BLANTYRE HOTELS PLC

ANNUAL REPORT 2021

BLANTYRE HOTELS PLC

75TH ANNUAL GENERAL MEETING

Contents

BLANTYRE HOTELS PLC
NOTICE AND AGENDA OF THE
75TH ANNUAL GENERAL MEETING OF BLANTYRE HOTELS PLC

NOTICE IS HEREBY GIVEN THAT THE SEVENTY-FIFTH ANNUAL GENERAL MEETING OF BLANTYRE HOTELS PLC WILL BE HELD AS A VIRTUAL MEETING ON THURSDAY 28 JULY 2022 FROM 15:30 HOURS

SPECIAL ANNOUNCEMENT

In a bid to continually ensure the protection of all its shareholders and other stakeholders from the COVID-19 pandemic, the Board of Blantyre Hotels plc (the Company) has considered that it remains necessary and prudent that the Annual General Meeting (AGM) still be held by way of electronic participation only.

PROCEDURES ON HOLDING THE VIRTUAL ANNUAL GENERAL MEETING

1. All shareholders who intend to participate in the virtual AGM are required to register their email addresses and/or Whatsapp numbers by sending their name and email address to **transfersec@nicoassetmanagers.com** or by sending a Whatsapp message to the following numbers: **+265 990 427 536** or **+265 881 907 439**. Shareholders will be able to attend the AGM by listening to the proceedings by electronic means as well as participation by way of electronic dialogue.

2. Any questions and comments related to the business to be transacted at the AGM should be sent by email to transfersec@nicoassetmanagers.com or through Whatsapp messages through the phone numbers provided in 1 above ; or by post to NICO Asset Managers Limited, Transfer Secretaries, P.O. Box 3173, Blantyre from 15 July 2022 to 25 July 2022

3. Responses to questions and comments will be read out and commented upon by the Chairperson during the meeting.

4. A voting form that will be part of the AGM Pack should be returned to the Company through the Transfer Secretaries at Chibisa House or sent by email or Whatsapp to the address and numbers respectively provided or via post to the postal details indicated above by 27 July 2022. Proxy Forms must be submitted in accordance with Note 2 outlined at the end of this Notice.

5. A link to the meeting will be sent to shareholders through their registered email addresses or Whatsapp numbers.

AGENDA

Ordinary Business

1. Financial Statements

To receive and consider the Audited Financial Statements of the company for the 15 months' period ended 31 December 2021, together with the reports of the Directors and Auditors thereon.

2. Dividend

The directors do not recommend payment of dividend for the 15 months' period ended 31 December 2021 due to the financial performance of the company.

3. Appointment of Auditors

To re-appoint Deloitte, Certified Public Accountants, as Auditors for the 2022 financial year and to authorize the Directors to fix their remuneration.

4. Non-Executive Directors' Remuneration

The Directors do not recommend an increase in the directors' fees and sitting allowances.

5. Directors' re-election

i. To re-elect Mr. Andrew Katimba who retires by rotation and, being eligible, offers himself for re-election.

ii. To re-elect Ms. Chikondi Ng'ombe who retires by rotation and, being eligible, offers herself for re-election.

iii. To re-elect Mr. Robert Scharar who retires by virtue of being a director over the age of 70 in accordance with Section 169(6)(a) of the Companies Act, 2013, but being eligible, offers himself for re-election.

OTHER BUSINESS

To transact any other business prior notice of which shall have been given to the Company Secretaries by members of the Company not less than 21 days before the date of the Annual General Meeting.

AGM NOTICE (CONTINUED)

Dated 30 June 2022

By Order of the Board
NICO Asset Managers Limited
Company Secretaries

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company.

2. The instrument appointing a proxy and, if applicable, the authority under which it is signed, must be deposited with Nico Asset Managers Limited, Company Secretaries at Chibisa House, 19 Glyn Jones Road, Blantyre not less than 48 hours before the time appointed for holding the meeting. The instrument appointing a proxy shall be in the form attached hereto or a form as near thereto as circumstances permit.

MINUTES OF THE 74TH ANNUAL GENERAL MEETING OF BLANTYRE HOTELS PLC HELD AS A VIRTUAL MEETING ON 12 MAY 2021 FROM 15:30 HOURS

Present

Emily Makuta	Chairperson
Elias Azele Malion	Director
Andrew Katimba	Director
Robert Scharar	Director

Proxies

Shareholder	Proxy
NICO Life Insurance Company	Chikondi Gomani
AFRICAP LLC	Emily Makuta
Registered Trustees of Press Trust	Elias Azele Malion
CAM Nominees/Kingsley and Vera Zulu	James Mbingwa
CAM Nominees/PCL Pension Fund	James Mbingwa
CAM Nominees/ETHYO	James Mbingwa
CAM Nominees/Investmates	James Mbingwa
CAM Nominees/Raphael Kamoto	James Mbingwa
CAM Nominees/MPC Pension Fund	James Mbingwa
CAM Nominees/Abdul Majid	James Mbingwa
CAM Nominees/Constance Musopole	James Mbingwa
CAM Nominees/Omar Farook Siddiq	James Mbingwa
PCL Pension Fund	Rupert Nkhono
FMB Pension Fund	Rupert Nkhono
Limbe Leaf Pension Fund	Rupert Nkhono
NICO General Insurance Company	Rupert Nkhono
Associated Pension Trust	Rupert Nkhono
Standard Bank Pension Fund	Rupert Nkhono
Puma Malawi Energy Pension Fund	Rupert Nkhono
Sucoma Group Pension Scheme	Rupert Nkhono
Toyota Malawi Pension Fund	Rupert Nkhono

MINUTES OF THE 74TH ANNUAL GENERAL MEETING (CONTINUED)

Non-Shareholders/Observers

Clara Maliro	Transfer Secretaries
Masautso Elias	Transfer Secretaries
Daniel Dunga	
Christopher Kapenda	External Auditor
Kelline Kanyangala	Malawi Stock Exchange
John Kamanga	Malawi Stock Exchange
Douglas Nyirenda	Malawi Stock Exchange
Madalitso Mittochi	Malawi Stock Exchange
David Moyo	
Chikondi Msosa	
Wilson Kuyokwa	
Tafadzwa Mwawa	

74.1 Quorum

Upon confirmation of quorum by the Company Secretaries, the meeting was declared duly constituted at 15:30 hours.

74.2 Minutes of the Previous Meeting Held on 17 September 2020

The Minutes of the previous meeting were noted by the shareholders.

74.3 Financial Statements for the Year Ended 30 September 2020, the Reports of the Directors and Auditors

The Audited Financial Statements for the year ended 30th September 2020, together with the reports of the Directors and Auditors thereon were received.

74.4 Dividend

The shareholders noted that due to the performance of the company, the directors did not recommend a dividend.

74.5 Appointment of Auditors

It was resolved that Deloitte be re-appointed Auditors for the year ending 30 September 2021 and the Directors be authorized to fix the Auditors' remuneration.

74.6 Non-Executive Directors' Remuneration

The shareholders noted that due to performance of the company, the directors did not recommend an increase in directors' fees and sitting allowances.

MINUTES OF THE 74TH ANNUAL GENERAL MEETING (CONTINUED)

74.7 Directors' Re-election

1. Re-election of Directors

1.1 Re-election of Mr. Elias Malion

It was resolved that Mr. Elias Malion be re-elected Director.

1.2 Re-election of Mr. Robert Scharar

It was resolved that Mr. Robert Scharar be re-elected Director.

74.8 Director's Appointment

It was resolved that the appointment of Mrs. Emily Makuta be confirmed.

Special Business

74.9 Adoption of New Articles of Association

It was resolved as a special resolution that the company adopt new Articles of Association in substitution of the existing Articles in accordance with Section 35 of the Companies Act.

74.10 Change of Financial Year

It was resolved that the financial year of the company should be changed from one starting from 1 October to 30 September to one starting from 1 January to 31 December with effect from 1 January 2021 and that the current financial year should run for a period of 15 months from 1 October 2020 to 31 December 2021.

74.11 Powers to Borrow

It was resolved that pursuant to Section 160(1) of the Companies Act and Articles of Association of the company, directors be authorised to borrow sums of money up to K6.5 billion for the purposes of establishing new hotel operations in Lilongwe from any one or more banks, financial institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed by the company, apart from temporary loans obtained from the company's bankers in the ordinary course of business may at any time not exceed the value of security to be created.

74.12 Any Other Business

There was no other business prior notice of which had been given to the Company Secretaries by members of the Company not less than 21 days before the date of the Annual General Meeting.

The Chairperson closed the meeting at 16:00 hours

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Chairperson Date

BLANTYRE HOTELS PLC

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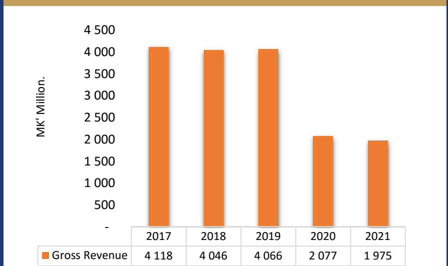
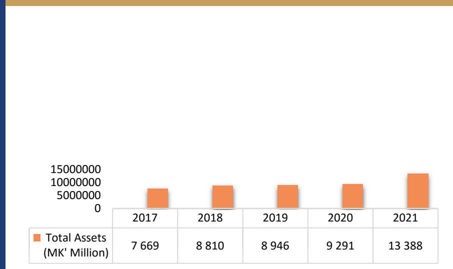
COMPANY
FIVE YEAR HIGHLIGHTS

		2017	2018	2019	2020	2021
Gross Revenue		4 118	4 046	4 066	2 077	1 975
Profit/loss) Before Tax	(MK' Million)	743	461	699	(590)	(646)
Earnings per Share	(Tambala)	60	42	56	(48)	(57)
Gross Dividend Paid	(MK' Million)	149	134	168	-	-
Gross Dividend per Share	(Tambala)	115	16	20	-	-
Total Assets	(MK' Million)	7 669	8 810	8 946	9 291	13 388
Net Assets	(MK' Million)	5 147	6 253	6 495	6 800	6 823
Share Price	(Tambala)	2500	1131	1295	1294	1101
Net Asset Value per Share	(Tambala)	3984	745	773	810	813
Price to Book Value	(times)	0.63	1.52	1.67	1.60	1.36
Price Earnings Ratio	(times)	41.66	26.93	23.13	(26.96)	(19.38)
Market Capitalisation	(MK' Million)	3 230	9 498	10 875	10 866	9 246

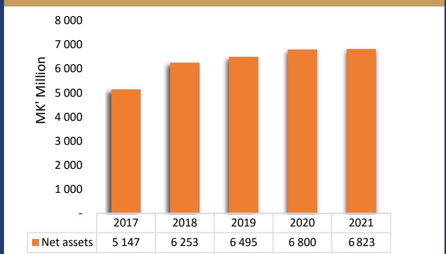
GROSS REVENUE



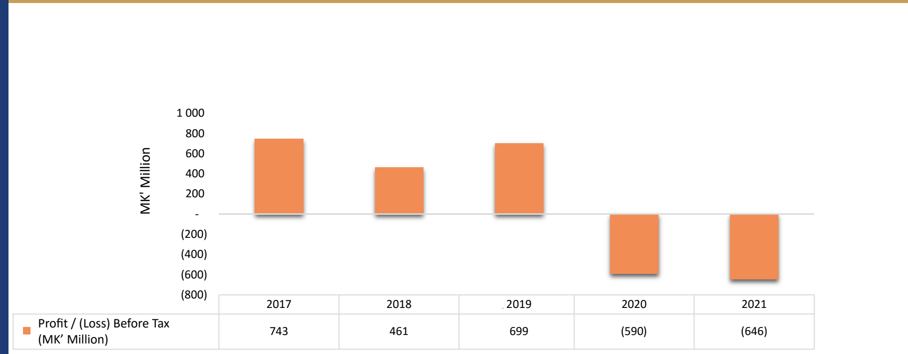
TOTAL ASSETS



NET ASSETS

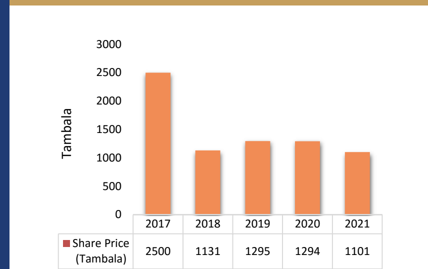


PROFIT / (LOSS) BEFORE TAX

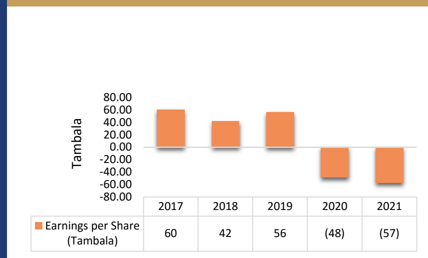


DIVIDEND PER SHARE

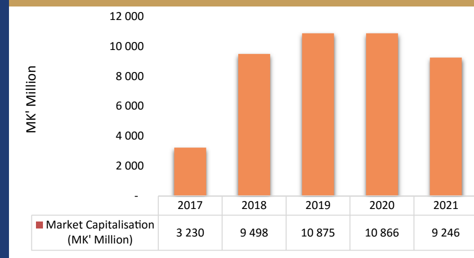
SHARE PRICE



EARNINGS PER SHARE



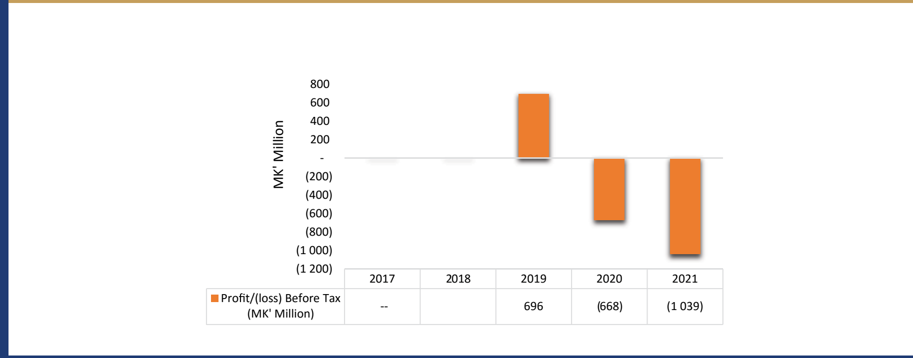
MARKET CAPITALISATION



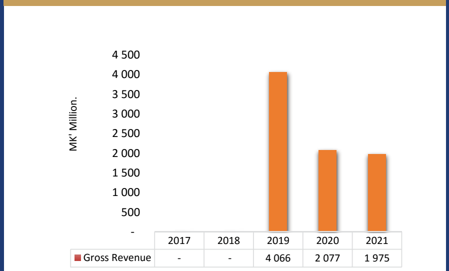
GROUP
FIVE YEAR HIGHLIGHTS

		2017	2018	2019	2020	2021
Gross Revenue		-	-	4 066	2 077	1 975
Profit/(loss) Before Tax	(MK' Million)	-	-	696	(668)	(1 039)
Earnings per Share	(Tambala)	-	-	56	(54)	(90)
Gross Dividend Paid	(MK' Million)	-	-	168	-	-
Gross Dividend per Share	(Tambala)	-	-	20	-	-
Total Assets	(MK' Million)	-	-	9 958	13 858	16 218
Net Assets	(MK' Million)	-	-	6 493	6 744	6 493
Share Price	(Tambala)	-	-	1295	1294	1101
Net Asset Value per Share	(Tambala)	-	-	773	803	773
Price to Book Value	(times)	-	-	1.67	1.61	1.42
Price Earnings Ratio	(times)	-	-	23.13	(23.96)	(12.23)
Market Capitalisation	(MK' Million)	-	-	10 875	10 866	9 246

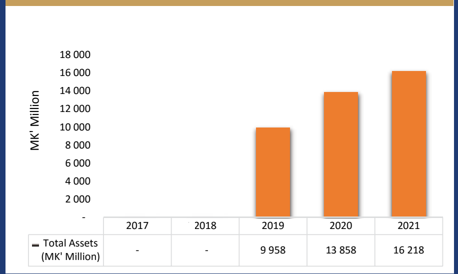
PROFIT / (LOSS) BEFORE TAX



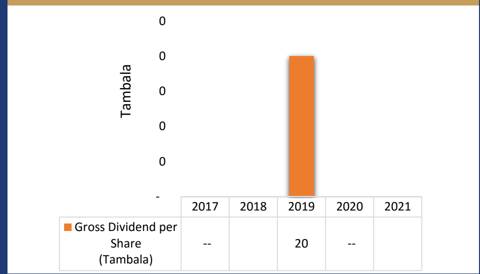
GROSS REVENUE



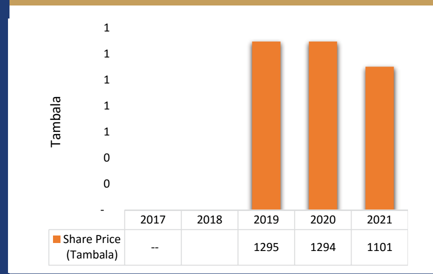
TOTAL ASSETS



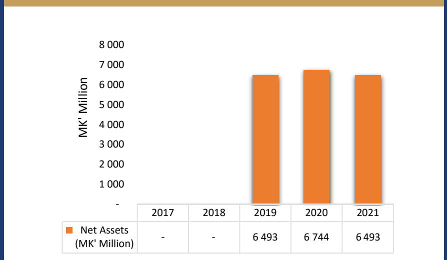
DIVIDEND PER SHARE



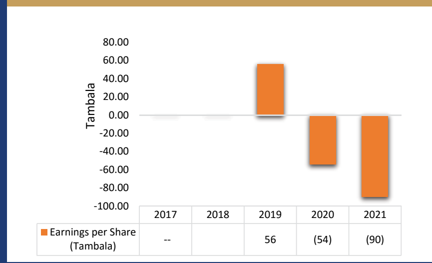
SHARE PRICE



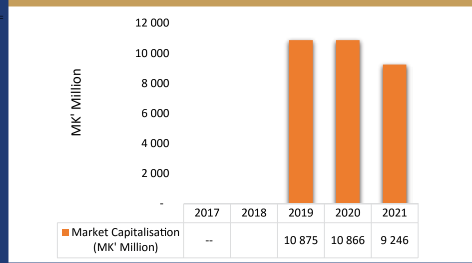
NET ASSETS



EARNINGS PER SHARE



MARKET CAPITALISATION



CHAIRPERSON'S **STATEMENT**

It is my pleasure to report on the Group and Company's performance in respect of the 15 months ended 31 December 2021.

2022 will be a year of recovery for the hotel

Overview of Results

Group revenue for the 15 months amounted to K1.97 billion which was 5% lower than the revenue realized in the 12 months ended 30 September 2020. Hotel Occupancy averaged 23% in the period compared to 20% in the previous period. The decrease in revenues was due to the impact of the COVID-19 pandemic.

Cost of sales decreased by 5% from K1.15 billion to K1.08 billion. Selling expenses increased by 5% with notable increases in software and maintenance support, staff costs and finance charges. The group incurred net finance charges of K194 million during the period attributable to loan facilities obtained for the Lilongwe hotel project. These short-term borrowings will be settled using proceeds of the capital raise to be done in the next twelve months. The Group, therefore, registered a loss of K752 million (2020: a loss of K454 million) due to the decline in business.

Prospects

The outlook for the next twelve months, looks promising as domestic and international travel gradually resumes and with the Government relaxing COVID-19 protocols, 2022 will be a year of recovery for the hotel. Our strategy is to drive operational excellence while personalising the experience for our guests through the Marriott Bonvoy rewards loyalty programme which will grow our business and drive profitability. We will continue to deliver excellent food and beverages and also improve efficiency.

The Lilongwe Hotel Project

The Group, through Oasis Hospitality Limited, finalised a subscription agreement and capital raise in respect of a majority portion of the estimated project cost. During the year, the project was granted planning permission approval by the Lilongwe City Council to develop the property. The Malawi Environment Protection Authority also granted the approval to proceed with the project in accordance with the requirements of the Environmental Management Act (no 19 of 2017). The project developer is now finalising the main contractor agreement and planning for site mobilization in Q4 2022 based on the revised development program. The Board is committed to the implementation of the project, despite challenges caused by the COVID-19 pandemic and the recent devaluation of the local currency. The project is a growth strategy of Blantyre Hotels through a second operation in Lilongwe. The Board believes that this will contribute to reserve growth and profitability as Lilongwe is a hub of travelers.

The Group is finalizing the planning for its capital raise for the purpose of funding furniture and equipment for the new hotel.

In the year, we welcomed a new General Manager, Mr Farrukh Maqbool

Dividends

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

Closing Remarks

In the period, we welcomed a new General Manager, Mr Farrukh Maqbool. He brings over 18 years' experience in hotel management and operations having worked in executive positions in Africa and Pakistan.

Last but not least, I express on behalf of the Board, profound gratitude to the entire staff of Blantyre Hotels plc and to our Hotel Manager, Marriott International, for the relentless effort and resilience displayed during such an unprecedented challenging operating environment.

Emily Makuta
Chairperson

General Manager's REPORT

Our ratings and rankings on our Marriott and online travel platform respectively, continue to grow and improve year over year

In August 2021, I took over the Protea Ryalls Hotel – Blantyre, the first boutique hotel in Malawi which opened its doors in the 1920s and to this day continues to enjoy the highest profiled branded hotel in the country. It is an absolute honor to lead this fine group of men and women who are extremely enthusiastic and committed in providing excellent hospitality to our guests with the warmth of Malawian culture.

Our associates have always been the heart of our success. Our commitment and promise to our guests has been unwavering. Our goal is to continue develop our talent, deliver exceptional hospitality and strengthen our position as Malawi's preferred Hotel. Our ratings and rankings on our Marriott and online travel platforms respectively, continue to grow and improve year over year, which is another testament of our commitment to deliver unparalleled hospitality. Even inspite of the opening of new hotels, The Protea Ryalls hotel remains the preferred hotel for both local and international guests.

The Covid-19 pandemic which hit the globe early 2020, continued to negatively impact our business and industry in 2021. However, we have remained committed and focused on the safety of our guests and associates. Despite the challenging impact the pandemic has had on the tourism industry, our international guests have continuously endorsed that Protea Hotel by Marriott Blantyre Ryalls remains their preferred destination.

We have always, and will continue to place guest experience at the forefront. We must give our guests every reason to return and stay with us again and again. Our competitive advantage is our associates, our service, our food and our award winning loyalty program 'Marriott Bonvoy'.

Our competitive advantage is our associates, our service, our food and our award winning loyalty program 'Marriott Bonvoy'.

Moving forward, we want to learn from our experiences, particularly the last two years, and look towards the future. I am confident that as a team, we will continue to push the boundaries, adapt and innovate, all while exhibiting resilience at every twist and turn. Together, we will continue to deliver ever-higher levels of service and deliver positive value for our stakeholders.

Farrukh Maqbool
General Manager

PROFILES OF DIRECTORS

Mrs Emily Makuta
Chairperson
Non-Executive

Emily Makuta holds a Bachelor of Law (Hons) Degree from the University of Malawi and a Masters' Degree in International Economic Law from the University of Warwick, UK. She qualified as a Chartered Secretary with the Institute of Chartered Secretaries and Administrators (UK) in 2007 and holds an International Diploma in Compliance from the Manchester Business School and the International Compliance Association.

She previously worked in the banking sector, first in an investment, development and merchant banking environment plus legal support in pensions; and later in a commercial bank. Early in her career she worked as a legal practitioner in two busy private legal firms. She has also been an adjunct lecturer for the Masters in Commercial Law program at the University of Malawi Chancellor college, lecturing in Corporate Governance. Emily Makuta is currently the Group Company Secretary for NICO Holdings plc providing legal, compliance and governance expertise and support to the NICO Group companies.

Emily's areas of experience and expertise therefore are in, legal practice, governance, compliance, commercial transactions (negotiations, legal drafting and analysis) with substantive experience and expertise in investment banking and project finance.

Mr Andrew Katimba
Non-Executive Director

Mr. Andrew Katimba holds a Master of Business Administration from the University of Derby. He is a Fellow of the Chartered Association of Certified Accountants of the United Kingdom. Mr. Katimba has worked with Toyota Malawi as its Finance Director/Head of Finance from 2005 to 2012 and from 2012 to 2016, he was the General Manager (Aftersales). From 2016 to date, he is the General Manager (Corporate) of Toyota Malawi. Mr. Katimba served as Chairman of Blantyre Sports Club from 2010 to 2012; Member of the Board of Malawi Bureau of Standards from 2013 to 2014 and he is currently the Chairman of the Toyota Malawi Pension Trustees Board, a position he has held since 2013. He brings to the Board a wealth of experience in entrepreneurship and business innovation.

Ms Chikondi Ng'ombe
Non-Executive Director

Ms. Chikondi Ng'ombe holds a Master's Degree in Development Finance from the University of Stellenbosch, and is a seasoned marketing professional. She is currently the Country Director for Bayer Crop Science Malawi. From March 2005 to December 2017, she rose through the ranks in Unilever Malawi to become its Country Manager from August 2013 to May 2016 and then Country Manager for Unilever Zambia to December 2017. She brings to the Board a wealth of experience in business strategy development and marketing management

Mr Elias Azele Malion
Non-Executive Director

Mr. Malion is a chartered accountant (CA) with extensive experience in financial management and accounting. He is a Fellow of The Association of Chartered Certified Accountants (FCCA). He has a Master of Business Administration degree and a Bachelor of Accountancy degree (with Distinction), both obtained from the University of Malawi. He is a member of the Institute of Chartered Accountants in Malawi (ICAM). Mr. Malion is currently the Head of Finance and Administration of Press Trust, Malawi's foremost local charitable institution. His career spans more than 20 years, having also previously worked for Malawi Posts Corporation and Deloitte.

Apart from being a Director for Blantyre Hotels Plc, Mr. Malion also serves as a non-executive director on the boards of Mwaiwathu Private Hospital Limited and CDH Investment Bank Limited.

PROFILES OF **DIRECTORS** (CONTINUED)

Mr Rob Scharar
Non-Executive Director

Mr. Scharar is the President of FCA Corp which provides financial planning and investment advisory services to individuals, closely held businesses and investment entities.

Mr. Scharar graduated from Polk Junior College with an Associate of Arts degree in Accounting in 1968 followed by a Bachelor of Science degree in Accounting from the University of Florida in 1970. In 1971, he received a Master's in Business Administration from Northeastern University. In 1974, Mr. Scharar graduated from the Northeastern University Law School with a Juris Doctorate degree and further went on to receive a Master's Degree of Law in Taxation from Boston University School of Law in 1979.

Since 1977, Mr. Scharar has been a Director of the American Academy of Attorneys-Certified Public Accountants, Inc. and served as President He serves as a Trustee of Florida Southern College. Mr. Scharar serves on numerous corporate boards throughout the United States including Real Estate Investment Trusts and a mutual fund group. He also serves on the Board of NICO Holdings Plc, Blantyre Hotels PLC and is currently the Board Chairperson of ICON Properties Plc.

PROFILES OF **EXECUTIVE MANAGEMENT**

Mr Farrukh Maqbool
General Manager

Farrukh studied Hospitality Management at Cornell University in the United States of America and has vast experience in hotel management and operations. He started his career in 2000 as a Food and Beverage trainee at the Sheraton Heathrow Hotel, UK. Thereafter, from 2003, he held numerous executive positions at Karachi Marriott Hotel and Sheraton Karachi Hotel. He later joined the Four Points by Sheraton, Lagos, Nigeria. At the time of taking up his position as General Manager of Blantyre Hotels plc, he was the Deputy General Manager of a 337roomed Sheraton Lagos Hotel. He has over 18 years' worth of experience, having worked in executive positions in various hotels in Africa and Pakistan.

Beatrice Fumba
Human Resources Manager

Beatrice is a seasoned, driven and self-motivated Human Resource Professional, with 17 years of experience in Human Resource Management, 4 of which were acquired from different Hotels in the United Kingdom. Before joining Blantyre Hotels plc, she worked as a Senior Human Resources Manager for Amaryllis Hotel in Blantyre and prior to that, worked with Old Mutual Malawi as a Human Resource Consultant. She is an accomplished public speaker and a member of Eloquent Toastmasters International.

Currently, pursuing a Masters' Degree in Business Administration with ESAMI and holds a Bachelor's of Arts Degree in Human Resource Management from Chancellor College, University of Malawi. She is an Associate Member of the Association of Business Executives (ABE) in the United Kingdom. She is a member of the Institute of People Management Malawi (IPMM) and also a Board member of Sunbird SACCO.

Mrs Chikondi Msosa
Finance Manager

Chikondi is a qualified and seasoned accountant with over 20 years of experience, 15 years of which has been with an audit firm having worked with Graham Carr, certified public accountants firm and a member of Nexia International. Prior to joining Blantyre Hotels, she worked as a Finance Manager for Entyre Limited, a trading and manufacturing company.

She holds a Master of Business Administration Degree from Eastern and Southern Africa Management Institute(ESAMI) ,a fellow of the Association of Chartered Certified Accountant(FCCA) and a Certified Public Accountant(CPA) with Institute of Chartered Accountants of Malawi.

COUNTRY STATISTICS FOR BLANTYRE HOTELS PLC AS AT 31 DECEMBER 2021

Country Code	Description	Shareholders	% of Holders	Shares	% of Shares
AUS	AUSTRALIA	2	0.71	244,745	0.03
GBR	UNITED KINGDOM	10	3.57	1,247,055	0.15
MWI	MALAWI	231	82.50	564,477,861	67.22
NLD	NETHERLANDS	2	0.71	14,214	0.00
SWZ	SWAZILAND	2	0.71	168,025	0.02
USA	UNITED STATES OF AMERICA	1	0.36	269,987,525	32.15
ZAF	SOUTH AFRICA	15	5.36	1,919,850	0.23
ZWE	ZIMBABWE	16	5.71	1,690,780	0.20

INDUSTRY STATISTICS FOR BLANTYRE HOTELS PLC AS AT 31 DECEMBER 2021

Country Code	Description	Shareholders	% of Holders	Shares	% of Shares
NILL	NOT DEFINED	1	0.36	3,754	0.00
BNK	BANKS/NOMINEES	14	5.00	2,863,401	0.34
FC	FOREIGN COMPANY	6	2.14	270,379,485	32.20
FI	FOREIGN INDIVIDUAL	42	15.00	4,887,725	0.58
INS	INSURANCE / ASSURANCE	1	0.36	650,000	0.08
ITC	INVEST/TRUST ETC.	1	0.36	8,571	0.00
LC	LOCAL COMPANY	21	7.50	528,794,890	62.97
LI	LOCAL INDIVIDUAL	161	57.50	13,526,062	1.61
NRS	NON RESIDENT	1	0.36	5,634	0.00
PEN	PENSION/PROVIDENT	8	2.86	15,527,327	1.85
RES	RESIDENT INDIVIDUAL	24	8.57	3,103,856	0.37
Totals		**280**	**100.00**	**839,750,705**	**100.00**

RANGES STATISTICS FOR BLANTYRE HOTELS PLC AS AT 31 DECEMBER 2021

Description	Shareholders	% of Holders	Shares	% of Shares
1 - 5000 shares	36	12.86	65,335	0.0
5001-25,000 shares	66	23.57	787,787	0.09
25,001-50,000 shares	45	16.07	1,590,103	0.19
50,001-100,000 shares	38	13.57	2,780,849	0.33
100,001-200,000 (up to two hundred thousand) shares	47	16.79	7,178,628	0.85
200,001-500,000 (up to five hundred thousand) shares	21	7.50	7,178,595	0.85
500,001-1,000,000 (up to 1 million) shares	12	4.29	8,856,903	1.05
1,000,001 (greater than 1 million) shares	15	5.36	811,312,505	96.61
Totals	**280**	**100.00**	**839,750,705**	**100.00**

OASIS HOSPITALITY PROJECT

During the year, the project was granted planning permission approval by the Lilongwe City Assembly to develop the property.

Blantyre Hotels plc is expanding its portfolio of hotels to Lilongwe. The growth strategy of Blantyre Hotels is to have another hotel operation to its business. 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 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.

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, finalized a subscription agreement for the equity offering in respect of a majority portion of the estimated project cost.

During the year, the project was granted planning permission approval by the Lilongwe City Council to develop the property. The Malawi Environment Protection Authority also granted the approval to proceed with the project in accordance with the requirements of the Environmental Management Act (no 19 of 2017).The project developer is now finalising the main contractor agreement which is in the final stages of negotiations ahead of execution and planned site mobilization in Q4 2022 based on revised development programme.

The Board is commited to the implementation of the project despite challenges caused by Covid-19 pandemic and the recent devaluation of the local currency.

CORPORATE GOVERNANCE STATEMENT

Blantyre Hotels plc ("the Company") continues to embrace and abide by the principles and codes of corporate governance. The Board remains committed to best practice in corporate governance as enshrined under the Companies Act 2013 and all regulations and codes made thereunder as may be amended or replaced from time to time; the Malawi Code II and to adopt the Malawi Code II and where the Malawi Code II falls short, to ensure that the Company subscribes to international corporate governance standards; and the Malawi Stock Exchange Listing Requirements.

THE ROLE AND FUNCTIONING OF THE BOARD

The Board is committed to ensuring that a strong governance framework operates throughout the Company, recognizing that it serves as then focal point and custodian of corporate governance in the company. While the Board is unwavering in its adherence with the relevant legislative and regulatory framework, its commitment to good governance goes beyond a commitment to comply with minimum standards – it strives to create an ethos where governance is a central consideration in the manner in which the business of the company is conducted. The scope of authority, responsibility, composition and functioning of the Board is contained in a formal charter.

The Company is led by a unitary board, whose primary responsibility is to promote the long-term success of the company and deliver sustainable shareholder value. The Board has ultimate responsibility for the management, direction, governance and performance of the Company, and leads and overseas the company's business. Through authorities delegated to its Committees, the Board directs and reviews the Company's operations within an agreed framework pf controls, allowing risk to be assessed and managed within agreed parameters. The Board is collectively accountable to the Company's shareholders for the proper conduct and success of the business.

The Company is led by a unitary board, whose primary responsibility is to promote the long-term success of the company and deliver sustainable shareholder value

THE COMPOSITION OF THE BOARD

The Board and its committees have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively.

As at 31st December 2021, the Board consisted of the Chairperson and four other directors, all non-executives. The Board has made strides towards achieving board gender diversity with 40% of its members being female; its Appointments and Remuneration Committee chaired by a female director and the Board chaired by a female director.

The Board has delegated some of its compliance and monitoring responsibilities to standing committees of the Board namely – Finance and Audit Committee; and Appointments and Remuneration Committee. The Chairpersons of the Committees report on the proceedings of their meetings at the next Board meeting after their Committee meetings.

The Board has made strides towards achieving board gender diversity with 40% of its members being female

BOARD COMMITTEES

FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee is responsible for the review of the company's financial statements; accounting policies; and external and internal auditors' reports and is responsible for monitoring the effectiveness and adequacy of the internal controls. The Committee is responsible for monitoring compliance with all statutory and regulatory requirements and monitoring thereof. The Company's External and Internal Auditors have unrestricted access to the Committee Chairperson.

In the year under review, the Committee comprised of two non-executive directors.

APPOINTMENTS AND REMUNERATION COMMITTEE

The Committee is responsible for assisting the Board in ensuring that the Board and Management retain an appropriate structure, size and balance of skills to support the strategic objectives and values of the Company. The Committee is thus responsible for the review of compensation for Directors; and recommending for board approval the appointment of Directors and Management.

In the year under review, the Committee comprised of three members.

ETHICAL STANDARDS

The company is committed to a policy of fair dealing and integrity in the conduct of its business to create a value-based organization. This is based on the fundamental belief that company business must be conducted honestly, fairly and legally.

RELATED PARTY TRANSACTIONS

The related party transactions of the company are carried at an arm's length.

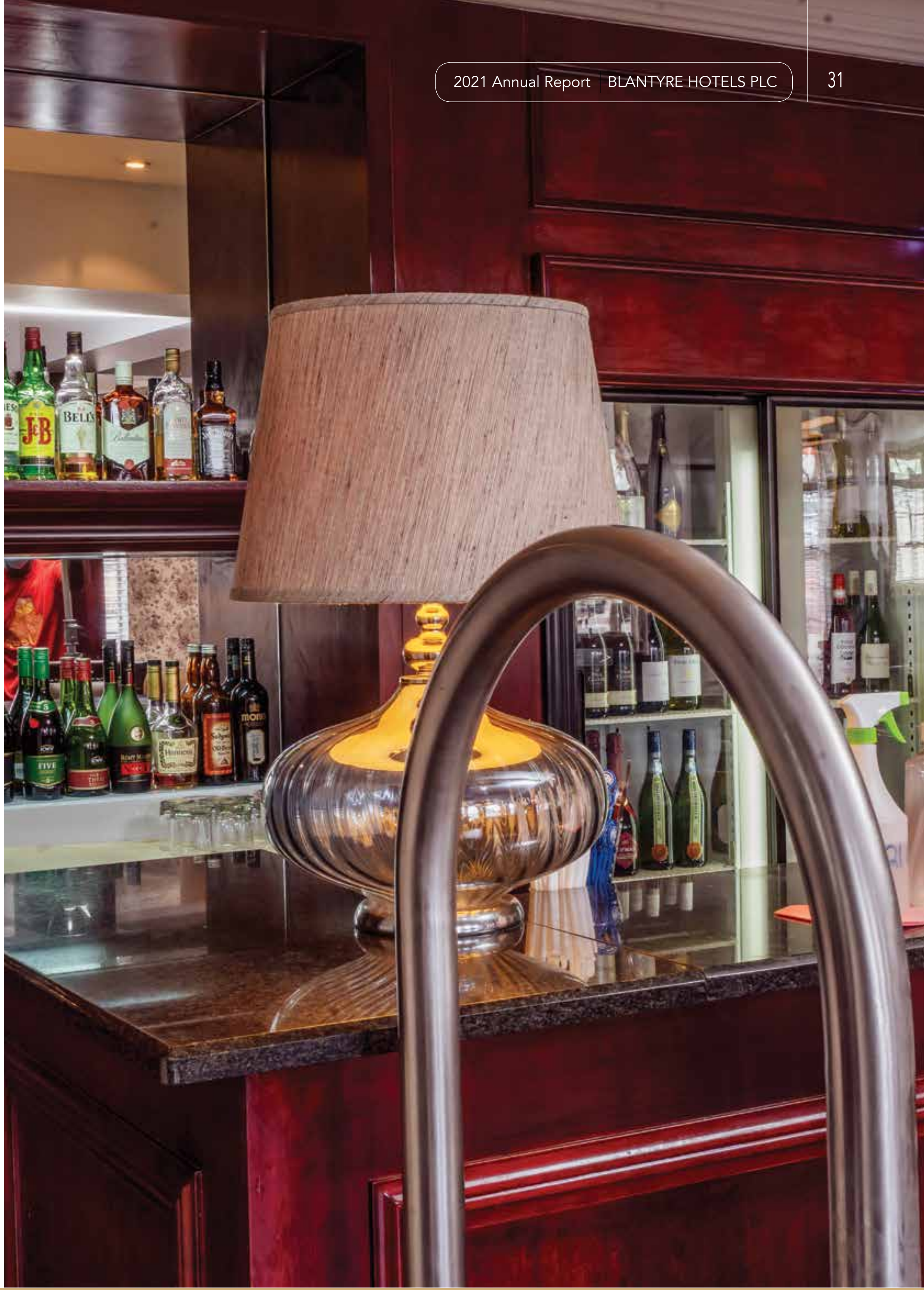
The company is in the process of finalizing its Transfer Pricing Policy that will deal with the arm's length basis of such transactions.

COMPANY SECRETARY

All directors may seek advice from the Company Secretary who is responsible for ensuring good quality information flows from Management to the Board and its committees; and advising the Board on legal, compliance, and corporate governance matters.

COMPLIANCE WITH THE MALAWI CODE II

The company complied with all the provisions of the Code. Any concerns over non-compliance with the Code should be addressed to NICO Asset Managers Limited, the appointed company secretary of the company.



Consolidated and Separate Financial Statements for the Fifteen months ended 31 December 2021

DIRECTORS' REPORT
For the fifteen months ended 31 December 2021

The Directors have pleasure in presenting their report and annual consolidated and separate financial statements of Blantyre Hotels Plc For the fifteen months ended 31 December 202l.

INCORPORATION AND REGISTERED OFFICE
Blantyre Hotels Plc is a company incorporated in Malawi under the Companies Act of Malawi and is domiciled in Malawi.

The registered office of the Group is situated at:

Ryalls Hotel
P O Box21
2 Hannover Avenue,
Blantyre, Malawi.

NATURE OF BUSINESS
Blantyre Hotels Plc is a company which operates in the hospitality industry in Malawi with one hotel, Protea Hotel Ryalls, based in Blantyre.

The Company also 100% owns Oasis Hospitality Limited, which was registered with an aims to build a four star hotel in Lilongwe. The hotel is to be built on a piece of land which is part of the land owned by the Lilongwe Golf Club. The process of title acquisition was concluded in the prior year and full consideration price of K2.1 billion was paid in the current year.

Eris Properties Malawi Limited are development managers of the Oasis Hospitality Limited - Lilongwe hotel construction who are responsible for identifying the project services, management and supervision of all the works on the project. NICO Asset Managers Limited, on the other hand, are the administrative managers responsible for administrative management and company secretarial services as well as financial management services for Oasis Hospitality Limited.

FINANCIAL PERFORMANCE
The results and state of affairs of the Group and Company are set out in the accompanying consolidated and separate statements of financial position, comprehensive income, changes in equity, and cash flows and notes to the financial statements.

The revenue and net loss attributed to owners are as follows:

	Group		Company	
	15 months ended 31/12/2021 K'000	12 months ended 30/09/2020 K'000	15 months ended 31/12/2021 K'000	12 months ended 30/09/2020 K'000
FINANCIAL PERFOMANCE				
Revenue	1 974 975	2 076 659	1 974 975)	2 076 659
Loss for the period	(751 839)	(453 771)	(477 077)	(400 264)

DIVIDENDS
No dividend was declared for the fifteen months ended 31 December 2021 (30 September 2020: Nil).

STAFFING
Staff complement for the Group stands at 107 as at 31 December 2021 (30 September 2020: 107). Human resource remains a major and key factor to the success of the Group. The Group, therefore, remains committed to professionalism by developing staff to their full potential. The Group has maintained staff development programmes through training and mentoring.

BOARD OF DIRECTORS AND SECRETARY
The following served as Directors and Secretary of the Company during the period:

Mrs Emily Makuta	Chairperson and Non-executive Director
Mr. A Katimba	Independent and Non-Executive Director
Ms. C. Ng'ombe	Independent and Non-Executive Director
Mr. E. A. Malion	Non-executive Director
Mr. R. Scharar	Non-executive Director
NICO Asset Managers	Company Secretaty

SHAREHOLDING STRUCTURE
The authorised share capital of the Company is K250 million divided into 5 billion ordinary shares of 5 tambala each (September 2020: K250 million divided into 5 billion ordinary shares of 5 tambala each).

The shareholders and their respective holdings in the Company are as follows:

	31/12/2021	30/09/2020
NICO Life Insurance Company Limited	34.3%	34.3%
Africap LLC	32.2%	32.2%
Press Trust	26.3%	26.3%
The Public	7.2%	7.2%
	100%	100%

The Company is listed on the Malawi Stock Exchange and the share price at the period-end was K11.01 (September 2020: K12.94) per share.

DIRECTORS' REMUNERATION

The Directors' fees and remuneration for the Group and its subsidiary was as follows:

	Non-executive Directors fees and expenses K'000	Executive Directors remuneration K'000	Total K'000
For the fifteen months ended 31 December 2021	10 649	_	10 649
For the year ended 30 September 2020	10 649	_	10 649

BOARD MEETINGS

The Board meets quarterly. Ad-hoc meetings are held when necessary. The Directors are provided with comprehensive board documentation at least seven days prior to each of the scheduled meetings. During the period, there were seven board meetings and the attendance was as follows:

Member	Meetings Attended
Ms. Chikondi Ng'ombe	5/7
Mr. Elias Azele Malion	7/7
Mr. Andrew Katimba	7/7
Mr Rob Scharar	7/7
Mrs Emily Makuta	7/7

FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee is responsible for reviewing annual reports and annual financial statements. This Committee also monitors the adequacy of accounting and internal control systems. Both external and internal auditors report to the Board of Directors through the Finance and Audit Committee. The Committee consists of two non-executive Directors. The management of the Company, internal and external auditors attend by invitation. The Committee meets four times in a period. The members of the Finance and Audit Committee were as follows:-

- Mr. Elias Azele Malion – (Chairperson)
- Mr Andrew Katimba – Member

During the period, there were five Finance and Audit Committee meetings and the attendance was as follows:

Member	Meetings Attended
Mr. Elias Azele Malion	5/5
Mr Andrew Katimba	5/5

REMUNERATION AND APPOINTMENTS COMMITTEE

The Remuneration and Appointments Committee acts as an independent Board Committee for issues relating to appointments of, and remuneration of, Directors, management and staff. It consists of one non-executive Director and two alternate non-executive Directors, The Committee meets at least five times a period, The members of the Committee are:

- Miss Chikondi Ng'ombe – Chairperson
- Mr. Robert Scharar – Member
- Mr. Gibson Ngalamila – Member

During the period, there were five Remuneration and Appointments Committee meetings and the attendance was as follows:

Member	Meeting Attended
Mr. Gibson Ngalamila	4/5
Miss Chikondi Ng'ombe	5/5
Mr. Robelt Scharar	5/5

EXTERNAL AUDITORS

Messrs Deloitte Chartered Accountants (Malawi) have expressed their willingness to continue in office as auditors in respect of the Group's 31 December 2022 annual financial statements and a resolution proposing their re-appointment will be tabled at the forthcoming Annual General Meeting.

CHAIRPERSON

DIRECTOR

17 March 2022

DATE

STATEMENT OF DIRECTORS' RESPONSIBILITIES
For the fifteen months ended 31 December 2021

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements of Blantyre Hotels Plc, comprising the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the period then ended, and the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and in the manner required by the Malawi Companies Act. In addition, the Directors are responsible for preparing the Directors' report.

The Companies Act also requires the Directors to ensure that the Group keeps proper accounting records which disclose with reasonable accuracy at any time the financial position ofthe Group and ensure the consolidated and separate financial statements comply with the Malawi Companies Act.

In preparing the consolidated and separate financial statements, the Directors accept responsibility for the following:-

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards, when preparing financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume the Group will continue in business.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with International Financial Reporting Standards and in the manner required by the Malawi Companies Act.

Approval of the financial statements
The annual financial statements of Blantyre Hotels Plc, were approved by the Board of Directors on 17 March 2022 and signed on its behalf by:

CHAIRPERSON

DIRECTOR

Deloitte.

PO Box 187
Blantyre
Malawi

Deloitte Chartered Accountants
Registered Auditors
1st Floor
PCI House, Top Mandala
Kaohslung Road
Blantyre
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLANTYRE HOTELS PLC

Opinion
We have audited the consolidated and separate financial statements of Blantyre Hotels Plc set out on pages 43 to 94, which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the fifteen months then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Blantyre Hotels Plc as at 31 December 2021, and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2013 of Malawi.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Malawi. We have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter
We draw attention to note 30 to the financial statements, which indicates that the Group and Company have incurred a net loss of K752 million and net loss of K477 million, respectively, during the fifteen months ended 31 December 2021 and, as of that date, the Group's current liabilities exceeded its current assets by K2.4 billion. As stated in note 30, these events and conditions, along with other matters as set forth in note 30, are mainly a result of the impact of Covid -19 and costs in relation to construction of a new hotel. Our opinion is not modified in respect of this matter.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

MAKING AN IMPACT THAT MATTERS since 1845

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition (for Company and Group) As included in notes 3.11 and 21 revenue amounting to K 1 974 975 000 has been considered an area where significant reliance was placed on IT systems and the manual recording in the general ledger. The provision of accommodation and food and beverages services to its customers is the Group's major source of revenue. In determining revenue, management rely on the hotel's sub systems where transactions are initially recorded before they are manually recorded in the general ledger. Revenue was also considered as a matter of utmost significance due to heavy reliance on sub systems used by the company to process high volume of transactions with the small amount on daily basis and this poses a risk of revenue being misstated due to error or manipulation. Considering the foregoing, we considered the recording of revenue as a key audit matter	We performed the following procedures to address the matter: • Obtained and understanding of management's process to record accommodation and food and beverage revenue • Tested the design and implementation and operating effectiveness of controls over the accuracy and occurrence of accommodation and food and beverage revenue; • Involved our IT audit specialists to test general IT controls and application controls over the hotel's operating systems which forms the basis for the billing of accommodation, food and beverages revenue and over the accounting system; • Obtained the monthly detailed transactions from the hotel's operating systems and agreed the amounts to the general ledger; and • Verified the accurracy and occurrence of a selection of revenue, on a sample basis, to supporting documentation such as invoices and receipts. Our audit procedures did not reveal any variances.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' report and the statement of Directors' responsibilities, which we obtained prior to the date of this auditor's report, and the annual report, which we expect to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, om responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the consolidated aud separate financial statements

The Directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2013 of Malawi and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibililies for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identif'y and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLANTYRE HOTELS PLC (CONTINUED)

Auditor's responsibilities for the audit of the consolidated and separate financial statements (Continued)

or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identif'y during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

Chartered Accountants
Christopher Kapenda
Partner

I June 2022

STATEMENTS OF FINANCIAL POSITION

For the fifteen months ended 31 December 2021

		Group		Company	
	Notes	31/12/2021 K'000	30/09/2020 K'000	31/12/2021 K'000	30/09/2020 K'000
ASSETS					
Non-current assets					
Property and equipment	7	14 652 418	12 253 081	8 783 141	8 249 184
Intangible assets	8	-	813	-	813
Investment in subsidiary	9	-	-	3 686 301	77 500
Deferred tax asset	16	143 610	25 395	-	-
Total non-current assets		14 796 028	12 279 289	12 469 442	8 327 497
Current assets					
Inventories	10	292 216	283 129	292 216	283 129
Trade and other receivables	11	381 868	142 832	406 070	198 265
Tax recoverable	19	83 520	82 953	83 307	82 740
Cash and cash equivalents	12	664 723	I 069 934	136 943	398 952
Total current assets		1 422 327	1 578 848	918 536	963 086
TOTAL ASSETS		16 218 355	13 858 137	13 387 978	9 290 583
EQUITY AND LIABILITIES					
Equity					
Share capital	13	41 988	41 988	41 988	41 988
Share premium	14	1 340 153	1 340 153	I 340 153	1 340 153
Revaluation reserve	15	5 314 507	4 903 821	5 314 507	4 903 821
(Accumulated losses)/retained earnings		(203 770)	458 478	126 549	514 035
Total equity		6 492 878	6 744 440	6 823 197	6 799 997
Liabilities					
Non-current liabilities					
Deferred tax	16	2 006 683	1 960 024	2 006 683	1 960 024
Loan and borrowings	18	3 842 162	-	3 842 162	-
Total non-current liabilities		5 848 845	1 960 024	5 848 845	1 960 024
Current liabilities					
Trade and other payables	17	1 686 447	3 212 479	688 129	530 562
Loan and Borrowings	18	2 133 253	1 786 846	-	-
Bank Overdraft	12	27 807	-	27 807	-
Amounts due to related parties	20.1	29 125	154 348	-	-
Total current liabilities		3 876 632	5 153 673	715 936	530 562
Total liabilities		9 725 477	7 113 697	6 564 781	2 490 586
TOTAL EQUITY AND LIABILITIES		16 218 355	13 858 137	13 387 978	9 290 583

The financial statements were approved and authorised for issue by the Board of Directors on 17 March 2022 and were signed on its behalf by:

The notes on pages 47 to 94 form an integral part of the consolidated and separate Financial statements.

CHAIRPERSON **DIRECTOR**

STATEMENTS OF COMPREHENSIVE INCOME
For the fifteen months ended 31 December 2021

		Group		Company	
	Note	15 months ended 31/12/2021 K'000	12 months ended 30/09/2020 K'000	15 months ended 31/12/2021 K'000	12 months ended 30/09/2020 K'000
Revenue	21	1 974 975	2 076 659	1 974 975	2 076 659
Cost of sales	22	(1 086 962)	(1 152 931)	(1 086 962)	(1 152 931)
Gross profit		888 013	923 728	888 013	923 728
Other income		6 455	3 569	6 455	1 569
Selling and administration expenses	23	(1 739 446)	(1 642 029)	(1 479 989)	(1 562 603)
Loss from operating activities		(844 978)	(714 732)	(585 521)	(637 306)
Finance income	24	336 109	50 100	318 969	47 740
Finance costs	24	(530 397)	(3 055)	(379 737)	(98)
Net finance (cost)/ income		(194 288)	47 045	(60 768)	47 642
Loss before taxation		(1 039 266)	(667 687)	(646 289)	(589 664)
Taxation	19	287 427	213 916	169 212	189 400
Loss for the period/year		(751 839)	(453 771)	(477 077)	(400 264)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Surplus on revaluation of land and buildings		716 148	978 865	716 148	978 865
Deferred tax on revaluation		(215 871)	(273 464)	(215 871)	(273 464)
Total other comprehensive income		500 277	705 401	500 277	705 401
Total comprehensive (loss)/income for the period/year		(251 562)	251 630	23 200	305 137
Loss per' share (tambala)					
Basic and diluted loss per share	25	(90)	(54)		

The notes on pages 47 to 94 form an integral part of the consolidated and separate financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the fifteen months ended 31 December 2021

	Share K'000	Share K'000	Revaluation K'000	(Accumulated losses)/ retained K'000	Total K'000
Company					
31/12/2021					
Opening balance as at 1 October 2020	41 988	1 340 153	4 903 821	514 035	6 799 997
Loss for the period	-	-	-	(477 077)	(477 077)
Revaluation surplus	-	-	716 148	-	716 148
Deferred tax on revalued property	-	-	(215 871)	-	(215 871)
Depreciation on revalued assets	-	-	(89 591)	89 591	-
Closing balance as at 31 December 2021	41 988	1 340 153	5 314 507	126 549	6 823 197
30/09/2020					
Opening balance as at 1 October 2019	41 988	1 340 153	4 265 148	847 571	6 494 860
Loss for the year	-	-	-	(400 264)	(400 264)
Revaluation surplus	-	-	978 865	-	978 865
Deferred tax on revalued property	-	-	(273 464)	-	(273 464)
Excess depreciation on revalued assets	-	-	(66 728)	66 728	-
Closing balance as at 30 September 2020	41 988	1 340 153	4 903 821	514 035	6 799 997
Group					
31/12/2021					
Opening balance as at 1 October 2020	41 988	1 340 153	4 903 821	458 478	6 744 440
Loss for the period	-	-	-	(751 839)	(751 839)
Revaluation surplus	-	-	716 148	-	716 148
Deferred tax on revalued property	-	-	(215 871)	-	(215 871)
Excess depreciation on revalued assets	-	-	(89 591)	89 591	-
Closing balance as at 31 December 2021	41 988	1 340 153	5 314 507	(203 770)	6 492 878
30/09/2020					
Opening balance as at 1 October 2019	41 988	1 340 153	4 265 148	845 521	6 492 810
Loss for the year	-	-	-	(453 771)	(453 771)
Revaluation surplus	-	-	978 865	-	978 865
Deferred tax on revalued property			(273 464)		(273 464)
Excess depreciation on revalued assets	-	-	(66 728)	66 728	-
Closing balance as at 30 September 2020	41 988	1 340 153	4 903 821	458 478	6 744 440

Revaluation reserve

This relates to surplus arising on revaluation of land and buildings net of the related tax. The reserve is not distributable until realisation of the revalued land and buildings.

The notes on pages 47 to 94 form an integral part of the consolidated and separate financial statements.

STATEMENTS OF CASH FLOWS
For the fifteen months ended 31 December 2021

	Notes	Group 15 months ended 31/12/2021 K000	Group 12 months ended 30/09/2020 K000	Company 15 months ended 31/12/2021 K000	Company 12 months ended 30/09/2020 K000
Cash flows from operating activities					
Loss before income tax		(1 039 266)	(667 687)	(646 289)	(589 664)
Adjust for non-cash items					
Depreciation expense	7	220 242	197 980	220 242	197 980
Amortisation charge	8	813	2 465	813	2 465
Finance income	24	(336 109)	(50 100)	(318 969)	(47 740)
Finance costs	24	530 397	3 055	379 737	98
Profit on disposal of property and equipment		-	(1 232)	-	(1 232)
Operating loss before working capital changes		(623 923)	(515 519)	(364 466)	(438 093)
Movement in working capital					
Movement in inventories	10	(9 087)	66 079	(9 087)	66 079
Movement in trade and other receivables	11	(239 036)	170 889	(207 805)	115 456
Movement in trade and other payables	17	440 078	566 253	157 567	(44 256)
Increase in related party payables	20.1	(125 223)	69 971	-	-
Cash generated from/ (used in) operations		(557 191)	357 673	(423 791)	(300 814)
Interest paid		(530 397)	(3 055)	(379 737)	(98)
Tax paid	19	(567)	(71 802)	(567)	(71 589)
Net cash (used in)/generated from operating activities		(1 088 155)	282 816	(804 095)	(372 501)
Cash flows from investing activities					
Purchase of property and equipment	7&17	(3 869 541)	(972 828)	(38 051)	(34 831)
Investment in subsidiary	9	-	-	(3 608 801)	-
Proceeds from the disposal of equipment		-	2 364	-	2 364
Finance income	24	336 109	50 100	318 969	47 740
Net cash (used in)/generated from investing activities		(3 533 432)	(920 364)	(3 327 883)	15 273
Cash flows from financing activities					
Loan repayments	18	(2 044 477)	-	-	-
Loans received	18	6 233 046	825 000	3 842 162	-
Net cash generated from /(used in) financing activities		4 188 569	825 000	3 842 162	-
Net (decrease)/increase in cash and cash equivalents		(433 018)	187 452	(289 816)	(357 228)
Cash and cash equivalents at the beginning of the period/year		1 069 934	882 482	398 952	756 180
Cash and cash equivalents at the end of the period/year	12	636 916	1 069 934	109 136	398 952

The notes on pages 47 to 95 form an integral part of the consolidated and separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the fifteen months ended 31 December 2021

1. To Reporting entity

Blantyre Hotels Plc is a Company domiciled in Malawi and incorporated under the Malawi Companies Act, 2013. The main business of the Company is the provision of accommodation, conferencing and catering services. The registered address of the Company is Ryalls Hotel, 2 Hannover Avenue, P. O. Box 21, Blantyre, Malawi. The Company owns 100% Oasis Hospitality Limited, a Company incorporated in Malawi whose main business is the same as that of Blantyre Hotels Pic.

1.1. These consolidated and separate financial statements are presented in Malawi Kwacha Currency and rounded to the nearest thousand.

2. Adoption of new and revised International Financial Reporting Standards

2.1 Standards and Interpretations affecting amounts reported and/or disclosed in the financial statements

In the current period, the group has adopted those new and revised Standards and Interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee of the International Accounting Standards Board that are relevant to its operations and are effective for reporting periods beginning on 1 October 2020.

The adoption of these new and revised Standards and Interpretations did not have a significant impact on the financial statements of the Group and the Company.

2.2 Standards and Interpretations in issue, not yet effective

A number of new standards, amendments to standards and interpretations are in issue but not yet effective for reporting periods ending 31 December 2021, and have not been applied in preparing these financial statements. Those which may be relevant to the entity are set out below. The entity does not plan to adopt these standards early).

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2023	Classification of Liabilities as Current or Non-Current (Amendments to IAS I) The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
Annual reporting periods beginning on or after 1 January 2022	Reference to the Conceptual Framework (Amendments to IFRS 3) The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

2. Adoption of new and revised International Financial Reporting Standards (Continued)

2.2 Standards and Interpretations in issue, not yet effective (Continued)

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2022	Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16) The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
Annual reporting periods beginning on or after 1 January 2022	Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
Annual reporting periods beginning on or after 1 January 2022	Annual Improvements to IFRS Standards 2018-2020 Makes amendments to the following standards: • **IFRS 1** - The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. • **IFRS 9** - The amendment clarifies which fees an entity includes when it applies the' 10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. • **IFRS 16** - The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. • **IAS 41** - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

2. Adoption of new and revised International Financial Reporting Standards (Continued)

2.2 Standards and Interpretations in issue, not yet effective (Continued)

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2023	Disclosure of Accounting Policies (Amendments to IAS I and IFRS Practice Statement 2) The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identity a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.
Annual reporting periods beginning on or after 1 January 2023	Definition of Accounting Estimates (Amendments to IAS 8) The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.
Annual reporting periods beginning on or after 1 January 2023	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The Directors anticipate that these Standards and Interpretations in future periods will have no significant impact on the financial statements of the Group and the Company.

3. Significant accounting policies

3.1 Basis accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards)

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in note 7 to the financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the fifteen months ended 31 December 2021

3. Significant accounting policies (Continued)
3.1 Basis accounting (Continued)

liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market pal1icipants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

Going concern
The Directors have, at the time of approving the financial statements, a are of the opinion that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements.

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities that are controlled by the Company and its subsidiaries. Under the Companies Act, 20 I3 and International Financial Reporting Standard 10 *Consolidated Financial Statements* control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including patterns at previous shareholders' meetings.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the fifteen months ended 31 December 2021

3. Significant accounting policies (Continued)
3.2 Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of comprehensive income and financial position from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

In the separate financial statements the investments are measured at fair value. These are valued on a regular basis by external valuers.

3.2.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between:

i. The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
ii. The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group has directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. Significant accounting policies (Continued)

3.3 Property and equipment

Recognition and measurement
All items of property and equipment are initially recognised at cost. Land and buildings are subsequently measured at revalued amounts being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from that would be determined using fair values at the end of each reporting period. All other property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Revaluation
Any revaluation increase arising on the revaluation of such property is recognised in other comprehensive income and credited to a non-distributable revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Depreciation on revalued property is charged to profit or loss. On the realisation of revalued property, either through sale or use, the attributable revaluation surplus in the revaluation reserve is transferred directly to retained earnings.

Subsequent costs
Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs, and maintenance are expensed as incurred.

Depredation
Items of properly and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets i.e. buildings, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values, using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the fifteen months ended 31 December 2021

3. Significant accounting policies (Continued)
3.3 Property and equipment (Continued)

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land and properties under construction are not depreciated.

The estimated useful lives for the current and comparative periods of significant items of property, plant and equipment are as follows:-

Freehold buildings	50 periods
Motor vehicles	4 periods
Furniture and equipment	3-12 periods

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on a prospective basis.

3.4 Intangible assets
Software acquired by the Group is measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software from the date it is available for use. The estimated useful life of software is three periods for the current and comparative periods. Amortisation method, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.5 Investment property
Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between

3. Significant accounting policies (Continued)

3.5 Investment property

the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3.6 Inventories

Inventories consist of items for sale such as foodstuffs, consumables and operating equipment such as crockery and linen. These are measured at the lower of cost and net realisable value, with cost determined on a first-in, first-out basis and is consistent with the prior period. The cost of inventories includes the purchase price plus the costs incurred in bringing each product to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

3.7 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and unceltainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.8 Income tax

Income tax expense comprises cmrent and deferred income tax. Current income tax and deferred income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous periods. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying

3. Significant accounting policies (Continued)

3.8 Income tax (Continued)

amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set-off current tax liabilities and assets, and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at the end of each reporting period, and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.9 Foreign currency translations

Transactions in currencies other than the entity's functional currency (foreign currencies) are translated at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the rates prevailing at that date.

Foreign currency gains or losses arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.10 Employee benefits

Defined contribution plans

Pensions are administered through a defined contribution pension scheme. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the scheme are included in profit or loss as an expense as they fall due.

Short-term benefits

Short-term employee benefits obligations such as bonuses are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period

3. Significant accounting policies (Continued)
3.10 Employee benefits (Continued)

Short-term benefits (Continued)
the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for the service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.11 Revenue
The Group recognises revenue from sale of rooms for accommodation, food and beverages and conference rooms.

The Group recognises revenue to depict the transfer of promised goods or services to customers (performance obligations are satisfied) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- Revenue is recorded when the performance obl igations are satisfied as set out below for the different income streams;
- Accommodation - the performance obligation is met when the accommodation service is complete. As such revenue is recognised at a point in time.
- Food and beverage - the revenue is recognised at a point in time when the food and/or beverage is delivered to and accepted by the customer.
- Other revenue - the revenue is recognised at a point in time. This comprises ancillary services and revenue is recognised once the service is complete.

The hotel offers a Marriott Bonvoy loyalty program where members earn points based on the money spend at Marriott hotels. Members earn points that are redeemable against future purchases of the group's accommodation and related services. The group allocates a portion of the consideration received to loyalty points based on standalone selling prices. The amount allocated to the loyalty programme is deferred and is recognised as revenue when loyalty points are redeemed. When estimating standalone selling prices of the loyalty points, the group takes into account the expected redemption rate and the timing of such redemptions based on historical usage and forfeiture rates. The deferred revenue is recognised as contract liabilities, included in trade and other payables, Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3.12 Finance income and expenses
The Group's finance income and finance costs include:-
- interest income;
- interest expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income and expense is recognised using the effective interest method.

<u>Interest income</u>
Interest income from financial assets is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the fifteen months ended 31 December 2021

3. Significant accounting policies (Continued)
3.12 Finance income and expenses (Continued)

Interest income is accrued on timely basis, by reference to the principal outstanding and at the effecting rate applicable.

3.13 Borrowing costs
The Group borrowing costs directly attributable to the construction of the Oasis Hospitality Limited, which will necessarily take a substantial period of time to get ready for its intended use. The costs are added to the construction, until such time as the hotel will be substantially ready for its intended use or sale.

All other borrowing costs are recognised in the profit 01' loss in the period in which they are incurred.

3.14 Financial instruments

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised in the Group's and Company's statement of financial position when the Group / Company becomes a party to the contractual provisions of the instrument.

Financial assets

3.15.1 Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost;
- Fair value through profit or loss (FYTPL); and
- Fair value through other comprehensive income (FYTOCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. An assessment of business models for managing financial assets is fundamental to the classification of a financial asset.

3. Significant accounting policies (Continued)
3.14 Financial instruments (Continued)

Financial assets (Continued)
3.14.1 Classification and initial measurement of financial assets (Continued)
The Group determines the business models at a level that reflects how Groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group applies the following business models:-
i. Holding financial instruments for trading to maximize income and reduce losses,
ii. Holding financial instruments to maturity. Thus the Group receives only principal and interest from the financial instruments, and
iii. Holding financial instruments for liquidity management.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Debt and loan instruments that are held by the Group whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are measured at amortised cost.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with the basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to the basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

The Group recognises loss allowances for expected credit losses on the financial instruments that are not measured at FVTPL but are carried at amortised cost: No impairment loss is recognised on equity investments. IFRS 9 eliminates impairment assessment requirements for investments in equity instruments as they are only measured at FVPL or FVTOCI without recycling of fair value changes to profit and loss.

3. Significant accounting policies (Continued)
3.14 Financial instruments (Continued)

Financial assets (Continued)
3.14.2 Subsequent measurement of financial assets
Subsequently, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

i. Financial assets at amortised cost (debt instruments)
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FYTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently

3. Significant accounting policies (Continued)
3.14 Financial instruments (Continued)

Financial assets (Continued)
3.14.2 Subsequent measurement of financial assets (Continued)
become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

ii. Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income calculated using the effective interest method, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(iii) Financial assets at fair value through profit or loss
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL.
- In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end ofeach reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not palt of a designated hedging relationship.

3. Significant accounting policies (Continued)
3.14 Financial instruments (Continued)

Financial assets (Continued)
3.14.2 Subsequent measurement of financial assets (Continued)
The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial.
iv. Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Foreign exchange gains and losses are recognised as follows:

- on financial assets at FVTPL and at amortised cost, are recognised in profit or loss
- on equity instruments at FVTOCI are recognised in other comprehensive income.
- on debt instruments held at FVTOCI are recognised in profit or loss, with the foreign currency element not based on the amortised cost being recognised in other comprehensive income

3.15 Impairment of financial instruments

a. Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises a 12-month ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i. Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition.

In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

3. Significant accounting policies (Continued)
3.15 Impairment of financial instruments (Continued)

i. Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instruments external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its credit terms;
- An actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the entity; and
- Debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. The financial instrument has a low risk of default,
2. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

ii. Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

When the customer does no honour its credit terms
Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full

Irrespective of the above analysis, the Group considers that default has occurred when the customer has defaulted.

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a. significant financial difficulty of the issuer or the borrower;

3. Significant accounting policies (Continued)
3.15 Impairment of financial instruments (Continued)

iii. Credit-impaired financial assets (Continued)

b. a breach of contract, such as a default or past due event (see (ii) above);
c. the lender(s) or the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e. the disappearance of an active market forth at financial asset because of financial difficulties.

iv. Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Any recoveries made are recognised in profit or loss.

v. Measurement and rccognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default i.e. the magnitude of the loss if there is a default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

The Group computes a 12-month expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3.16 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards ofownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FYTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FYTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

3. Significant accounting policies (Continued)

3.17 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards or for gains and losses arising from a Group of similar transactions.

3.18 Earnings per share

The calculation of basic earnings per share is based on the profit or loss for the period and the weighted average number of shares in issue throughout the period. Where new equity shares have been issued by way of capitalisation or subdivision, the profit is apportioned over the shares in issue after the capitalisation or subdivision and the corresponding figures for all earlier periods are adjusted accordingly. Diluted earnings per share is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Refer to note 25 to the financial statements.

3.19 Dividends per' share

The calculation of dividend per share is based on the dividends payable to shareholders (inclusive of the related withholding tax) during the period divided by the number of ordinaly shares in the register of shareholders at the date of payment. Refer to note 26 to the financial statements.

4. Critical accounting judgements and key sources of estimation uncertainty

4.1 Critical judgements in applying the Group's significant accounting policies

4.1.1 Valuation of properties

The Group carries out revaluation of its land and buildings with sufficient regularity to ensure that its carrying amount does not materially differ from its fair value. Land and buildings were revalued by Knight Frank a registered valuer in Malawi. Refer to note 7 to the financial statements.

4.1.2 Impairment of trade and other receivables

The carrying amounts of trade and other receivables are presented based on expected credit losses. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Refer to note 5.4 to the financial statements.

4.1.3 Capitalisation of borrowing costs

The Group capitalises borrowing costs directly attributable to the construction of the hotel. The Group has capitalised all borrowing costs accumulated to date as these are directly attributed to construction of the hotel. Refer to note 18 to the financial statements.

4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

4.2 Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties are included in the following notes:

4.2.1 Note 11- IFRS 9 assessment for receivables; key assumptions underlying recoverable amounts, including the recoverability of receivables; and

Note 7 - The residual values and useful lives of assets are reviewed at each reporting date and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate, useful lives and residual values are determined based on historical data on usage of the assets.

5. Financial risk management

5.1 Categories of financial instruments

	Note	Amortised Cost K'000	Fair value Through P&L K'000	Carrying Amount K'000
Group				
At 31 December 2021				
Financial assets				
Trade and other receivables	11	201 254	-	201 254
Cash and cash equivalents	12	636 916	-	636 916
Total financial assets		838 170	-	838 170
Financial liabilities				
Trade and other payables	17	1 686 447	-	1 686 447
Amounts due to related party	20.1	29 125		29 125
Other loan and liabilities	18	5 975 415	-	5 975 415
Total financial liabilities		7 690 987	-	7 690 987

5. Financial risk management (Continued)
5.1 Categories of financial instruments (Continued)

	Note	Amortised Cost K'000	Fair value Through P&L K'000	Carrying Amount K'000
Group				
At 30 September 2020				
Financial assets				
Trade and other receivables	11	125 562		125 562
Cash and cash equivalents	12	1 069 934	-	1 069 934
Total financial assets	1	195 496	-	1 195 496
Financial liabilities				
Trade and other payables	17	3 212 479	-	3 212 479
Amounts due to related party	20.1	154 348	-	154 348
Other loan and liabilities	18	1 786 846	-	1 786 846
Total financial liabilities		5 153 673	-	5 153 673
Company				
At 31 December 2021				
Financial assets				
Trade and other receivables	11	225 456	-	225 456
Cash and cash equivalents	12	109 136	-	109 136
Total financial assets		334 592	-	334 592
Financial liabilities				
Trade and other payables	17	688 129	-	688 129
Other loan and liabilities	18	3 842 162	-	3 842 162
Total fineneialliabilities		4 530 291	-	4 530 291
At 30 September 2020				
Financial assets				
Trade and other receivables	11	125 562	-	125 562
Cash and cash equivalents	12	398 952	-	398 952
Total financial assets		524 514	-	524 514
Financial liabilities				
Trade and other payables	17	530 652	-	530 562
Total financial liabilities		530 562	-	530 562

5.2 Fair value measurements
This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

5. Financial risk management (Continued)
5.2 Fair value measurements (Continued)

5.2.1 Valuation techniques and assumptions applied for the purposes of measuring fair value

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

5.2.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required).

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair value.

5.2.3 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group did not have any financial assets and financial liabilities that are measured at fair value at the end of the reporting period.

5.3 Overview of the Group's financial risk management framework

The Group has exposure to the following risks from its use of financial instruments:
- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight ofthe Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

5. Financial risk management (Continued)

5.3 Over view of the Group's financial risk management framework (Continued)

The Audit Committee of the Board oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy ofthe risk management framework in relation to the risk faced by the Group. The audit committee is assisted in its oversight role by an outsourced internal audit function. The outsourced internal audit function undertakes regular and ad hoc reviews of risk management controls and procedures, the result ofwhich are reported to the audit committee.

5.4 Credit risk

Credit risk is the risk of the financial loss of the Group if the customer or counterparty to the financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables.

Exposure to credit risk

The canying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

		Group		Company	
	Note	31/12/2021 K'000	30/09/2020 K'000	31/12/2021 K'000	30/09/2020 K'000
Trade receivables	11	163 727	49 571	163 727	49 571
Other receivables (excluding prepayments)	11	37 527	75 991	61 729	75 991
Cash and cash equivalents	12	636 916	1 069 934	109 136	398 952
Total		838 170	1 195 496	334 592	524 514

The Board established a credit policy under which each new customer is analysed individually for credit worthiness before the Group's standard payment terms and conditions are offered. The Group's reviews include bank references and other trade references. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis.

Cash deposits are held with Standard Bank Pic, National Bank of Malawi Plc, CDH Investment Bank Limited and NBS Bank Pic. These banks are highly-reputable banks in Malawi and are all licensed by the Reserve Bank of Malawi.

The Group has computed a 12-month expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix of debtors ageing based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

5. Financial risk management (Continued)

5.4 Credit risk (Continued)

Credit quality of financial assets

Trade and other receivables comprise mainly of balances due from corporate entities, travel agents and tour operators. Rigorous assessment of the credit worthiness of these corporate entities, travel agents and tour operators is undeltaken before credit is granted. The Group does not hold any collateral over these balances.

The maximum exposure to credit risk for trade receivables at the end of the reporting period by geographic region was as follows:

	Note	Group and Company	
		31/12/2021 K'000	30/09/2020 K'000
Based in Malawi	11	163 727	49 571
		163 727	49 571

The maximum exposure to credit risk for trade receivables at the end of the reporting period by type of counterparty was as follows:

Corporate customers	11	163 727	49 571

Impairment losses

The aging of trade and other receivables at the end of the reporting period was as follows:

		Group and Company	
		31/12/2021 K'000	30109/2020 K'000
Not past due		164 147	61 806
Impairment	11	(420)	(12 235)
Total	11	163 727	49 571

	%	Estimated gross carrying amount K'000	Loss allowance 12 months expected loss K'000
31 December 2021			
Current not past due		94 628	-
30 - 60 days past due	29	47 941	244
60 - 90 days past due	8	12 584	65
90 - 120 days past due	5	8 994	111
Total		164 147	420

5. Financial risk management (Continued)
5.4 Credit risk (Continued)

	Note	Group and Company 31/12/2021 K'000	30/09/2020 K'000
30 September 2020			
Current not past due	61	37 384	2 013
30 - 60 days past due	11	6 366	1 273
60 - 90 days past due	9	5 338	1 174
90 - 120 days past due	14	8 454	3 511
Other receivables	5	4 264	4 264
Total		61 806	12 235

The movement in the allowance for impairment in respect of trade and other receivable during the period was as follows:

	Note	Net 2021 K'000	2020 K'000
Impairment at beginning of the period		12 235	17 991
Change in loss allowance		(1 815)	(5 756)
Balance as at end ofthe period	11	420	12 235

In determining the recoverability of a trade receivable, the Group considers any change in the current quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The Group believes that the unimpaired amounts that are past due more than 30 days are still collectible based on the historic payment behaviour and extensive analysis of the customer credit risk.

Cash and cash equivalents
The Group held cash and cash equivalents of K637 million (30 September 2020: K926 million) as at 31 December 2021 of which K52 million (30 September 2020: K50million) was in foreign currency denominated accounts.

5.5 Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with the financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the fifteen months ended 31 December 2021

5. Financial risk management (Continued)
5.5 Liquidity risk (Continued)

The following are the contractual maturities of the financial liabilities, including estimated interest payments.

	Note	Carrying amount K'000	Less than 1 period K'000	After 1 period K'000
Group				
As at 31 December 2021				
Trade payables and other payables	17	1 686 447	1 686 447	-
Borrowings	18	5 975 415	2 133 253	3 842 162
Amount due to related parties	20.1	29 125	29 125	-
Total liabilities		7 690 987	3 848 825	1 842 162
As at 30 September 2020				
Trade payables and other payables	17	3 212 479	3 212 479	-
Borrowings	18	1 786 846	1 786 846	-
Amount due to related parties	20.1	154 348	154 348	-
Total liabilities		5 153 673	5 153 673	-
Company				
As at 31 December 2021		688 129	688 129	-
Trade payables and other payables	17	3 842 162	3842 162	-
Borrowings 18		4 530 291	688 129	3 842 162
Total liabilities		4 530 291	688 129	3 842 162
As at 30 September 2020				
Trade payables and other payables	17	530 562	530 562	-

5. Financial risk management (Continued)
5.5 Liquidity risk (Continued)

Liquidity of financial instruments
The following table details the Group's remaining contractual maturity for its non derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table includes both interest and principal cash flows.

	Note	Weighted Average Effetive Interest rate 15%	Less than 12 months K'000	Total K'000	Carrying value K'000
Group					
3 December 2021					
Assets					
Trade and other receivables			201 254	201 254	201 254
Bank and cash balances			636 916	636 916	636 916
Total financial assets			838 170	838 170	838 170
Liabilities					
Trade and other payables			1 686 447	1 686 447	1 686 447
Total interest bearing debt			2 133 253	2 133 253	2 133 253
Amount due to related parties			29 125	29 125	29 125
			3 848 825	3 848 825	3 848 825
Liquidity gap			(3 010 655)	(3 010 655)	(3 010 655)
Cumulative			(3 010 655)	(3 010 655)	(3 010 655)
Company					
31 December 2021					
Assets					
Trade and other receivables			225 456	225 456	225 456
Bank and cash balances			109 136	109 136	109 136
Total financial assets			334 592	334 592	334 592
Trade payables and other payables	17		688 129	688 129	688 129
Borrowings	18		-	-	-
Total Liabilities			688 129	688 129	688 129
Liquidity gap			(353 537)	(353 537)	(353 537)
Cumulative			(353 537)	(353 537)	(353 537)

5. Financial risk management (Continued)
5.5 Liquidity risk (Continued)

	Note	Less than 12 months K'000	Total K'000	Carrying value K'000
Company				
30 September 2020				
Assets				
Trade and other receivables	11	125 562	125 562	125 562
Bank and cash balances	12	398 952	398 952	398 952
Total financial assets		524 514	524 514	524 514
Liabilities				
Trade and other payables	17	530 562	530 562	530 562
Liquidity gap		(6 048)	(6 048)	(6 048)
Cumulative		(6 048)	(6 048)	(6 048)

5.6 Market risk
The market risk is the risk that changes in market prices such as foreign exchange and interest rates will affect the Group's income or the values of its financial instruments. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

5.6.1 Currency risk
The Group is exposed to currency risk on sales and purchases that are denominated in currency other than the functional currency of the Group, which is Malawi Kwacha. The currencies in which these transactions are primarily denominated are United States Dollar and the South African Rand.

All purchases in foreign currency are economically hedged by Foreign Currency Denominated Accounts (FCDA's) in the same currencies. Any purchase in USD is paid for using funds in USD account and the same applies to South African Rand. The Group generates foreign currency through its normal operations but opts to set aside foreign currency funds in FCDA accounts to cover its foreign currency denominated liabilities.

No other hedge is actively taken out for this risk. However, exchange rate exposures are managed mainly using accelerated payments and borrowings in local currency to finance foreign purchases. Accelerated payments of foreign currency payable minimises exposure to foreign currency risk by reducing the amounts due in foreign currency.

5. Financial risk management (Continued)
5.6 Market risk (Continued)

5.6.1 Currency risk (Continued)
The Group's foreign exchange exposures at the reporting date were as follows:

	Assets	Liabilities	Net	Exchange rate Movement	Impact on profit and equity (net of tax)
USD	37 360	-	40 718	10%	2 850
ZAR	2 815	-	497	10%	35
GBP	4 728	-	4 304	10%	301
EUR	7 335	-	4 213	10%	295
	52 238	-	49 732		3 481

As at 31 December 2021, if the Malawi Kwacha had weakened/strengthened by 10% against the US dollar with all other variables held constant, post-tax profit for the period and equity would have been K5.2 million (30 September 2020: K3.5 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of foreign currency-denominated financial instruments.

5.6.2 Interest rate risk
The Group adopts a policy of ensuring that some borrowings are at fixed rates and others are at variable rates depending on the currency of the borrowings, terms and conditions.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

Variable rate instruments

	Note	Group 31/12/2021 K'000	Group 30/09/2020 K'000	Company 31/12/2021 K'000	Company 30/09/2020 K'000
Loan Borrowings	18	5 975 415	1 786 846	3 842 162	-
		5 975 415	1 786 846	3 842 162	-

Blantyre Hotels Plc obtained a loan of K3.5 million from National Bank of Malawi which attracts interest at 6.1% above the reference rate which was at 12.2% at the time of the loan being issued. The loan was obtained to pay for the land consideration and project costs.

Oasis Hospitality Limited obtained a loan of K2 billion from Standard Bank which attracts interest at an average 364 Malawi Government Treasury Bill rate plus a premium of 3%. Refer to note 18 of the financial statements.

5. Financial risk management (Continued)
5.6 Market risk (Continued)

5.6.2 Interest rate risk (Continued)
The loan that was obtained from NICO Asset Managers Limited and NBS Plc has been fully repaid in the current year.

Cash flow sensitivity analysis for variable rate instruments
An increase of5% in interest rates at the reporting date would have increased interest being charged to the profit or loss by K19 million (2020: K 17.4 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Fixed rate instrument	Note	Group 31/12/2021 K'000	Group 30/09/2020 K'000	Company 31/12/2021 K'000	Company 30/09/2020 K'000
Fixed deposits	12	84 705	314 259	84 705	307 094

Cash and cash equivalents earn interest at a rate of 1% - 12.5% (30 September 2020: 1% - 12.5%).

Fair value sensitivity alnalysis for fixed rate instruments
The Group does not account for any fixed rate financial instrument at fair value through profit or loss. Therefore, a change in interest rates at the repolting date would not affect profit or loss.

6. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the movements in the gearing ratio. This ratio is calculated as total borrowings divided by total capital. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	Group 31/12/2021 K'000	Group 30/09/2020 K'000	Company 31/12/2021 K'000	Company 30/09/2020 K'000
Trade and other payables	1 686 447	3 212 479	688 129	530 562
Borrowings	5 975 415	1 786 846	3 842 162	
Amounts due to related parties	27 956	154 348		
Total liabilities	7 689 818	5 153 671	4 530 291	530 562
Total equity	6 492 878	6 744 440	6 823 197	6 799 997
Gearing ratio	118%	77%	66%	8%

The Group is not subject to any externally imposed capital requirements.

7. Property and equipment

	Freehold land K'000	Buildings K'000	Motor vehicles K'000	Furniture equipment K'000	Capital WIP K'000	Total K'000
Group						
31 December 2021						
Cost/valuation						
1October 2020	3 616 264	6 131 000	117 249	1297 219	2030005	13 191 737
Additions	-	7 513	-	30 538	1 865 380	1 903 431
Revaluation	147 000	471 487	-	-	-	618 487
At 31 December 2021	3 763 264	6 610 000	117 249	1 327 757	3 895385	15 713 655
Accumulated depreciation						
1 October 2020	-	-	90 060	848 596	-	938 656
Charge for the period	-	97 661	12 234	110 347	-	220 242
Reversal on revaluation	-	(97 661)	-	-	-	(97 661)
At 31 December 2021	-	-	102 294	958 943	-	1 061 237
Carrying amounts						
At 31 December 2021	3 763 264	6 610 000	14 955	368 814	3 895 385	14 652 418
30 September 2020						
Cost/valuation						
1 October 2019	730 000	6 073 243	122 909	1 268 637	1 088 394	9 283 183
Additions	2 103 264	1 751	-	18 516	951 677	3 075 208
Reclassification	-	-	-	10 066	(10 066)	-
Revaluation surplus	783 000	56 006	-	-	-	839 006
Disposals	-	-	(5 660)	-	-	(5 660)
At 30 September 2020	3 616 264	613 1000	117 249	1297 219	2030005	13 191 737
Accumulated depreciation						
1 October 2019	-	65 139	82 486	737 438	-	885 063
Charge for the period	-	74 720	12 102	111 158	-	197 980
Reversal on revaluation	-	(139 859)	-	-	-	(139 859)
Disposals	-	-	(4 528)	-	-	(4 528)
At 30 September 2020	-	-	90 060	848 596	-	938 656
Carrying amounts						
At 30 September 2020	3 616 264	6 131 000	27 189	448 623	2 030 005	12 253 081

Additional freehold land was acquired in 2020 from Lilongwe Golf Club (LGC) at a consideration of K2.1 billion and the amount has been fully settled in the current year. The land will be used for the construction of Lilongwe Ryalls Hotel.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the fifteen months ended 31 December 2021

7. Property and equipment (Continued)

Included in additions for capital work in progress (WIP) is an amount of K1.86 billion (30 September 2020: K951 million) relating to the hotel project as further detailed in note 9 to the financial statements.

	Freehold land K'000	Buildings K'000	Motor vehicles K'000	Furniture equipment K'000	Capital WIP K'000	Total K'000
Company						
31 December 2021						
Cost/valuation						
1 October 2020	1513 000	6 131 000	117 249	1 297 219	129 372	9 187 840
Additions	-	7 513	-	30 538	-	38 051
Revaluation surplus	147 000	471 487	-	-	-	618 487
At 31 December 2021	1 660 000	6 610 000	117 249	1 327 757	129 372	9 844 378
Accumulated depreciation						
1 October 2020	-	-	90 060	848 596	-	938 656
Charge for the period	-	97 661	12 234	110 347	-	220 242
Revaluation	-	(97 661)	-	-	-	(97 661)
At 31 December 2021	-	-	102 294	958 943	-	1 061 237
Carrying amounts						
At 31 December 2021	1 660 000	6 610 000	14 955	368 814	129 372	8 783 141
30 September 2020						
Cost/valuation						
1 October 2019	730 000	6 073 243	122 909	1 268 637	124 874	8 319 663
Additions	-	1 751	-	18 516	14 564	34 831
Reclassification	-	-	-	10 066	(10 066)	-
Revaluation surplus	783 000	56 006	-	-	-	839 006
Disposals	-	-	(5 660)	-	-	(5 660)
At 30 September 2020	1 513 000	6 131 000	11 7249	1 297 219	129 372	9 187 840
Accumulated depreciation						
1 October 2019	-	65 139	82 486	737 438	-	885 063
Charge for the period	-	74 720	12 102	111 158	-	197 980
Revaluation	-	(139 859)	-	-	-	(139 859)
Disposals	-	-	(4 528)	-	-	(4 528)
At 30 September 2020	-	-	90 060	848 596	-	938 656
Carrying amonnts						
At 30 September 2020	1 513 000	6 131 000	27 189	448 623	129 372	8 249 184

The registers of land and buildings are available for inspection at the Company's registered office.

7. Property and equipment (Continued)

Fair value measurement of the Company's land and buildings
Land and buildings for the Company were revalued as at 31 December 2021 and as at 30 September 2020 by Nickson Mwanyali a registered Surveyor and qualified independent valuer of Knight Frank. Had it been that the Group did not adopt a revaluation policy, the carrying amount of land and buildings for the Company would have been K736 million (30 September 2020: K736 million).

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from that would be determined using fair values at the end of each repotting period.

The fair value measurements have been categorised as Level 3 for value based on inputs to the valuation techniques used.

Property and equipment are encumbered as disclosed in note 18 to the financial statements.

	Group		Company	
	31/12/2021 Level 3 K'000	30/09/2021 Level 3 K'000	31/12/2021 Level 3 K'000	30/09/2020 Level 3 K'000
Land	3 763 264	3 616 264	1 660 000	I 513 000
Buildings	6 610 000	6 131 000	6 610 000	6 131 000
Land and buildings	10 373 264	9 747 264	8 270 000	7 644 000

There were no transfers between levels 1, 2 and 3 during the period.

The following table shows the valuation technique used in measuring the fair values of property and equipment, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The valuation expert adopted a Income Method of Valuation Approach (i.e. fair value). The fair value basis of valuation is interpreted as the estimated amount for which an asset or liability should exchanl);e on the valuation date between a wilhng buyer and a willing seller in an ann's length transaction after proper marketing and where the palties had each acted knowledgeably, prudently and without compulsion.	In valuation of propelties in the hospitality industry, use of trading revenue or estimated or reasonably anticipated revenue from the business and operating expenses is made to formulate an opinion of market value. The valuation method takes cognisance of the current performance of the hospitality induslly in general and the projected performance of the subject facility in particular.	a. The occupancy rates were part of the consideration in the determination offair value of the property. The higher the occupancy rate the higher the Market value of the hotel b. The valuation has also taken into account economic factors such as inflation rate and foreign exchange rates and also economic growth in relation to impact of Covid-19.

7. Property and equipment (Continued)

The valuer use capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

A slight increase in the capitalisation rate used would result in a significant decrease in rair value, and vice versa.

	Group		Company	
8. Intangible assets	31/12/2021 K'000	30/0912020 K'000	31/12/2021 K'000	30/09/2020 K'000
Software				
Cost				
At the beginning of the period/year	30 988	30 988	30 988	30 988
At the end of the period/year	30 988	30 988	30 988	30 988
Amortisation				
At the beginning of the period/year	30 175	27 710	30 175	27 710
Amortization charge for the period/year	813	2 465	813	2 465
At the end of the period	30 988	30 175	30 988	30 175
Carrying amount at the end of the period/year	-	813	0	813

	Group		Company	
	31/12/2021 K'000	30/09/2020 K'000	31/12/2021 K'000	30/09/2020 K'000
9. Investment in subsidiary	-	-	3 686 301	77 500

Blantyre Hotels pic holds 100% shareholding in Oasis Hospitality Limited, a company incorporated in 2019.

The investment in the subsidiary is stated at cost less any impairment losses.

Oasis Hospitality Limited (Oasis) aims to build a four star hotel in Lilongwe. The hotel is to be built on a piece of land which is part of the land owned by the Lilongwe Golf Club.

The Group is in the process of finalising the procedure of raising capital to finance the hotel construction. Blantyre Hotels pic has obtained a loan through NBM Capital Markets Ltd to finance the project as detailed on note 18 to the financial statements. The Company is expected to invest an amount totaling to US$9.514 million (K1 billion) for furniture, fittings and equipment in Oasis Hospitality Limited.

Besides the initial capital contributed by Blantyre Hotels Pic, the project has so far been largely financed through borrowings obtained in the period as detailed in note 18 to the financial statements. The cost so far incurred directly related to the hotel construction project has been capitalised as work in progress and included in property and equipment as detailed in note 7 to the financial statements. Blantyre hotel has contributed the K3.6 billion as debt to Oasis which will be convelted to equity.

10. Inventories

	Group		Company	
	31/12/2021 K'000	30/09/2020 K'000	31/12/2021 K'000	30/09/2020 K'000
Food stuff and beverages	44 705	40 434	44 705	40 434
Consumables	80 652	73 712	80 652	73 712
Operating stock	163 081	168 983	163 081	168 983
Goods in transit	3 778	-	3 778	-
Total inventories	292 216	283 129	292 216	283 129

11. Trade and other receivables

Trade receivables	164 147	61 806	164 147	61 806
Expected credit losses	(420)	(12 235)	(420)	(12 235)
	163 727	49 571	163 727	49 571
Sundry receivables	32 549	71 074	56 750	71 074
Staff advances	4 979	4 917	4 979	4 917
Prepayment	180 614	17 270	180 614	72 703
	381 869	142 832	406 070	198 265

The average credit period for trade receivables is 30 days. No interest is charged on the outstanding balance. Refer to note 5.4 to the financial statements for the credit quality of receivables.

The Group has computed a 12-month expected credit losses (ECL) allowance for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Impact of Covid-19 has also been considered in computing the expected credit losses. This includes applying the default rate on debtors within 30 days as this reflects the economic downturn experience by entities operating in different industries.

12. Cash and cash equivalents

	Group		Company	
	31/12/2021 K'000	30/0912020 K'000	31/12/2021 K'000	30/09/2020 K'000
Foreign currency accounts	52 238	49 732	52 238	49 732
Current account balances	499 973	705 943	(27 807)	42 126
Fixed deposits	84 705	314 259	84 705	307 094
At the end of the year	636 916	1 069 934	109 136	398 952

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the fifteen months ended 31 December 2021

12. Cash and cash equivalents (Continued)

The Group and Company did not have any bank overdraft facility with its bankers. The overdraft is sitting cash book as reconciled to the bank balance.

The Group and Company's bank accounts includes deposit of NBS Bank Plc amounting to K527 million. The rests of the amounts were spread with CDH Investment Bank, National Bank of Malawi Plc and Standard Bank Plc. The current accounts earned interest of up to 1% (30 September 2020: 1%) and the fixed deposits earned interest of up to 12% (30 September 2020: 12%).

13. Share capital

	Group		Company	
	31/12/2021 K'000	30/0912020 K'000	31/12/2021 K'000	30/09/2020 K'000
Authorised 5 000 000 000 ordinary shares at 5 tambala each (30 September 2020: 5,000,000,000 ordinary shares at 5 tambala each)	250 000	250 000	250 000	250 000
Issued and fully paid 839750705 (30 September 2020: 839,750,705 ordinary shares)	41 988	41 988	41 988	41 988

	Group		Company	
	31/12/2021 K'000	30/09/2020 K'000	31/12/2021 K'000	30/09/2020 K'000
14. Share premium				
At the beginning of the period/year	1 340 153	1 340 153	1 340 153	1 340 153
15. Revaluation reserve				
At the beginning of the period/year	4903 821	4265 148	4 903 821	4265 148
Increase in revaluation	716 148	978 865	716 148	978 865
Depreciation on revaluation	(89 591)	(66 728)	(89 591)	(66 728)
Deferred tax	(215 871)	1 273 464)	(215 871)	1 273 464)
At the end of the period/year	5 314 507	4 903 821	5 314 507	4 903 821

16. Deferred tax

	Asset 31/12/2021 K'000	30/09/2020 K'000	Liability 31/12/2021 K'000	30/0912020 K'000	Net 31/12/2021 K'000	30/09/2020 K'000
Group						
31 December 2021						
Property, plant and equipment	-	-	2 335 377	2 178 851	2 335 377	(29 474
Other temporary Differences	143 610	25 395	(328 694)	(218 827)	(328 694)	(192 269)
Change in accounting policy	-	-	-	-	-	7 827
	143 610	25 395	2 006 683	1 960 024	2 006 683	213 916
Company						
Description						
30 September 2020						
Property and equipment		_		2 178 851		2 178 851
Other temporary differences		_		(218 827)		(218 827)
		_		1 960 024		1 960 024

	Balance at the beginning of the period K'000	Recognised in the profit or loss K'000	Recognised in other comprehensive income/equity K'000	Balance atthe end of period K'000
Group				
31 December 2021				
Property and equipment	2 178 851	(169 357)	189 895	2 199 389
Other temporary differences	(244 222)	1 118 070)	25 976	(336 316)
	1 934 629	(287 427)	215 871	1 863 073
30 September2020				
Property and equipment	1 934 861	(29 474)	273 464	2 178 851
Other temporary differences	(51 953)	(192 269)	_	(244 222)
Effect of change in accounting policy	(7 827)	7 827	_	_
	1 875 081	(213 916)	273 464	1 934 629

16. Deferred tax (Continued)

	Balance at the beginning of the period K'000	Recognised in the profit or loss K'000	Recognised in other comprehensive income/equity K'000	Balance atthe end of period K'000
Company				
31 December 2021				
Propelty and equipment	2 178 851	(14 764)	189 895	2 353 982
Other temporary differences	(218 827)	(154 448)	25 976	(347 299)
	1 960 024	(169 212)	215 871	2 006 683
30 September 2020				
Property and equipment	1 934 861	(29 474)	273 464	2 178 851
Other temporary differences	(51 075)	(167 752)	-	(218 827)
Effect of change in accounting policy	(7 826)	7 826	-	-
	1 875 960	(189 400)	273 464	1 960 024

17 Trade and other payables

	Group 31/12/2021 K'000	Group 30/09/2020 K'000	Company 31/12/2021 K'000	Company 30/09/2020 K'000
Trade payables	1 133 944	362 711	302 185	164 639
Other payables	552 503	2 849 768	385 944	365 923
Total trade and other payables	1 686 447	3 212 479	688 129	530 562
Other payables include the following:				
Net land purchase price payable	-	1 966 110	-	-
Penalty charge on land acquisition	160 313	-	-	-
Accruals	246 193	642 945	246 193	133 542
Audit fees	26 140	22 899	19 894	18 200
Defined contribution pension accrual	15 416	10 951	15 416	10 951
Gym advance payments	285	207	285	207
Management fees payable	72 823	70 132	72 823	70 132
Incentive fees payable	-	8 630	-	8 630
Advance deposits	320	38 361	320	38 361
Unclaimed dividends	13 814	13 863	13 814	13 863
	535 304	2 774 098	368 745	293 886
Other taxes due	9 266	71 626	9 266	67 993
VAT payable	7 933	4 044	7 933	4 044
	552 503	2 849 768	385 944	365 923

17 Trade and other payables (Continued)

The Group accruals include K493 million (30 September 2020: K510 million) payable to Bovell Ross. Bovell Ross is one of the consultants engaged to provide architectural services on the Lilongwe hotel project.

The average credit period for trade and other payables is 30 days. No interest is charged on these amounts.

The Directors consider that the carrying amounts of trade and other payables approximate to their fair value.

The outstanding balance of land purchase price of KI.9 billion had been paid to Lilongwe Golf Club in the current.

18. Loans and Borrowings

	NBS Bank K'000	NAML K'000	Standard Bank K'000	NBM K'000	Total K'000
Group					
Short term					
31 December 2021					
Balance at the beginning of the period	836 527	950 319	-	-	1 786 846
Additions	-	-	2 000 000	-	2 000 000
Accrued interest for the period	128 723	128 908	133 253	-	390 884
Repayment	(965 250)	(1 079 227)	-	-	(2 044 477)
Balance as at end of the period	-	-	2 133 253	-	2 133 253
30 September 2020					
Balance at the beginning of the year	-	825 576	-	-	825 576
Additions	825 000	-	-	-	825 000
Accrued interest for the year	11 527	124 743	-	-	136 270
Balance as at end of the year	836 527	950 319	-	-	1 786 846
Group and company					
Long term					
31 December 2021					
Balance at the beginning of the period	-	-	-	-	-
Additions	-	-	-	3 500 000	3 500 000
Accrued interest for the period	-	-	-	342 162	342 162
Repayment	-	-	-	-	-
Balance as at end of the period	-	-	-	3 842 162	3 842 162

18. Loans and Borrowings (Continued)

NBS Bank loan
The loan of K825 million was obtained by Oasis Hospitality from NBS Bank pic on 31 August 2020, and had interest borne at 17%. This loan was secured by an unlimited corporate guarantee by Blantyre Hotels pic. The loan principal and interest amount was paid as bullet payment during the period.

Nico Asset Managers loan
The loan which was obtained by Oasis Hospitality from NICO Asset Managers Ltd was renewed on 30 September 2020 upon its maturity. The renewed loan agreement attracted interest equivalent to 364 Treasury bill rate from the last public auction of 13.5% plus 5% pel' annum, translating to 18.5% semi-annually in advance. This loan was secured by an unlimited corporate guarantee by Blantyre Hotels pic. The bullet principal amount plus interest payment was made during the period.

Standard Bank loan
A loan of K2 billion was obtained by Oasis Hospitality from Standard Bank in May 2021 at an average 364 Malawi Government Treasury bill rate plus a premium of3% and is repayable in 12 months as a bullet payment on maturity.

The facility is secured by a Corporate Guarantee by Blantyre Hotels Plc. The amount will be repaid through capital contributions through the investors invited to participate in the development of the hotel to be constructed in Lilongwe.

National Bank of Malawi loan
A loan of K3.5 billion was obtained by the Company from National Bank of Malawi in the year and attracts interest at 6.1% above the reference rate and is repayable over a period of 7 years inclusive of a 24 month moratorium on both principal and interest repayment. The loan is secured by a legal charge for K4 billion over the Company's property title number Blantyre West 132, Blantyre Hotels plc. The property, valued at K8 billion as at 31 December 2021, is included as part ofthe property and equipment as detailed in note 7 to the financial statements.

19. Taxation

	Group				Company			
		31/12/2021 K'000		30/09/2020 K'000		31/12/2021 K'000		30/09/2020 K'000
Current income tax liabilities								
Balance at the beginning of the period/year		(82 953)		(11 151)		(82 740)		(11 151)
Charge for the period/ year		-		-		-		-
Paid during the period/year		(567)		(71 802)		(567)		(71 589)
Balance at the end of the period/year		(83 520)		(82 953)		(83 307)		(82 740)
Income tax (credit)/ expense								
Income tax payable as assessed at 30%								
Deferred tax movement (net) (note 16)		(287 427)		(213 916)		(169 212)		(189 400)
Total income tax (credit)/e xpense		(287 427)		(213 916)		(169 212)		(189 400)
Reconciliation ofthe effective tax rate								
Loss before tax		(1 039 266)		(667 687)		(646 289)		(589 664)
Income tax at standard rate	30%	(307 879)	30%	(200 306)	30%	(192 836)	130%	(176 899)
Permanent differences	(2%)	20 452	2%	(13 610)	(4%)	23 624	2	(12 501)
Effective tax	28%	(287 427)	32%	(213 916)	26%	(169 212)	32%	(189 400)

20. Related party transactions and balances

The Group's major shareholders are NICO Life Insurance Company Limited, Africap LLC and Press Trust.

Services are supplied in the ordinary course of business by the Group to shareholders and by shareholders to the Group at arm's length.

The following related arty transactions took lace during the period:

Related party	Relationship	Type of transaction	Group: Value of transactions (from/to) 2021 K'000	Group: Balance at period end 2021 K'000	Group: Value of transactions (from/to) 2020 K'000	Group: Balance at period end 2020 K'000	Company: Value of transactions (from/to) 2021 K'000	Company: Balance at period end 2021 K'000	Company: Value of transactions (from/to) 2020 K'000	Company: Balance at period end 2020 K'000
NICO Asset Managers Limited	Common shareholder	- Accommodation	-	-	(4 343)	458	-	(1 137)	(4 343)	458
		-Transfer, secretarial and consultancy fees	50 481	-	22 368	(8 540)	50 481	19 174	22 368	(8 540)
		- Administtative and financial management services	87 375	29 125	73 200	139 301	87 375	-	-	-
		- Capital raising	-	-	-	155 319	-	-	-	-
		- Consultancy fees	128 908	-	136 270	-	-	-	-	-
		- Interest on loan								
Luxury Hotels International South Africa (Pty) Limited	Management Group	- Management fees	57 813	72 009	59 599	(70 260)	57 813	72 009	59 599	(70 260)
		- Marketing fees	30 487	-	46 164	-	30 487	-	46 164	-
		- Incentive fees	(1 736)	-	7 249	(18 764)	(1 736)	-	7 249	(18 764)
		- Program Services fund	24 645	-	-	-	24 645	-	-	-
NICO Life Insurance Company Limited	Shareholder	- Accommodation	-	(948)	(6 338)	1 925	-	(948)	(6 338)	1 925
		- Pension and Life cover	94 585	15 416	74 452	(6694)	94 585	15 416	74 452	(6 694)
NICO Holdings Plc	Parent of shareholder	- Accommodation	559	(238)	(23 286)	739	559	(238)	23 286	739
		- Expenses paid on behalf of Oasis	-	-	4 712	4 712	-	-	-	-
Press Trust	Shareholder	Accommodation	2 346	-	(8 899)	123	2 346	-	8 899	123
NICO General Insurance Company Limited	Common shareholder	- Accommodation	-	-	(9 298)	594	-	-	(9 298)	594
		- Insurance	44 508	-	38 220	-	44 508	-	38 220	-
Oasis Hospitality Limited	100% own subsidiary	Investment	3 500 000	-	-	-	3 500 000	-	18 885	55 433
Eris Properties Limited	Common shareholder	Property Development Services	-	-	10 462	10 462	-	-	729	-
Africap	Common shareholder	Accommodation	674	-	-	-	674	-	-	-
NBS Bank Loan	Common shareholder	Loan principal arrangement fees interest	128 723	-	-	-	-	-	-	-
NBS Bank Loan	Common shareholder	Bank balance	-	(527 780)	-	66 3817	-	-	-	-

The amounts in brackets indicate services provided to related party by Blantyre Hotels Pic whilst the others indicate the service acquired from related parties at arm's length.

20. Related party transactions (Continued)

The balances are interest free and are payable in normal course of business except for the loans obtained from NICO Asset Managers Ltd and NBS Bank Plc and bank balances which attract interest as detailed in notes 18 and 12 to the financial statements, respectively.

Nico Asset Managers	Common shareholder	Secretarial, administration and consultancy services
Nico Asset Managers	Common shareholder	Loan guaranteed by Blantyre Hotels Plc
Nico Asset Managers	Common shareholder	Accommodation
Procurement International Limited	Subsidiary of management Group	Guest supplies
NBS Bank Plc	Common shareholder	Bank services

Compensation to key management personnel
In addition to key management personnel's salaries the Group also provides non-cash benefits to a postemployment defined contribution plan for key management personnel's benefits. In accordance with the plan employees contribute 8.63% of the basic pay while the Group contributes 15.62% of the basic pay to cover pension and Group life cover.

Salaries and cash benefits to key management personnel were as follows:

	Group		Company	
	31/12/2021 K'000	30/09/2020 K'000	31/12/2021 K'000	30/09/2020 K'000
Short-term employee benefits				
Salaries and bonuses	69 835	111 436	69 835	111 436
Directors' fees	10 649	10 649	10 649	9 681
Other long-term employee henefits				
Pension	7 423	11 335	7 423	11 335

20.1 Amounts due to related parties

	Group		Company	
NICO Holdings Limited	-	4 712	-	-
NICO Asset Managers	29 125	139 301	-	-
ERIS Properties (Malawi) Limited	-	10 462	-	-
Total	29 125	154 348	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the fifteen months ended 31 December 2021

21. Revenue

Disaggregated revenue is reported in the same way as it is reviewed and analysed internally by the chief operating decision makers, primarily, the Executive Directors. The key components of revenue reviewed by the chief operating decision makers are:

	Group		Company	
	31/12/2021 K'000	30/09/2020 K'000	31/12/2021 K'000	30/09/2020 K'000
Accommodation	842 214	1 033 363	842 214	1 033 363
Food and beverages	1 086 047	989 445	1 086 047	989 545
Other revenues	46 714	53 851	46 714	53 851
Total revenue	1 974 975	2 076 659	1 974 975	2 076 759

- Accommodation - the performance obligation is met when the accommodation service is complete. As such revenue is recognised at a point in time.
- Food and beverage - the revenue is recognised at a point in time when the food and/or beverage is delivered to and accepted by the customer.
- Other revenue - the revenue is recognised at a point in time. This comprises ancillary services and revenue is recognised once the service is complete.

22. Cost of sales

	Group		Company	
	31/12/2021 K'000	30/09/2020 K'000	31/12/2021 K'000	30/09/2020 K'000
Salaries and wages	487 815	556 365	487 815	556 365
Guest enteliainment and supplies + Sundries	75 048	94 351	75 048	94 351
Room cleaning and maintenance + telephone	35 373	53 211	35 373	53 211
Food and beverages costs	409 423	377 022	409 423	377 022
Sundries	79 303	71 982	79 303	71 982
Total cost of sales	1 086 962	1 152 931	1 086 962	1 152 931

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the fifteen months ended 31 December 2021

23. Selling and administration expenses

	Group		Company	
	31/12/2021 K'000	30/09/2020 K'000	31/12/2021 K'000	30/09/2020 K'000
Auditor's fees and expenses	31 322	22 899	25 076	18 200
Bad debt provision	420	12 235	420	12 235
Bank charges	11 214	8 635	9 964	7 576
Board expenses	12 071	17 609	11 773	17 609
Capital raising funds	-	25 000	-	25 000
Commission on credit cards	16 115	26 477	16 115	26 477
Computer expenses	57 682	33 360	57 682	33 360
Consultancy fees	87 375	17 595	-	17 595
Group secretarial and transfer expenses	50 481	46 905	50 481	46 905
Depreciation and amortisation	221 054	200 445	221 054	200 445
Directories fees	10 649	10 649	10 947	10 649
Donation and subscriptions	2 974	2 371	2 974	2 371
Fees to management Group (Note 23.1)	111 209	117 484	111 209	117 484
Fringe benefit tax	12 121	17 110	12 121	17 110
Internal audit expense	2 493	8 829	2 493	8 829
Insurance	44 508	38 220	44 508	38 220
Legal and professional fees	9 197	84 094	7 436	10 892
Levies, licenses and permits	4 970	4 045	4 970	4 045
Malawi Stock Exchange annual listing fees	32 896	24 555	32 896	24 555
Marketing expenses	42 159	38 901	42 159	38 752
Motor vehicles	8 646	12 245	8 646	12 245
Other staff costs	148 451	84 984	148 451	84 984
Staff restructuring costs	-	189 773	-	189 773
Interest on land acquisition	160 313	-	-	-
Postage	1 485	1 270	1 485	1 270
Power and lighting	167 411	156 203	167 411	156 203
Printing and stationery	6 836	7 585	6 368	7 267
Promotion	16 703	10 145	16 703	10 145
Rates and taxes	32 802	24 004	32 802	24 004
Repairs and maintenance	90 070	91 629	90 070	91 629
Salaries and wages	240 872	213 982	240 872	213 982
Security	41 263	40 476	41 263	40 476
Sundry expenses	4 801	2 031	4 118	2 031
Telephone	10 858	15 994	10 858	15 994
Travel	8 489	8 641	7 108	8 641
Water	39 536	25 415	39 556	25 415
Total	1 739 446	1 642 029	1 479 989	1 562 603

23. Selling and administration expenses (Continued)

	Group		Company	
	31/12/2021 K'000	30/09/2020 K'000	31/12/2021 K'000	30/09/2020 K'000
23.1 Fees payable to Management Company				
Management fees	57 813	59 599	57 813	59 599
Marketing fees	30 487	46 164	30 487	46 164
Incentive fees	(1 736)	7 249	(1 736)	7 249
Provident service fund	24 645	4 472	24 645	4 472
	111 209	117 484	111 209	117 484
24. Finance income/(costs)				
Interest income	336 109	40 844	314 329	40 844
Exchange gain (net)	-	9 256	4 640	6 896
	336 109	50 100	318 969	47 740
Interest expense and other finance costs				
Exchange losses (net)	(150 660)	(3 055)	-	(98)
Interest on loan	(379 737)	-	(379 737)	-
	(530 397)	(3 055)	(379 737)	(98)
Net finance (cost)/ income	(195 700)	47 045	(60 768)	47 642

25. Loss per share

The calculation of basic and diluted (loss) per share is based on loss attributable to shareholders of Company of K640 million (2020: K454 million) and the weighted average number of ordinary shares during the period of 839 750 705 (2020: 839750705).

Earnings per Share is as below:-

	Group	
	31/12/2021 K'000	30/09/2020 K'000
Loss for the period (MK'000)	(751 839)	(453 771)
Weighted average number of shares ('000)	839 750	839 750
Basic and diluted loss per Share (tambala)	(90)	(54)

26. Dividends

No dividends were declared and paid due to the Group's financial performance.

27. Capital commitments and contingent liabilities

The board approved capital commitments relating to refurbishment and equipment costs amounting to K300 million at the end ofthe period (30 September 2020: K52 million). These costs are to be funded wholly by funds generated internally.

As detailed in note 18 to the financial statements, Blantyre Hotels Plc provides a Corporate Guarantee of the loan totaling K2 billion for Oasis Hospitality Limited as the majority shareholder of the subsidiary.

The development costs of the hotel by Oasis Hospitality Limited are estimated at US$36.522 million (K27.2 billion) and Blantyre Hotels Pic is expected to invest an additional US$9.514 million (K7.1 billion) for furniture, fittings and equipment. None of this cost has been contracted yet.

28. Reportable segments

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of services provided. The Directors of the Group have chosen to organise the Group around differences in services provided. No operating segments have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group's reportable segments under IFRS 8 are accommodation and food and beverage.

	Group and Company			
	Accommodation		Food and beverage	
	31/12/2021 K'000	30/09/2020 K'000	31/12/2021 K'000	30/09/2020 K'000
Revenue	842 214	1 033 363	1 086 047	989 545
Operating expenses	243 752	337 046	737 091	890 049
Segment profit	598 462	696 317	348 956	99 496

Revenue reported above represents revenue generated from external customers.

The segments do not have separately reportable assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the fifteen months ended 31 December 2021

29. Impact of COVID-19

During the period, the Group continued to experience the impact of the second and third waves of COYID-19. This resulted in decline in revenues due to low occupancy levels as a result of reduced international travel as well as Government restrictions on gatherings and organizational mandates (e.g. "shelter in placc" mandates, school closures) and voluntary changes in consumcr behavior (e.g. "social distancing").

The Group continued to focus on cost saving initiatives which among others included a reduction in salary remuneration for associates on average of 70% commensurate of hours worked.

Despite the challenges faced, management remained committed to provide a safe and best quality services to guests.

30. Going concern

The Group and the Company have incurred a net loss of K752 million (2020: K454 million) and K477 million (2020: K400 million), respectively during the period ended 31 December 2021 and, as of that date, the Group's current liabilities exceeded its current assets by K2.4 billion. (2020: K3.6 billion).

The Group performance this period has been affected by two factors. As explained in note 29 to the financial statement, the Group has been affected by the impact of Covid -19. Blantyre Hotels Plc experienced a drastic drop in revenue as a result of low occupancy levels due to restrictions in travelling both local and international. This is the principal reason for the loss in the current period.

Secondly, as explained in note 9 to the financial statement, Blantyre Hotels Plc through its subsidiary, Oasis Hospitality Limited, plans to build a hotel. Since its incorporation, Oasis Hospitality Limited has largely relied on sholt term borrowings to finance its operations hence the net current liability position.

Directors are confident that the Group is a concern because of the following reasons:

- Blantyre Hotel Plc, (the Company) has adequate financial reserve to finance its working capital for the next 12 months;
- The rollout of COVID-19 vaccines have boosted the business through gradual increase in occupancy levels;
- The group is in compliance with the loan covenants as stated in the financial statements refer to note 18;
- The easing of both international and domestic travel by the Government has resulted in the steady increase in the occupancy levels as the world starts opening up and adjusting to the new normal;
- In the previous year the year the company issued a prospectus to targeted investors as private placement for raising capital through equity and debt amounting to K26.4 billion to finance the hotel construction; and
- The Directors are optimistic that the company will manage to raise the required capital for the construction of the hotel.

31. Exchange rates and inflation

The average of the period-end buying and selling rates of the foreign currencies most affecting the performance ofthe Group are stated below, together with the increase in the National Consumer Price Index, which represents an official measure of inflation.

	31/12/2021	30/09/2020
Kwacha/Rand	59	46.96
Kwacha/US Dollar	817	752.91
Inflation rate	11.5%	7.1%

As at the time of approval of these financial statements, the rates had moved as follows:

Kwacha/Rand	64
Kwacha/US Dollar	825
Inflation rate	12.1%

32. Events after reporting period

Subsequent to the reporting date, no events have occurred necessitating adjustments to or disclosures in the financial statements.

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BLANTYRE HOTELS PLC

PROXY FORM

I/We..of ....

....

(address), being a member/members of the above named company, hereby

appoint..of ....

....or failing him/her ....

....

of ....as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held as a virtual meeting on 28 July 2022 and at any adjournment thereof.

This form is to be used for the following Resolutions:

Resolution	Mark with X where applicable		
	In Favour	Against	Abstain
ORDINARY BUSINESS 1. Receive and consider the Audited Financial Statements for the 15 Months' Period Ended 31st December 2021, together with the Reports of the Directors and Auditors thereon.			
2. Re-Appointment of Deloitte as Auditors and Authorisation of Directors to fix the Auditors' Remuneration.			

Resolution	**Mark with X where applicable**		
	In Favour	**Against**	**Abstain**
3. Directors' Re-election 3.1(i) Re-election of Mr. Andrew Katimba 3.1(ii) Re-election of Mr. Robert Scharar 3.1(iii) Re-election of Ms. Chikondi Ng'ombe			

Unless otherwise instructed, the proxy will vote as he/she thinks fit.

Date:..Signed..

A PROXY NEED NOT BE A MEMBER OF THE COMPANY
*Strike out whichever is not desired

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/ her stead. A proxy need not be a member of the company.
2. The instrument appointing a proxy and, if applicable, the authority under which it is signed must be deposited at Nico Asset Managers Limited, Company Secretaries at Chibisa House, 19 Glyn Jones Road, Blantyre not less than 48 hours before the time appointed for holding the meeting. The instrument appointing a proxy shall be in the form attached hereto or a form as near thereto as circumstances permit.

BLANTYRE HOTELS PLC

VOTING FORM

I/We..of ....

....

(address), being a member/members of the above named company, hereby vote as follows:

Resolution	**Mark with X where applicable**		
	In Favour	**Against**	**Abstain**
ORDINARY BUSINESS 1. Receive and consider the Audited Financial Statements for the 15 Months' Period Ended 31 December 2021, together with the Reports of the Directors and Auditors thereon.			
2. Re-Appointment of Deloitte as Auditors and Authorisation of Directors to fix the Auditors' Remuneration.			
3. Directors' Re-election 3.1(i) Re-election of Mr. Andrew Katimba 3.1(ii) Re-election of Mr. Robert Scharar 3.1(iii) Re-election of Ms. Chikondi Ng'ombe			

Date:..Signed...

Notes

1. The voting form must be sent to Nico Asset Managers Limited, Transfer Secretaries at Chibisa House, 19 Glyn Jones Road, Blantyre or submitted through email to transfersec@nicoassetmanagers.com by 27 July 2022.