

# GROUP UNAUDITED RESULTS

FOR SIX MONTHS ENDED 31<sup>st</sup> JANUARY 2022

Furnmart Limited

**HOME CORP**  
MEGA STORE • MEGA SAVINGS

**Furnmart**

MAKING  
HOME DREAMS  
COME TRUE!

(ALL AMOUNTS IN PULA '000)

## ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 Months	6 Months
	31/01/22	31/01/21
	Unaudited	Unaudited
<b>Revenue</b>	<b>699 855</b>	<b>715 333</b>
<b>Operating Income</b>	<b>139 695</b>	<b>176 147</b>
Depreciation	(58 508)	(56 331)
Exchange (Loss)/Gain	(2 185)	17 753
Net finance cost	(22 844)	(24 578)
<b>Profit before tax</b>	<b>56 158</b>	<b>112 991</b>
<b>Tax expense:</b>		
- Levied as income tax	(10 862)	(22 245)
- Levied as withholding tax on dividend from subsidiaries	-	(12 745)
<b>Profit after tax</b>	<b>45 296</b>	<b>78 001</b>
Other Comprehensive Income		
Currency translation differences	(889)	18 132
<b>Total comprehensive income for the period</b>	<b>44 407</b>	<b>96 133</b>
<b>Dividend proposed (gross)</b>		
Gross dividend - Interim per share (thebe)	3.01	-
Weighted average number of shares in issue	501 222 174	501 222 174
Basic earnings per share (thebe)	9.04	15.56

## ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at	As at
	31/01/22	31/01/21
	Unaudited	Unaudited
<b>Assets</b>		
Property, plant and equipment	78 730	84 425
Right of use assets	464 034	516 004
Intangible assets - software	5 100	2 510
Investment in Cell captive	34 623	35 378
Deferred tax	16 862	22 799
Investment in associate	101	121
Inventories	255 178	236 444
Trade receivables	548 791	474 687
Other current assets	81 353	75 724
Cash and bank balances	38 241	97 535
<b>Total Assets</b>	<b>1 523 013</b>	<b>1 545 627</b>
<b>Equity &amp; Liabilities</b>		
Share capital & reserves	642 233	665 402
<b>Non-Current Liabilities</b>		
Borrowings	161 764	169 973
Lease liabilities	472 167	486 050
Deferred tax	143	1 350
<b>Current Liabilities</b>		
Borrowings - including bank overdrafts	64 570	45 923
Trade and other payables	82 626	61 071
Lease liabilities	94 883	97 170
Other current liabilities	4 627	18 688
<b>Total Equity and Liabilities</b>	<b>1 523 013</b>	<b>1 545 627</b>

## ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months	6 Months
	31/01/22	31/01/21
	Unaudited	Unaudited
<b>Operating activities</b>		
Cash generated from operations	52 713	40 344
Tax paid	(14 885)	(13 865)
<b>Investing Activities</b>		
Purchase of property, plant and equipment (net)	(14 694)	(16 877)
Investments (in)/dividends from Cell Captive (net)	(5 531)	11 945
Interest received	2 643	4 503
<b>Financing activities</b>		
Net movement in borrowings	(3 954)	(1 476)
Lease payments	(51 750)	(47 109)
Interest paid	(7 751)	(7 224)
Dividends paid	(110 944)	(130 017)
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(154 153)</b>	<b>(159 776)</b>
Exchange (loss)/gain on cash & bank balances	(3 502)	18 711
Cash and cash equivalents at the beginning of period	138 250	199 601
<b>Cash and cash equivalents at the end of the period</b>	<b>(19 405)</b>	<b>58 536</b>

## ABRIDGED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

	Share Capital	Currency translation reserve	Retained earnings	Total
<b>Current Year</b>				
Balance as at 31 <sup>st</sup> Jul 2021 - Audited	128 474	(36 779)	506 131	597 826
Total comprehensive income	-	(889)	45 296	44 407
<b>Balance as at 31<sup>st</sup> Jan 2022</b>	<b>128 474</b>	<b>(37 668)</b>	<b>551 427</b>	<b>642 233</b>
<b>Previous Year</b>				
Balance as at 31 <sup>st</sup> Jul 2020 - Audited	128 474	(54 433)	625 245	699 286
Dividends declared and paid - Final 2020 (gross)	-	-	(130 017)	(130 017)
Total comprehensive income	-	18 132	78 001	96 133
<b>Balance as at 31<sup>st</sup> Jan 2021</b>	<b>128 474</b>	<b>(36 301)</b>	<b>573 229</b>	<b>665 402</b>

## RESULTS

Revenue of P700m for the six months ended January 2022, was P15.5m (2.2%) lower than the prior year. After the hard lockdown period, the Group recorded buoyant sales growth during the comparable prior year period. Sales measured against this relatively high base of the prior year, have been sluggish.

Gross profit margins have declined compared to the prior period. Higher shipping costs, supply chain disruptions, weaker currency and fuel price increases have resulted in increased cost of merchandise.

Operating income of P139.7m is P36.5m (20.7%) lower than the corresponding period. This reduction in operating income resulted from lower gross profit, increases in expenses and higher debtor impairment costs.

Total debtors' costs have increased by 19.5% during the period under review. This increase must be seen against the backdrop of the release of excess impairment provision in the prior year, that was originally booked shortly after the hard lockdown periods. Management believes that the impairment provision on the debtor's book is at an adequate level.

Profit after tax of P45.3m is P32.7m (41.9%) lower than the previous year.

## OPERATIONS

The Group opened two (2) new Furnmart stores during the period under review and is continuing with a programme of revamping old but profitable stores. The Group has been wary to expand the store-base during the last two years but will continue, albeit cautiously, to open new stores as opportunities arise.

## PROSPECTS

Management expects trading conditions to remain uncertain due to the ongoing Covid-19 pandemic and its economic impact, exacerbated by ongoing supply chain disruptions and a slowing world economy.

## DIVIDEND DECLARATION

In line with the Group's dividend policy, a gross interim dividend of 3.01t per share was declared on 22<sup>nd</sup> April 2022 and was paid to shareholders registered on 06<sup>th</sup> May 2022.

## For Furnmart Limited

**T. L. J. Mynhardt**  
Deputy Chairman

**D. S. le Roux**  
Managing Director  
Date: 27<sup>th</sup> June 2022

**Transfer Secretaries**  
**DPS Consulting Services (Pty) Limited**  
Plot 28892, Twin Towers, West Wing  
Fairgrounds Office Park, Gaborone  
P. O. Box 1453, Gaborone, Botswana

**Auditors**  
**PricewaterhouseCoopers**  
Plot 50371  
Fairgrounds Office Park, Gaborone  
P. O. Box 294, Gaborone, Botswana

## NOTES

- The accounting policies and methods of computation used in preparing these financial statements have been consistent with those used in the annual financial statements to 31<sup>st</sup> July 2021.
- Figures are regrouped wherever necessary to ensure comparability.

## DIRECTORS

J. T. Mynhardt (Chairman), T. L. J. Mynhardt (Deputy Chairman),  
D. S. le Roux\* (Managing Director), F. B. Lebala, S. Venkataramani+, E. Odendaal\*,  
L. G. Waldeck\*, J. P. McLoughlin\*  
\*South African, +Indian