

TPS EASTERN AFRICA PLC 2019 ABRIDGED FINANCIAL RESULTS

SUMMARY CONSOLIDATED INCOME STATEMENT

	Year ended	
	31-Dec-19 Shs'000	31-Dec-18 Shs'000
Revenue from contracts with customers	6,823,159	6,593,441
Profit before depreciation, finance income / (costs), results of associates and income tax expense	1,017,126	795,111
Finance income	3,445	7,101
Finance costs	(119,268)	(126,517)
Interest on lease liability	(62,012)	-
Depreciation on right of use asset	(40,906)	-
Depreciation on land, buildings, property and equipment	(447,422)	(408,248)
Share of loss of associates	(29,013)	(23,998)
Profit before income tax	321,950	243,449
Income tax expense	(140,203)	(64,444)
Profit for the year	181,747	179,005
Attributable to:		
Equity holders of the Company	148,109	125,710
Non-controlling interest	33,638	53,295
	181,747	179,005
Earnings per share attributable to the equity holders of the Company - basic and diluted (Shs per share)	0.81	0.69
Weighted average number of shares ('000)	182,174	182,174

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended	
	31-Dec-19 Shs'000	31-Dec-18 Shs'000
Profit for the year	181,747	179,005
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	(54,321)	(142,287)
Total comprehensive income for the year	127,426	36,718
Attributable to:		
Equity holders of the Company	93,788	(16,577)
Non-controlling interest	33,638	53,295
Total comprehensive income for the year	127,426	36,718

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

	2019	2018
	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	2,389,133	2,423,447
Translation reserve	(1,215,638)	(1,161,317)
Retained earnings	2,616,994	2,434,571
Proposed dividends	-	63,761
	8,365,331	8,335,304
Non-controlling interest	835,908	802,270
Total equity	9,201,239	9,137,574
Non-current liabilities		
Borrowings	3,587,202	1,677,058
Deferred income tax liability	1,842,764	1,886,339
Lease liability	425,495	-
Retirement benefit obligations	41,983	22,081
Total non-current liabilities	5,897,444	3,585,478
Total equity and non-current liabilities	15,098,683	12,723,052
Non-current assets		
Land and buildings	11,641,970	11,189,812
Property and equipment	1,806,292	2,067,183
Intangible assets	1,271,952	1,274,154
Right of use asset	421,560	-
Investment in associates	921,834	950,847
Deferred income tax asset	2,699	1,113
	16,066,307	15,483,109
Current assets		
Inventories	459,983	475,308
Receivables and prepayments	1,139,560	1,267,721
Current income tax	172,920	160,240
Cash and cash equivalents	147,569	211,745
	1,920,152	2,115,014
Current liabilities		
Trade and other payables	1,926,286	1,805,800
Borrowings	647,520	2,663,253
Lease liability	12,091	-
Bank overdraft	300,304	392,308
Current income tax	1,575	13,710
	2,887,776	4,875,071
Net current liabilities	(967,624)	(2,760,057)
Net assets	15,098,683	12,723,052

SUMMARY DIRECTORS' REMUNERATION REPORT

During the year, TPS Eastern Africa Plc paid KShs 1.255 mio (2018: KShs 1.159 mio) as Non-Executive director's emoluments.

The above financial statements are extracts from the books of accounts of the Company as audited by PricewaterhouseCoopers LLP and received an unmodified opinion. They were approved by the Board of Directors on 26 May, 2020 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 reserves	Translation reserves	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 2018								
At start of year	182,174	4,392,668	2,480,830	(1,019,030)	2,315,239	63,761	748,975	9,164,617
Comprehensive income for the year								
Profit for the year	-	-	-	-	125,710	-	53,295	179,005
Other comprehensive income:								
Currency translation differences	-	-	(81,976)	(142,287)	-	-	-	(142,287)
Transfer of excess depreciation to retained earnings	-	-	(81,976)	-	81,976	-	-	-
Deferred income tax on transfer	-	-	24,593	-	(24,593)	-	-	-
Total other comprehensive income	-	-	(57,383)	(142,287)	57,383	-	-	(142,287)
Total comprehensive income for the year	-	-	(57,383)	(142,287)	183,093	-	53,295	36,718
Transactions with owners								
Dividends:								
- final for 2017 paid	-	-	-	-	-	(63,761)	-	(63,761)
- proposed for 2018	-	-	-	-	(63,761)	63,761	-	-
	-	-	-	-	(63,761)	-	-	(63,761)
At end of year	182,174	4,392,668	2,423,447	(1,161,317)	2,434,571	63,761	802,270	9,137,574
Year ended 31 December 2019								
At start of year	182,174	4,392,668	2,423,447	(1,161,317)	2,434,571	63,761	802,270	9,137,574
Comprehensive income for the year								
Profit for the year	-	-	-	-	148,109	-	33,638	181,747
Other comprehensive income:								
Currency translation differences	-	-	(49,020)	(54,321)	-	-	-	(54,321)
Transfer of excess depreciation to retained earnings	-	-	(49,020)	-	49,020	-	-	-
Deferred income tax on transfer	-	-	14,706	-	(14,706)	-	-	-
Total other comprehensive income	-	-	(34,314)	(54,321)	34,314	-	-	(54,321)
Total comprehensive income for the year	-	-	(34,314)	(54,321)	182,423	-	33,638	127,426
Transactions with owners								
Dividends:								
- final for 2018 paid	-	-	-	-	-	(63,761)	-	(63,761)
	-	-	-	-	-	(63,761)	-	(63,761)
At end of year	182,174	4,392,668	2,389,133	(1,215,638)	2,616,994	-	835,908	9,201,239

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended	
	31-Dec-19 Shs'000	31-Dec-18 Shs'000
Net cash generated from operating activities	1,072,343	639,273
Net cash utilised in investing activities	(658,817)	(1,283,093)
Net cash utilised in financing activities	(443,151)	(143,713)
	(29,625)	(787,533)
Decrease in cash and cash equivalents		
Movement in cash and cash equivalents		
At start of year	(180,563)	611,779
Decrease in cash and cash equivalents	(29,625)	(787,533)
Effects of currency translation differences	57,453	(4,809)
At end of year	(152,735)	(180,563)

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 at 31 December 2019 and the summary consolidated income statement, summary consolidated statements of 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 2019. The Group's financial statements are prepared in accordance with International Financial Reporting Standards and the Kenyan 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 Kenyan Companies Act, 2015.

The summary directors' remuneration report is derived from the directors' remuneration report for the year ended 31 December 2019.

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 Kenyan 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 26 May 2020 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
Certified Public Accountants
Nairobi

5 June 2020

CPA Bernice Kimacia Practising certificate No. 1457
Signing partner responsible for the independent audit

Summary of Key Audit Matters

- Goodwill impairment assessment
- Material Uncertainty related to Going Concern