



BLANTYRE HOTELS PLC

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited 31-Dec-23 K'000	Audited 31-Dec-22 K'000
Revenue	4 617 375	3 370 851
Cost of sales	<u>(2 011 410)</u>	<u>(1 504 808)</u>
Gross Profit	2 605 965	1 866 043
Other income	26 016	6 672
Selling and administration expenses	(2 385 388)	(1 703 372)
Impairment loss	<u>(4 567)</u>	<u>(5 434)</u>
EBITDA	242 026	163 909
Depreciation and Amortization	<u>(254 811)</u>	<u>(164 699)</u>
Loss from operating activities	(12 785)	(790)
Net finance cost	(929 913)	(561 102)
Loss on disposal of subsidiary	-	(46 788)
Share of (loss)/profit in associate	<u>(74 594)</u>	<u>26 225</u>
Loss before taxation	(1 017 292)	(582 455)
Taxation	<u>224 530</u>	<u>116 226</u>
Loss for the year	(792 762)	(466 229)
Other comprehensive Income (net of tax)	<u>873 878</u>	<u>447 267</u>
Total comprehensive income for the period	<u>81 116</u>	<u>(18 962)</u>
Loss per share (in tambala)	<u>(94)</u>	<u>(56)</u>

SUMMARY STATEMENT OF FINANCIAL POSITION

	Audited 31-Dec-23 K'000	Audited 31-Dec-22 K'000
ASSETS		
Non-current assets		
Property and equipment	10 361 837	9 256 164
Intangible assets	7 467	11 362
Investment in associate	<u>3 842 240</u>	<u>3 907 671</u>
Total non-current assets	<u>14 211 544</u>	<u>13 175 197</u>
Current assets		
Inventories	399 038	381 162
Trade and other receivables	464 000	384 962
Tax recoverable	112 767	98 566
Amount due from related parties	28 936	-
Cash and cash equivalents	<u>612 253</u>	<u>686 233</u>
Total current assets	<u>1 616 994</u>	<u>1 550 923</u>
Total assets	<u>15 828 538</u>	<u>14 726 120</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	41 988	41 988
Share premium	1 340 153	1 340 153
Revaluation reserve	6 490 204	5 691 059
Accumulated loss	<u>(986 994)</u>	<u>(268 965)</u>
Total equity	<u>6 885 351</u>	<u>6 804 235</u>

Liabilities

	Audited 31-Dec-23 K'000	Audited 31-Dec-22 K'000
Non-current liabilities		
Deferred tax liabilities	2 076 508	2 029 888
Borrowings	<u>2 045 056</u>	<u>2 418 889</u>
Total non-current liabilities	<u>4 121 564</u>	<u>4 448 777</u>
Current liabilities		
Trade and other payables	771 137	764 029
Borrowings	4 050 486	2 686 432
Bank overdraft	-	2 955
Amount due to related parties	<u>-</u>	<u>19 692</u>
Total current liabilities	<u>4 821 623</u>	<u>3 473 108</u>
Total liabilities	<u>8 943 187</u>	<u>7 921 885</u>
Total equity and liabilities	<u>15 828 538</u>	<u>14 726 120</u>

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Audited 31-Dec-23 K'000	Audited 31-Dec-22 K'000
At the beginning of year	6 804 235	6 823 197
Loss for the period	(792 762)	(466 229)
Total other comprehensive income	<u>873 878</u>	<u>447 267</u>
At the end of year	<u>6 885 351</u>	<u>6 804 235</u>

SUMMARY STATEMENT OF CASH FLOWS

	Audited 31-Dec-23 K'000	Audited 31-Dec-22 K'000
Cash (used in) / generated from operations	(39 360)	191 664
Interest paid	(1 214 423)	(101 660)
Taxation paid	<u>(14 201)</u>	<u>(15 259)</u>
Net cash (used in) / generated from operating activities	<u>(1 267 984)</u>	<u>74 745</u>
Net cash generated/ (used) in investing activities	<u>88 194</u>	<u>(603)</u>
Net cash generated from financing activities	<u>990 221</u>	<u>500 000</u>
Net (decrease)/ increase in cash and cash equivalents	(189 569)	574 142
Cash and cash equivalents at the beginning of the year	683 278	109 136
Effect of changes in exchange rate	<u>118 544</u>	<u>-</u>
Cash and cash equivalents at the end of the year	<u>612 253</u>	<u>683 278</u>

Publication commentary:

Introduction

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.

Basis of preparation

The Directors have prepared the summary financial statements to meet the listings requirements of the Malawi Stock Exchange. The Directors have considered the listings requirements of the Malawi Stock Exchange and believe that the summary statement of profit or loss and other comprehensive income, summary statement of financial position, summary statement of changes in equity and summary statement of cash flows are sufficient to meet the requirements of the users of the summary financial statements. The amounts in the summary financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board. The summary financial statements have been derived from the annual audited financial statements which were approved by the Board of Directors on 26 April 2024 and can be accessed at the Company's registered office.

Overview of results

The Company revenue for the year was K4.6 billion which was 37% higher than the revenue realised in prior year. Hotel Occupancy averaged 48% in the year compared to 46% in the previous year.

Cost of sales increased by 34% from K1.5 billion to K2 billion in the period due to the increase in general price of goods coupled with the increase in volume of business. Selling and administration expenses increased by 40% with notable increases in staff costs, fees to Management Company and capital raising costs. New gym, fire, life and safety equipment was bought in the year which resulted in the increase in the depreciation charge.

The Company registered an EBITDA of K242 million against an EBITDA of K164 million in prior period. The Company incurred net finance charges of K929 million (2022: K561 million) resulting in a loss of K793 million (2022: K466 million).

Prospects*

The Company will continue with its efforts to improve guest experience and service delivery through the relationship with Marriott International. The Company will also intensify its sales and marketing activities through the various digital platforms to strengthen the domestic segment in addition to the promotion of the Marriott Bonvoy rewards loyalty program in the market.

The Lilongwe Hotel Project

Construction of Protea Hotel Lilongwe Ryalls is in progress. The physical progress is estimated at 30% as at 31 December 2023. Project completion is targeted for mid-year 2025.

The funding for the project is through a special purpose vehicle (Oasis Hospitality Limited) which is owned by Blantyre Hotels plc and other investors. BHL is funding its commitments for the project through a combination of debt and equity. At the Extraordinary General meeting held on 7 March 2024, the shareholders approved that the Company should borrow USD15 million, which will be invested in the project company for the property development. The proposed equity rights offering is on course to be executed in the year.

Dividends

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

Approval of the financial statements

The summary financial statements for the year ended 31 December 2023 were approved by the Board of Directors on 26 April 2024.

E Makuta
Chairperson

E A Malion
Director

*Unaudited

Report of the Independent Auditor on the Summary Financial Statements

To the shareholders of Blantyre Hotels Plc

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2023, and the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the audited financial statements of Blantyre Hotels Plc for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements of Blantyre Hotels Plc, and on the basis described in the basis of preparation paragraph.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the IFRS Accounting Standards as issued by the International Accounting Standards Board. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements of Blantyre Hotels Plc and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 29 April 2024. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current year.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the basis described in the basis of preparation paragraph.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised) *Engagements to Report on Summary Financial Statements*.

Chartered Accountants
Christopher Kapenda
Partner
30 April 2024
Deloitte.