

TPS EASTERN AFRICA PLC 2023 ABRIDGED FINANCIAL RESULTS

CONSOLIDATED SUMMARISED STATEMENT OF PROFIT OR LOSS

	YEAR ENDED	
	31-Dec-23 Shs'000	31-Dec-22 Shs'000
Revenue from contracts with customers	9,684,612	6,944,306
Profit before depreciation, finance income / (costs), results of associates and income tax expense	2,731,895	1,845,283
Finance costs	(1,123,054)	(586,651)
Depreciation on right of use asset	(39,330)	(40,102)
Depreciation on property and equipment	(518,783)	(574,158)
Share of profits of associates	22,955	33,513
Profit before income tax	1,073,683	677,885
Income tax expense	(202,816)	(298,190)
Profit for the year	870,867	379,695
Attributable to:		
Equity holders of the Company	816,591	337,587
Non-controlling interest	54,276	42,108
	870,867	379,695
Earnings per share attributable to the equity holders of the Company - basic and diluted (Shs per share)	2.89	1.45
Weighted average number of shares ('000)	282,651	232,413

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	YEAR ENDED	
	31-Dec-23 Shs'000	31-Dec-22 Shs'000
Profit for the year	870,867	379,695
Other comprehensive (loss) / income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences, net of tax	835,109	(82,525)
Items that will not be subsequently reclassified to profit or loss:		
Actuarial gains/(losses)	17,976	(17,711)
Deferred tax on actuarial (gains)/ losses	(5,393)	5,313
	847,692	(94,923)
Total comprehensive profit for the year	1,718,559	284,772
Attributable to:		
Equity holders of the Company	1,664,283	242,664
Non-controlling interest	54,276	42,108
Total comprehensive profit for the year	1,718,559	284,772

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	2023		2022	
	Shs'000	Shs'000	Shs'000	Shs'000
Non-current assets				
Property and equipment	13,702,533	12,696,055		
Intangible assets	1,271,952	1,271,952		
Right of use asset	353,355	387,431		
Investment in associates	842,073	819,118		
Deferred income tax asset	7,393	10,903		
	16,177,306	15,185,459		
Current assets				
Inventories	574,904	477,013		
Receivables and prepayments	1,405,622	1,162,974		
Current income tax	269,653	221,346		
Financial assets - fixed deposits	596,293	-		
Cash and cash equivalents	848,304	660,846		
	3,694,776	2,522,179		
Total assets	19,872,082	17,707,638		
Capital and reserves attributable to the Company's equity holders				
Share capital	282,651	282,651		
Share premium	6,001,741	6,001,741		
Revaluation reserve	2,266,195	2,282,094		
Translation reserve	(76,950)	(912,059)		
Retained earnings	2,051,534	1,206,461		
	10,525,171	8,860,888		
Non-controlling interest	835,603	781,327		
Total equity	11,360,774	9,642,215		
Non-current liabilities				
Borrowings	3,563,042	3,604,701		
Deferred income tax liability	1,807,479	1,528,772		
Lease liability	219,729	292,178		
Retirement benefit obligations	98,116	94,227		
Total non-current liabilities	5,688,366	5,519,878		
Current liabilities				
Trade and other payables	2,133,165	1,713,203		
Borrowings	569,589	727,195		
Lease liability	120,188	105,147		
Total current liabilities	2,822,942	2,545,545		
Total equity and liabilities	19,872,082	17,707,638		

SUMMARY DIRECTORS' REMUNERATION REPORT

During the year 2023 TPS Eastern Africa PLC paid emoluments to Non-Executive directors amounting to KShs 4.25 million (2022: Nil). Emoluments to Executive directors in the year 2023 was KShs 97.09 million (2022: KShs 56.15 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 23rd April 2024 and signed on its behalf by:

Francis Okomo-Okelo
Chairman

Ashish Sharma
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 2022								
At start of year -	182,174	4,392,668	2,314,606	(829,534)	848,760	-	739,219	7,647,893
Comprehensive (loss)/ income for the year								
Profit for the year	-	-	-	-	337,587	-	42,108	379,695
Other comprehensive (loss)/ income:								
Currency translation differences	-	-	-	(82,525)	-	-	-	(82,525)
Actuarial losses	-	-	(17,711)	-	-	-	-	(17,711)
Deferred tax on actuarial losses	-	-	5,313	-	-	-	-	5,313
Transfer of excess depreciation to retained earnings	-	-	(28,734)	-	28,734	-	-	-
Deferred tax on transfer	-	-	8,620	-	(8,620)	-	-	-
Total other comprehensive (loss)/ income	-	-	(32,512)	(82,525)	20,114	-	-	(94,923)
Total comprehensive (loss)/ income for the year	-	-	(32,512)	(82,525)	357,701	-	42,108	284,772
Transactions with owners								
Issue of shares	100,477	1,609,073	-	-	-	-	-	1,709,550
Dividends:								
- final for 2021 paid	-	-	-	-	-	-	-	-
- proposed for 2022	-	-	-	-	-	-	-	-
	100,477	1,609,073	-	-	-	-	-	1,709,550
At end of year	282,651	6,001,741	2,282,094	(912,059)	1,206,461	-	781,327	9,642,215
Year ended 31 December 2023								
At start of year	282,651	6,001,741	2,282,094	(912,059)	1,206,461	-	781,327	9,642,215
Comprehensive (loss)/ income for the year								
Profit for the year	-	-	-	-	816,591	-	54,276	870,867
Other comprehensive (loss)/ income:								
Currency translation differences	-	-	-	835,109	-	-	-	835,109
Actuarial gains	-	-	17,976	-	-	-	-	17,976
Deferred tax on actuarial gains	-	-	(5,393)	-	-	-	-	(5,393)
Transfer of excess depreciation to retained earnings	-	-	(40,688)	-	40,688	-	-	-
Deferred tax on transfer	-	-	12,206	-	(12,206)	-	-	-
Total other comprehensive (loss)/ income	-	-	(15,899)	835,109	28,482	-	-	847,692
Total comprehensive (loss)/ income for the year	-	-	(15,899)	835,109	845,073	-	54,276	1,718,559
Transactions with owners								
Issue of shares	-	-	-	-	-	-	-	-
Dividends:								
- final for 2022 paid	-	-	-	-	-	-	-	-
- proposed for 2023	-	-	-	-	-	-	-	-
At end of year	282,651	6,001,741	2,266,195	(76,950)	2,051,534	-	835,603	11,360,774

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended	
	31-Dec-23 Shs'000	Restated 31-Dec-22 Shs'000
Net cash generated from operating activities	2,306,121	1,343,705
Net cash utilised in investing activities	(1,068,884)	(277,558)
Net cash utilised in financing activities	(1,097,434)	(590,537)
(Decrease)/ increase in cash and cash equivalents	139,803	475,610
Movement in cash and cash equivalents		
At start of year	575,293	93,234
(Decrease) / increase in cash and cash equivalents	139,803	475,610
Effects of currency translation differences	77,428	6,449
At end of year	792,524	575,293

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 2023 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 2023. The Group's financial statements are prepared in accordance with IFRS Accounting 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 in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015.

The summary directors' remuneration report is derived from the directors' remuneration report for the year ended 31 December 2023.

Summary financial statements and directors' remuneration report

The summary financial statements do not contain all the disclosures required by IFRS Accounting 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 24 April 2024 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 IFRS Accounting 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*.

FCPA Richard Njoroge, Practicing Certificate Number 1244

Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP

Certified Public Accountants

Nairobi

4th June 2024

SUMMARY OF KEY AUDIT MATTERS

• Goodwill impairment assessment