

TPS EASTERN AFRICA PLC 2020 ABRIDGED FINANCIAL RESULTS

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Year ended	
	31-Dec-20 Shs'000	31-Dec-19 Shs'000
Revenue from contracts with customers	2,034,160	6,823,159
(Loss) / profit before depreciation, finance income/(costs), results of associates and income tax credit / (expense)	(437,785)	1,017,126
Finance costs*	(586,137)	(177,835)
Depreciation on right of use asset	(43,919)	(40,906)
Depreciation on property and equipment	(496,064)	(447,422)
Share of loss of associates	(95,004)	(29,013)
(Loss) / profit before income tax	(1,658,909)	321,950
Income tax credit / (expense)	448,902	(140,203)
(Loss) / profit for the year	(1,210,007)	181,747
Attributable to:		
Equity holders of the Company	(1,150,491)	148,109
Non-controlling interest	(59,516)	33,638
	(1,210,007)	181,747
Earnings per share attributable to the equity holders of the Company		
- basic and diluted (Shs per share)	(6.32)	0.81
Weighted average number of shares ('000)	182,174	182,174

* The finance costs include unrealised exchange loss on foreign currency loans of Shs. 313M compared to unrealised exchange gain of Shs. 32M in the prior year.

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended	
	31-Dec-20 Shs'000	31-Dec-19 Shs'000
(Loss) / profit for the year	(1,210,007)	181,747
Other comprehensive (loss) / income: Items that may be subsequently reclassified to profit or loss		
Currency translation differences	317,390	(54,321)
Revaluation on land and buildings	(67,577)	-
Deferred tax on revaluation	20,273	-
	<u>270,086</u>	<u>(54,321)</u>
Total comprehensive (loss) / income for the year	(939,921)	127,426
Attributable to:		
Equity holders of the Company	(857,503)	93,788
Non-controlling interest	(82,418)	33,638
	(939,921)	127,426

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

	2020		2019	
	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	2,332,251	2,389,133		
Translation reserve	(898,248)	(1,215,638)		
Retained earnings	1,498,983	2,616,994		
	<u>7,507,828</u>	<u>8,365,331</u>		
Non-controlling interest	753,490	835,908		
Total equity	8,261,318	9,201,239		
Non-current liabilities				
Borrowings	4,963,551	3,587,202		
Deferred income tax liability	1,438,446	1,842,764		
Lease liability	369,950	425,495		
Retirement benefit obligations	44,158	41,983		
	<u>6,816,105</u>	<u>5,897,444</u>		
Total equity and non-current liabilities	15,077,423	15,098,683		
Non-current assets				
Property and equipment	13,369,879	13,448,262		
Intangible assets	1,271,952	1,271,952		
Right of use asset	345,293	421,560		
Investment in associates	826,830	921,834		
Deferred income tax asset	8,991	2,699		
	<u>15,822,945</u>	<u>16,066,307</u>		
Current assets				
Inventories	422,090	459,983		
Receivables and prepayments	738,092	1,139,680		
Current income tax	201,372	172,920		
Cash and cash equivalents	122,711	147,569		
	<u>1,484,265</u>	<u>1,920,152</u>		
Current liabilities				
Trade and other payables	1,420,403	1,926,286		
Borrowings	509,740	647,520		
Lease liability	43,337	12,091		
Bank overdraft	256,307	300,304		
Current income tax	-	1,575		
	<u>2,229,787</u>	<u>2,887,776</u>		
Net current liabilities	(745,522)	(967,624)		
Net assets	15,077,423	15,098,683		

SUMMARY DIRECTORS' REMUNERATION REPORT

During the year 2020 TPS Eastern Africa Plc did not pay any emoluments to Non-Executive directors, (2019: KShs. 1.255 mio)

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 25th May, 2021 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

SUMMARY 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 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 (loss) / income for the year								
Profit for the year	-	-	-	-	148,109	-	33,638	181,747
Other comprehensive (loss) / income:								
Currency translation differences	-	-	-	(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 (loss) / income	-	-	(34,314)	(54,321)	34,314	-	-	(54,321)
Total comprehensive (loss) / 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 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 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

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended	
	31-Dec-20 Shs'000	31-Dec-19 Shs'000
Net cash (utilised in) / generated from operating activities	(815,309)	1,159,138
Net cash (utilised in) investing activities	(146,248)	(658,817)
Net cash generated from / (utilised in) financing activities	717,661	(529,949)
Decrease in cash and cash equivalents	(243,896)	(29,625)
Movement in cash and cash equivalents		
At start of year	(152,735)	(180,563)
Decrease in cash and cash equivalents	(243,896)	(29,625)
Effects of currency translation differences	263,035	57,453
At end of period	(133,596)	(152,735)

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 2020 and the summary consolidated statements of profit or loss, 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 2020. 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 2020.

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 25 May 2021 and also confirmed that the auditable part of the directors' remuneration report was prepared in accordance with the 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 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*.

CPA Bernice Kimacia, Practising certificate Number 1457
Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi
4 June, 2021

SUMMARY OF KEY AUDIT MATTERS

- Material uncertainty related to Going Concern
- Goodwill impairment assessment
- Revaluations of Land and Buildings (properties)