Imara loses P7.63m in six months

With hopes of increased investment flows into Africa failing to materialise Botswana-based Imara Holdings suffered a total loss of P7.63m for the six months ended October.

The group's results reflected a loss after tax of P5.12m, with attributable losses of P4.27m.

In the group's annual report, Imara said that the 2012-2013 financial year had started slowly and the operating environment remained difficult. It was however hoped that the growing interest in Africa would result in increased investment flows which would positively impact on the group.

"Against this background the company anticipated that it would deliver profits for the current financial year. The interim results for the six months ended 31 October 2012 are particularly displeasing," Imara said.

It noted that traditionally financial results for the group were lower in the first half of the year compared with the second half year.

"But what is of concern is the magnitude of the loss for the first six months of the current financial year and it's continued impact on the group's cash-flow position.

"A slowdown in stockbroking activity across the region, a decline in funds under management in the earlier part of the year and the perennial long lead time for closure of corporate advisory mandates all contributed to the decline in profitability," the group added.

Looking ahead, Imara pointed out that the earnings trend in the months of September and October 2012 had been encouraging, driven primarily by an improved performance in the group's stockbroking businesses across the region.

"The Imara Africa Desk is now also starting to make a positive contribution and earnings from the asset management businesses are improving as a result of funds inflows in the later part of the reporting period, accompanied by generally improved market conditions.

"Budget forecasts for the remainder of the year support the view that these positive trends should continue in the second half of the year with a resultant improved earnings performance. It is however important to remind stakeholders that global market sentiment and perceptions about Africa remain a very strong contributory factor to our overall performance,"" the group noted.

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