

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2016

CHAIRMAN'S STATEMENT

I am pleased to present the unaudited interim financial statements for Imara Asset Management Zimbabwe (Pvt) Limited ("Imara") for the half year ended September 30th 2016.

Since my year-end statement, Imara's funds under management (FUM) have been relatively stable at \$155 million over the six month period. This is down by 13% as compared to the same period last year. The Zimbabwe Stock Exchange (ZSE) was up by 1.3% over the first six months but down by 25% as compared with a year ago. With lower funds under management, our revenues for the first six months reached \$868,000 which are down by 18% on the previous year. Thanks to a strong commitment by Imara's staff to cut costs which included a salary cut, total costs fell by 15%. Overall net profits ended down at \$192,967, a fall of 23% on the same period last year. Our balance sheet remains strong and in excess of the SECZ's capital requirements. This has enabled the Board to declare interim dividends during the past six months amounting to \$250,000.

The second half of Imara's financial year has started on a strong note with FUM rising by over 13% on the back of a 22% rise in the ZSE during October. Our client portfolios have reacted positively and are now showing healthy gains in US dollar terms so far in 2016. The economic outlook remains difficult as Government spending shows no sign of falling, resulting in the crowding out of the private sector. The Minister of Finance recently made it clear that the current situation was unsustainable and that a tough economic reform programme to include cuts in civil service costs was essential and inevitable. Ultimately we believe that Zimbabwe needs the support of the IMF and World Bank together with foreign direct investment. Neither will come without the economic reform the Minister is attempting to introduce. Meanwhile the imminent introduction of Bond Notes, has resulted in hoarding of US dollar cash together with fear over the real value of bank deposits. This has encouraged the purchase of hard assets such as cars together with shares listed on the Stock Exchange. This of course has helped our business in recent weeks.

Outside of Imara's core business, the Company manages the Imara Social Investment Fund. Every quarter Imara pays a percentage of its profits into this Fund that is then used to support the under privileged children within the community. A sub-committee of the main Board administers the Fund.

The Board comprises four independent non-executive directors, one non-executive and two executive directors. The Board, assisted by the Audit Committee and a strong management team, endeavours to uphold the highest standards of corporate governance.

Peter L. Bailey
November 2016

INCOME STATEMENT For the half year ended 30 September 2016

		Unaudited 30 September 2016 USD	Unaudited 30 September 2015 USD
Revenue	1	824 376	987 310
Other operating income	1	44 910	76 664
Total income		869 286	1 063 974
Operating expenses	1	(609 403)	(724 642)
Operating profit		259 883	339 332
Finance costs		-	-
Profit before tax		259 883	339 332
Income tax expense	1	(66 921)	(87 378)
Profit for the year		192 962	251 954

STATEMENT OF COMPREHENSIVE INCOME For the half year ended 30 September 2016

		Unaudited 30 September 2016 USD	Unaudited 30 September 2015 USD
Profit for the year		192 962	251 954
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax		-	-
Total comprehensive income for the year, net of tax		192 962	251 954

STATEMENT OF FINANCIAL POSITION As at 30 September 2016

		Unaudited 30 September 2016 USD	Audited 31 March 2016 USD
ASSETS			
Non-current assets			
Equipment	2	54 189	63 954
Deferred tax asset		1 421	1 421
		55 610	65 375
Current assets			
Trade and other receivables	3	152 898	151 867
Cash and cash equivalents	4	303 881	446 133
		456 779	598 000
TOTAL ASSETS		512 389	663 375
EQUITY AND LIABILITIES			
Equity			
Issued share capital	5	10 276	10 276
Retained earnings		282 052	339 090
Total equity		292 328	349 366
Current liabilities			
Trade and other payables	6	76 307	37 685
Provisions	7	124 483	275 941
Tax payable		19 271	383
		220 061	314 009
TOTAL EQUITY & LIABILITIES		512 389	663 375

STATEMENT OF CASH FLOWS For the half year ended 30 September 2016

		Unaudited 30 September 2016 USD	Unaudited 30 September 2015 USD
Cash flows from operating activities			
Profit before tax		259 883	339 332
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation		11 145	25 800
Interest income		(16 430)	(26 683)
Finance costs		-	-
Movements in provisions		(151 458)	(112 919)
Profit on sale of equipment		(13 000)	-
Operating cash inflows before working capital adjustments:		90 140	225 530
(Increase)/Decrease in trade and other receivables		(1 031)	78 646
Increase/(Decrease) in trade and other payables		38 622	(3 458)
Cash generated from operations		127 731	300 718
Dividend paid		(250 000)	(300 000)
Income tax paid		(48 033)	(66 853)
Interest received		16 430	26 683
Net cash flows used in operating activities		(153 872)	(39 452)
Cash flows from investing activities			
Purchase of equipment - to maintain operating capacity		(1 380)	(7 940)
Proceeds from sale of equipment		13 000	-
Net cash flows from /used in investing activities		11 620	(7 940)
Net decrease in cash and cash equivalents		(142 252)	(47 392)
Cash and cash equivalents at beginning of year		446 133	500 535
Cash and cash equivalents at end of half year		303 881	453 143

STATEMENT OF CHANGES IN EQUITY For the half year ended 30 September 2016

Total Equity:	Share capital	Revaluation reserve	Retained earnings	Total Equity
Balance - 1 April 2015	10 276	-	452 525	462 801
Profit for the year			411 565	411 565
Other comprehensive income			-	-
Total comprehensive income			411 565	411 565
Sub-total	10 276	-	864 090	874 366
Dividends paid			(525 000)	(525 000)
Balance - 31 March 2016	10 276	-	339 090	349 366
Balance - 1 April 2016	10 276	-	339 090	349 366
Profit for the year			192 962	192 962
Other comprehensive income			-	-
Total comprehensive income			192 962	192 962
Sub-total	10 276	-	532 052	542 328
Dividends paid			(250 000)	(250 000)
Balance - 30 September 2016	10 276	-	282 052	292 328

NOTES TO THE FINANCIAL STATEMENTS For the half year ended 30 September 2016

Corporate information

The financial statements of the Company for the half year ended 30 September 2016 were authorised for issue in accordance with a resolution of the directors on 15 November 2016. The Company is a Private Limited company incorporated and domiciled in Zimbabwe. The registered office is located at: Block 2, Tendeseka Office Park Samora Machel Avenue, Eastlea Harare, Zimbabwe

The principal activity of the Company is the management of client investment portfolios. Imara Capital Zimbabwe (Private) Limited is the parent company. Imara Holdings Limited is the ultimate parent company.

Basis of preparation

The financial statements of the Company have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS), which comprise standards approved by the International Accounting Standards Board, (IASB), and interpretations approved by the International Financial Reporting Interpretations Committee, (IFRIC). The financial statements have been prepared on an historical cost basis. The financial statements are presented in United States of America Dollars which is also the Company's functional currency and all values are rounded to the nearest dollar unless otherwise indicated. The financial statements also provide comparative financial information in respect of the previous year.

Fiduciary activities

The Company acts in fiduciary capacities that result in the holding of assets for the account of and at the risk of clients. As these are not assets of the Company, they are not reflected in the statement of financial position but are included as a note to the financial statements at market value as part of funds under management.

1. REVENUE

	Unaudited Sept-2016 USD	Unaudited Sept-2015 USD
Interest income	16 430	26 683
Management fee income	807 946	960 627
	824 376	987 310
OTHER OPERATING INCOME:		
Sub delegation management fees	27 805	44 042
Non-member institutions commission	17 105	30 225
Sundry income	-	2 397
	44 910	76 664

OPERATING EXPENSES

Included in operating expenses are:	Unaudited Sept-2016 USD	Unaudited Sept-2015 USD
Auditor's remuneration (Audit services)	10 934	15 029
Depreciation	11 145	25 800
Directors remuneration- non-executive	6 250	8 231
Information technology expenses	41 699	48 574
Insurance and licences	15 175	21 401
Operating lease expense	36 607	41 630
Communications	11 230	11 868
Staff costs	430 595	456 249
Subscriptions	2 949	5 134

INCOME TAX EXPENSE

	Unaudited Sept-2016 USD	Unaudited Sept-2015 USD
Current income tax:		
Current income tax charge	66 921	87 378
Income tax expense	66 921	87 378

2. EQUIPMENT

	Motor vehicles USD	Computer equipment USD	Fixtures & fittings USD	Total USD
Cost:				
Balance - 31 March 2015	105 815	190 319	45 001	341 135
Additions	-	12 367	-	12 367
Disposals	-	-	-	-
Balance - 31 March 2016	105 815	202 686	45 001	353 502
Additions	-	1 248	132	1 380
Disposals	(78 030)	-	-	(78 030)
Balance - 30 September 2016	27 785	203 934	45 133	276 852

	Unaudited 30 September 2016 USD	Unaudited 30 September 2015 USD
Depreciation:		
Balance - 31 March 2015	84 673	142 868
Depreciation charge for the year	21 142	27 316
Disposals	-	-
Balance - 31 March 2016	105 815	170 184
Depreciation charge for the year	-	9 014
Disposals	(78 030)	-
Balance - 30 September 2016	27 785	179 198

	Unaudited 31 March 2016 USD	Unaudited 30 September 2016 USD
Net book value:		
31 March 2016	-	32 502
30 September 2016	-	24 736

3. TRADE AND OTHER RECEIVABLES

	Unaudited 30 September 2016 USD	Audited 31 March 2016 USD
Trade receivables	142 521	146 881
Other receivables	10 377	4 986
	152 898	151 867

Trade receivables are non-interest bearing and are generally on 30 day terms.

4. CASH AND CASH EQUIVALENTS

	Unaudited 30 September 2016 USD	Audited 31 March 2016 USD
Cash on hand and at bank	1 591	756
Short term deposits	302 290	445 377
	303 881	446 133

The Company's cash which has been identified as not being immediately required for operational purposes is invested into short term money market instruments denominated in United States dollars. These instruments, typically have maturity dates of between 30 and 90 days, earn interest and are rolled over on maturity, depending on operational cash flow requirements. There is an active market for the instruments and as such they can be immediately converted into cash prior to the stated maturity date.

5. SHARE CAPITAL

Authorised share capital:
1 100 000 ordinary shares of \$0.001 each
10 000 000 Class A ordinary Shares of \$0.001 each

	Half year ended 30 September 2016 Sept-2016 Number	30 September 2016 Mar-2016 Number
Issued capital:		
Reconciliation of the number of shares in issue:		
Ordinary shares in issue at beginning of the year	1 020 000	1 020 000
Class A ordinary shares in issue at beginning of the year	9 255 790	9 255 790
Total in issue at end of the year	10 275 790	10 275 790

	Half year ended 30 September 2016 Sept-2016 USD	30 September 2016 Mar-2016 USD
Issued capital:		
Balance at beginning of year	10 276	10 276
Movement for the year	-	-
Balance at end of year	10 276	10 276

Issued capital:

Notes relating to issued capital:
The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The holders of class "A" ordinary shares are not entitled to receive dividends from the Company. All the shares in this category carry one vote per share without restriction.

The un-issued ordinary shares are under the control of the directors.

6. TRADE AND OTHER PAYABLES

	As at 30 September 2016 Sept-2016 USD	As at 31 March 2016 Mar-2016 USD
Other payables	76 307	37 685

Other payables are non-interest bearing and have average terms of between 30 and 60 days.

7. PROVISIONS

	Half year ended 30 September 2016 Total
At 1 April 2016	
Balance - beginning of year	344 681
Utilised during the year	(319 962)
Unutilised amounts reversed	(23 813)
Arising during the year	275 035
At 31 March 2016	275 941
At 1 April 2016	
Balance - beginning of year	275 941
Utilised during the period	(275 941)
Arising during the period	124 483
At 30 September 2016	124 483

8. FUNDS UNDER MANAGEMENT

	30 September 2016 USD	31 March 2016 USD
Funds under management - Private Clients	20 269 583	21 633 135
Funds under management - Institutional Clients	135 060 196	132 254 165
	155 329 779	153 887 300

The Company provides asset management and unit trust services to pension funds, trusts, institutions, companies and individuals, whereby it holds, places and manages funds on behalf of clients. The Company receives management fees for providing these services. Funds under management are not assets of the Company and are not recognised in the statement of financial position. The Company is not exposed to any credit risk relating to funds under management.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains prudent capital and gearing ratios in order to support its business and maximise shareholder value.

The Company is subject to capital adequacy and liquidity controls imposed by the regulators. Responsibility for compliance with the prescribed capital and liquidity ratios is delegated to the Risk and Compliance Committee, which meets on a regular basis.

The Company has complied with the regulatory requirement of maintaining tier 1 capital above \$250 000 throughout the year.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, issue new shares, adjust gearing ratios or negotiate borrowings.

Capital comprises of share capital and distributable reserves.

Tier 1 capital:	Sept 2016 USD	Mar 2016 USD
Share capital	10 276	10 276
Distributable reserves	282 052	339 090
	292 328	349 366
Regulatory requirement	250 000	275 000

No material changes were made to the objectives or policies relating to the management of capital during the year.

Risk management

Credit risk
There are no significant concentrations of credit risk. The Company's policy is to trade only with recognised and creditworthy third parties. All customers are subject to "know your customer (KYC)" procedures.

With respect to credit risk arising from cash and cash equivalents the Company only deposits cash with financial institutions of high credit rating.

The Company's maximum exposure to credit risk is equal to the carrying amount of the financial assets as presented in the statement of financial position.

Interest rate risk

The Company's exposure to market risk for changes in interest rates, relate primarily to its bank and cash balances. The Company's policy is to manage interest receivable through a mix of demand and short term investment products at both fixed and variable rates.

IMARA ASSET MANAGEMENT BOARD ATTENDANCE FOR THE HALF YEAR ENDED 30 TH SEPTEMBER 2016		
MEMBER		