 069 934	109 136	398 952	398 952
Cash and cash equivalents at the end of the period	4 453 689	276 450	636 916	611 849	176 062	109 136

Overview of results

Group revenue for the half year was K1.39 billion, which was 45% higher than the revenue realised same period last year. Hotel occupancy averaged 42% in the period compared to 19% in the previous period. The increase in revenues was due to the increase in occupancy levels as well as Average Daily Rate. Cost of sales increased by 2% from K600 million to K617 million and Selling expenses increased by 4% from K716 million to K748 million. The group incurred net finance charges of K475 million during the period attributable to loan facilities obtained for the Lilongwe hotel project. The Group, therefore, registered a loss of K484 million (2021: K599 million).

Prospects

The second half of the year looks promising with occupancy levels expected to continue improving. The hotel is committed to its strategy of driving operational excellence while personalising guest experience through the unrivalled Marriott Bonvoy® rewards loyalty program which drives business growth and drive profitability.

The Lilongwe Hotel Project

The growth strategy of Blantyre Hotels plc through expansion of its portfolio by having another hotel operation to its business in Lilongwe is proceeding to the implementation stage. The special purpose vehicle Oasis Hospitality Limited which was incorporated to construct and own the hotel buildings has concluded an agreement with the main contractor and work on the site is scheduled to commence in September 2022 at the Lilongwe Golf Club. The site was chosen to target both international and local business travelers and tourists.

This growth strategy is in line with the vision of the country where tourism is listed as one of the priority areas in the national development agenda, Malawi 2063 (MW 2063). The City of Lilongwe was chosen because of its central location and linkages to various parts of the country for international visitors. The upgrading of the road infrastructure currently in progress in Lilongwe will enhance the business of the hotel.

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 standards.

Blantyre Hotels will also be raising capital to fund furniture and operational equipment for the new hotel through a rights issue.

Dividends

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

E Makuta
Chairperson
25 August 2022

E A Malion
Director