

TPS EASTERN AFRICA PLC 2022 ABRIGED FINANCIAL RESULTS

CONSOLIDATED SUMMARISED STATEMENT OF PROFIT OR LOSS

	Year ended	
	31-Dec-22	31-Dec-21 Restated
	Shs'000	Shs'000
Revenue from contracts with customers	6,944,306	3,287,798
Profit before depreciation, finance income / (costs), results of associates and income tax credit / (expense)	1,845,283	284,513
Other Finance costs	(274,503)	(283,283)
Unrealised exchange loss	(312,148)	(41,719)
Depreciation on property and equipment	(40,102)	(44,531)
Depreciation on right of use asset	(574,158)	(586,611)
Share of profit / (loss) of associates	33,513	(41,225)
Profit / (Loss) before income tax	677,885	(712,856)
Income tax (charge) / credit	(298,190)	73,707
Profit / (Loss) for the year	379,695	(639,149)
Attributable to:		
Equity holders of the Company	337,587	(624,878)
Non-controlling interest	42,108	(14,271)
	379,695	(639,149)
Earnings per share attributable to the equity holders of the Company		
- basic and diluted (Shs per share)	1.45	(3.43)
Weighted average number of shares ('000)	232,413	182,174

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended	
	31-Dec-22	31-Dec-21 Restated
	Shs'000	Shs'000
Profit / (Loss) for the year	379,695	(639,149)
Other comprehensive income: Items that may be subsequently reclassified to profit or loss		
Currency translation differences, net of tax	(82,525)	68,714
Actuarial losses	(17,711)	-
Deferred tax on actuarial losses	5,313	-
	(94,923)	68,714
Total comprehensive profit / (loss) for the year	284,772	(570,435)
Attributable to:		
Equity holders of the Company	242,664	(556,164)
Non-controlling interest	42,108	(14,271)
Total comprehensive profit / (loss) for the year	284,772	(570,435)

The comparative figures in the financial statements have been restated to correct an understatement of accumulated depreciation arising from incorrect classification of certain items of furniture and fittings.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

Capital and reserves attributable to the Company's equity holders	2022	2021	1 January 2021
	Shs'000	Restated Shs'000	Restated Shs'000
Share capital	282,651	182,174	182,174
Share premium	6,001,741	4,392,668	4,392,668
Revaluation reserve	2,282,094	2,314,606	2,332,251
Translation reserve	(912,059)	(829,534)	(898,248)
Retained earnings	1,206,461	848,760	1,456,000
	8,860,888	6,908,674	7,464,845
Non-controlling interest	781,327	739,219	753,490
Total equity	9,642,215	7,647,893	8,218,335
Non-current liabilities			
Borrowings	3,604,701	5,591,952	4,963,551
Deferred income tax liability	1,528,772	1,313,855	1,420,025
Lease liability	292,178	243,917	369,950
Retirement benefit obligations	94,227	39,767	44,158
Total non-current liabilities	5,519,878	7,189,491	6,797,684
Non-current assets			
Property and equipment	12,696,055	12,942,513	13,308,475
Intangible assets	1,271,952	1,271,952	1,271,952
Right of use asset	387,431	318,271	345,293
Investment in associates	819,118	785,605	826,830
Deferred income tax asset	10,903	11,188	8,991
	15,185,459	15,329,529	15,761,541
Current assets			
Inventories	477,013	411,965	422,090
Receivables and prepayments	1,162,974	1,093,954	738,092
Current income tax	221,346	212,845	201,373
Cash and cash equivalents	660,846	310,805	122,711
	2,522,179	2,029,569	1,484,266
Current liabilities			
Trade and other payables	1,713,203	1,884,648	1,420,403
Borrowings	727,195	602,540	766,048
Lease liability	105,147	30,517	43,337
Current income tax	-	4,009	-
	2,545,545	2,521,714	2,229,788
Net current liabilities	(23,366)	(492,145)	(745,522)
Net Assets	9,642,215	7,647,893	8,218,335

SUMMARY DIRECTORS' REMUNERATION REPORT

During the year 2022 TPS Eastern Africa Plc did not pay any emoluments to Non-Executive directors, (2021: Nil). Emoluments to Executive directors in the year 2022 was KShs 56.15 Million, (2021: KShs 31.81 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 26th April, 2023 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 2022								
At start of year - as restated	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 income tax on transfer	-	-	8,620	-	(8,620)	-	-	-
Total other comprehensive (loss) / income	-	-	(32,512)	(82,525)	20,114	-	-	(94,923)
Total comprehensive income / (loss) for the year	-	-	(32,512)	(82,525)	357,701	-	42,108	284,772
Transactions with owners								
Issue of shares	100,477	1,609,073	-	-	-	-	-	-
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 2021								
At start of year	182,174	4,392,668	2,332,251	(898,248)	1,498,983	-	753,490	8,261,318
Restatement of Property and equipment	-	-	-	-	(42,983)	-	-	(42,983)
Restated 1 January 2021	182,174	4,392,668	2,332,251	(898,248)	1,456,000	-	753,490	8,218,335
Comprehensive (loss) / income for the year								
Loss for the year	-	-	-	-	(624,878)	-	(14,271)	(639,149)
Other comprehensive (loss) / income:								
Currency translation differences	-	-	-	68,714	-	-	-	68,714
Revaluation during the year	-	-	-	-	-	-	-	-
Deferred tax on restatement	-	-	-	-	-	-	-	-
Transfer of excess depreciation to retained earnings	-	-	(25,207)	-	25,207	-	-	-
Deferred income tax on transfer	-	-	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	(607,233)	-	(14,271)	(570,435)
Transactions with owners								
Dividends:								
- final for 2020 paid	-	-	-	-	(7)	-	-	(7)
- proposed for 2021	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
At end of year	182,174	4,392,668	2,314,606	(829,534)	848,760	-	739,219	7,647,893

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended	
	31-Dec-22	31-Dec-21
	Shs'000	Shs'000
Net cash generated from operating activities	1,343,705	129,484
Net cash utilised in investing activities	(277,558)	(27,627)
Net cash (utilised in) / generated from financing activities	(590,537)	129,207
Increase in cash and cash equivalents	475,610	231,064
Movement in cash and cash equivalents		
At start of year	93,234	(133,596)
Increase in cash and cash equivalents	475,610	231,064
Effects of currency translation differences	6,449	(4,234)
At end of year	575,293	93,234

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 2022 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 2022. 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 2022.

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 26 April 2023 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.

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
5th June 2023

SUMMARY OF KEY AUDIT MATTERS

• Goodwill impairment assessment