

TPS EASTERN AFRICA PLC 2021 ABRIGED FINANCIAL RESULTS

CONSOLIDATED SUMMARISED STATEMENT OF PROFIT OR LOSS

	Year ended	
	31-Dec-21	31-Dec-20
	Shs'000	Shs'000
Revenue from contracts with customers	3,287,798	2,034,160
Profit / [loss] before depreciation, finance income / [costs], results of associates and income tax credit / (expense)	284,513	(437,785)
Finance costs	(325,002)	(586,137)
Depreciation on right of use asset	(44,531)	(43,919)
Depreciation on property and equipment	(577,742)	(496,064)
Share of loss of associates	(41,225)	(95,004)
Loss before income tax	(703,987)	(1,658,909)
Income tax credit	71,046	448,902
Loss for the year	(632,941)	(1,210,007)
Attributable to:		
Equity holders of the Company	(618,670)	(1,150,491)
Non-controlling interest	(14,271)	(59,516)
	(632,941)	(1,210,007)
Earnings per share attributable to the equity holders of the Company - basic and diluted (Shs per share)	(3.40)	(6.32)
Weighted average number of shares ('000)	182,174	182,174

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended	
	31-Dec-21	31-Dec-20
	Shs'000	Shs'000
Loss for the year	(632,941)	(1,210,007)
Other comprehensive (loss) / income: Items that may be subsequently reclassified to profit or loss		
Currency translation differences	68,714	317,390
Revaluation on land and buildings	-	(67,577)
Deferred tax on revaluation	-	20,273
	68,714	270,086
Total comprehensive loss for the year	(564,227)	(939,921)
Attributable to:		
Equity holders of the Company	(549,959)	(857,503)
Non-controlling interest	(14,271)	(82,418)
Total comprehensive loss for the year	(564,227)	(939,921)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	2021		2020	
	Shs'000	Shs'000	Shs'000	Shs'000
Capital and reserves attributable to the Company's equity holders				
Share capital	182,174	182,174		
Share premium	4,392,668	4,392,668		
Revaluation reserve	2,314,606	2,332,251		
Translation reserve	(829,534)	(898,248)		
Retained earnings	897,958	1,498,983		
	6,957,872	7,507,828		
Non-controlling interest	739,219	753,490		
Total equity	7,697,091	8,261,318		
Non-current liabilities				
Borrowings	5,591,952	4,963,551		
Deferred income tax liability	1,334,937	1,438,446		
Lease liability	243,917	369,950		
Retirement benefit obligations	39,767	44,158		
	7,210,573	6,816,105		
Total non-current liabilities	7,210,573	6,816,105		
Total equity and non-current liabilities	14,907,664	15,077,423		
Non-current assets				
Property and equipment	13,012,786	13,369,879		
Intangible assets	1,271,952	1,271,952		
Right of use asset	318,271	345,293		
Investment in associates	785,605	826,830		
Deferred income tax asset	11,188	8,991		
	15,399,802	15,822,945		
Current assets				
Inventories	411,965	422,090		
Receivables and prepayments	1,093,954	738,092		
Current income tax	212,852	201,373		
Cash and cash equivalents	310,805	122,711		
	2,029,576	1,484,266		
Current liabilities				
Trade and other payables	1,884,648	1,420,403		
Borrowings	602,540	766,048		
Lease liability	30,517	43,337		
Current income tax	4,009	-		
	2,521,714	2,229,788		
Net current liabilities	(492,138)	(745,523)		
Net assets	14,907,664	15,077,423		

SUMMARY DIRECTORS' REMUNERATION REPORT

Emoluments during the year 2021 TPS Eastern Africa Plc did not pay any emoluments to Non-Executive directors, (2020: Nil). Emoluments to Executive directors in the year 2021 was KShs 31.81 Million, (2020: KShs 37.5 Million)

The above financial statements are extracts from the books of accounts of the Company as audited by PricewaterhouseCoopers LLP and received unmodified opinion. They were approved by the Board of Directors on 11th May, 2022 and signed on its behalf by:

Francis Okomo-Okello
Chairman

Mahmud Jan Mohamed
Managing Director

A full copy of the financial statements including explanatory notes are available from our website www.serenahotels.com

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Revaluation reserve	Translation reserve	Retained earnings	Proposed dividends	Non-controlling interest	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2020								
At start of year	182,174	4,392,668	2,389,133	(1,215,638)	2,616,994	-	835,908	9,201,239
Comprehensive loss for the year								
Loss for the year	-	-	-	-	(1,150,491)	-	(59,516)	(1,210,007)
Other comprehensive loss:								
Currency translation differences	-	-	-	317,390	-	-	-	317,390
Revaluation during the year	-	-	(34,860)	-	-	-	(32,717)	(67,577)
Deferred income tax on revaluation	-	-	10,458	-	-	-	9,815	20,273
Transfer of excess depreciation to retained earnings	-	-	(46,400)	-	46,400	-	-	-
Deferred income tax on transfer	-	-	13,920	-	(13,920)	-	-	-
Total other comprehensive (loss) / income	-	-	(56,882)	317,390	32,480	-	(22,902)	270,086
Total comprehensive (loss) / income for the year	-	-	(56,882)	317,390	(1,118,011)	-	(82,418)	(939,921)
Transactions with owners								
Dividends:								
- final for 2019 paid	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
At end of year	182,174	4,392,668	2,332,251	(898,248)	1,498,983	-	753,490	8,261,318

	Share capital	Share premium	Revaluation reserve	Translation reserve	Retained earnings	Proposed dividends	Non-controlling interest	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2021								
At start of year	182,174	4,392,668	2,332,251	(898,248)	1,498,983	-	753,490	8,261,318
Comprehensive loss for the year								
Loss for the year	-	-	-	-	(618,670)	-	(14,271)	(632,941)
Other comprehensive loss:								
Currency translation differences	-	-	-	68,714	-	-	-	68,714
Revaluation during the year	-	-	-	-	-	-	-	-
Deferred income tax on revaluation	-	-	(25,207)	-	25,207	-	-	-
Transfer of excess depreciation to retained earnings	-	-	7,562	-	(7,562)	-	-	-
Total other comprehensive (loss) / income	-	-	(17,645)	68,714	17,645	-	-	68,714
Total comprehensive (loss) / income for the year	-	-	(17,645)	68,714	(601,025)	-	(14,271)	(564,227)
Transactions with owners								
Dividends:								
- final for 2020 paid	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
At end of year	182,174	4,392,668	2,314,606	(829,534)	897,958	-	739,219	7,697,091

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended	Restated
	31-Dec-21	31-Dec-20
	Shs'000	Shs'000
Net cash generated from / (utilised in) operating activities	129,484	(457,713)
Net cash utilised in investing activities	(27,627)	(145,939)
Net cash generated from financing activities	129,207	630,026
	231,064	26,374
Increase in cash and cash equivalents	231,064	26,374
Movement in cash and cash equivalents		
At start of year	(133,596)	(152,735)
Increase in cash and cash equivalents	231,064	26,374
Effects of currency translation differences	(4,244)	(7,235)
	93,234	(133,596)
At end of period	93,234	(133,596)

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF TPS EASTERN AFRICA PLC

Opinion

We have audited the summary financial statements of TPS Eastern Africa PLC, which comprise the summary consolidated statement of financial position as at 31 December 2021 and the summary consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended which are derived from the audited financial statements of TPS Eastern Africa PLC and its subsidiaries (together, the "Group") for the year ended 31 December 2021. The Group's financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act, 2015.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of the Group which are prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act, 2015.

The summary directors' remuneration report is derived from the directors' remuneration report for the year ended 31 December 2021.

Summary financial statements and directors' remuneration report

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act, 2015. In addition, the summary directors' remuneration report does not contain all the disclosures required by the Companies (General) (Amendment) (No. 2) Regulations, 2017.

Reading the summary financial statements, the summary directors' remuneration report and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements, the directors' remuneration report and the auditor's report thereon. The summary financial statements, the summary directors' remuneration report 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 audit report dated 11 May 2022 and also confirmed that the auditable part of the directors' remuneration report was prepared in accordance with the Kenyan Companies Act, 2015. That audit 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 period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements and the summary directors' remuneration report in accordance with the International Financial Reporting Standards and Kenyan Companies Act 2015.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements and the summary directors' remuneration report are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to report on summary financial statements*.

Bernice Kimacia

CPA Bernice Kimacia, Practicing Certificate Number 1457
Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi
7th June 2022

SUMMARY OF KEY AUDIT MATTERS

- Material uncertainty related to Going Concern
- Goodwill impairment assessment



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