

Housing developer RBA suffers R10m loss

By [Robert Laing](#)

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RBA, the housing developer that went into business rescue in February, fell into an aftertax loss of R10m in the six months to end-June, from a profit of R1.8m in the matching period.



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The interim results released on Wednesday, 2 November, included an emphasis of matter that RBA's total liabilities exceeded its total assets by R60.4m, wider than the matching period's R43.2m.

"The business rescue practitioner is unable to determine if RBA and its subsidiaries will continue as going concerns until such time as the business rescue plans are finalised and approved by creditors," the statement said.

Business rescue and restructuring costs of R5.1m contributed to operating expenses increasing 15.4% to R44.5m.

Old Mutual's Housing Impact Fund of SA, which initiated the court proceedings that placed RBA in business rescue, lent it an additional R36m. This contributed to finance costs growing 76.6% to R18.9m.

Though the business rescue practitioners have added to RBA's costs, they do seem to have helped its top line. The equivalent houses constructed number increased 14.3% to 520 units, helping revenue grow 55.2% to R218.8m.

Source: *BDpro*

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