Cambria Africa Plc

Annual report

2016

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Annual Report 2016

Results for the year

Cambria Africa PLC (AIM:CMB) ("Cambria" or the "Company") is pleased to announce its audited results for the year ending 31 August 2016 and provide a trading update. Audited Financial Statements are available on the Company's website (www.cambriaafrica.com) and will be sent to shareholders on Monday.

Results highlights:

- Cambria's EBITDA from continuing operations increased by $2.16 million to $430,000 from a loss of $1.73 million in FY 2015.
- Excluding legal costs, EBITDA from continuing operations increased by almost $3 million to $1.24 million from a loss of $1.73 million in FY 2015.
- Cambria's cash flow from operations increased by $6.56 million to $3.63 million from a net cash outflow of $2.93 million in FY 2015.
- Cambria slashed central costs by almost half to $1.1 million from $2.0 million in FY 2015 (down 45%).
- Excluding legal costs of $820,000, central overheads decreased by 86% to $280,000 from $2 million in FY 2015.
- Cambria reduced consolidated borrowings to $4.4 million from $7 million in FY 2015, a 37% decrease. Post-VAL Loan Conversion (discussed under Subsequent Events below) borrowings will drop to $2.9 million, a 59% decrease from FY 2015 levels.
- $390,000 in annual interest savings is expected from the reduction in borrowings and the VAL Loan Conversion. Compared to FY 2015, which reflects a full year of interest costs on previous borrowings, the annual interest savings will be $480,000.
- Payserv, Cambria's largest subsidiary by revenue and profit, achieved a 100% increase in profit after tax ("PAT") to $1.0 million. Excluding minority interest, PAT increased by 248% to $740,000. Revenues for the period increased 7% to $5.36 million. Consolidated EBITDA increased by 43.1% to $1.76 million.
- Millchem pared its EBITDA loss by 76% to $230,000 in FY 2016 from $950,000 in FY 2015.
- Excluding legal expenses of $820,000, Cambria achieved a consolidated profit of $70,000 from continuing operations compared to a loss of $2.9 million in FY 2015. Including legal expenses, Cambria reduced its consolidated loss from continuing operations by $2.16 million to a loss of $740,000.

Trading update:

After Fiscal Year-End 2016, unaudited management accounts for the 4 months ended 31 December 2016 reflect an acceleration of the performance gains achieved in FY 2016. In comparison to the same period in FY 2016, the salient results are as follows:

Payserv:

- PBT increased by 131% to $660,000 from $286,000,
- EBITDA increased by 51.8% to $850,000 from $560,000,
- Revenues increased by 23.4% to $2.16 million from $1.75 million,
- Paynet's EDI volumes up by 46.3%,
- Tradanet loan volumes down 35.4%.

The significant increase in EDI volumes is believed to be attributable to an increase in electronic payments as a result of the cash shortages in Zimbabwe and multiple salary payments during the same month by employers. Tradanet loans fell as a result of a temporary discontinuation in the credit partner loan program. This program is expected to be reinstated in early 2017 and will result in a restoration of loans to FY 2016 levels.

Although the current record EDI volumes may abate in future should current conditions change, Paynet's management expects normalisation of Tradanet loan volumes to mitigate such reduction.

Millchem:

- Revenues flat at $1.2 million,
- EBITDA loss further reduced by 30% to $38,000 from a loss of $55,000,
- Pre-tax loss reduced by 27.7% to $47,000 from a loss of $65,000.

Central:

- Central costs, excluding legal expenses, continue to track the improved levels reported in FY 2016.

Results for the year

Subsequent events:

Subsequent to the end of the Financial Year notable financial changes include:

- *Open Offer:* Open Offer to Cambria shareholders at 1p per share, enabling Cambria shareholders the opportunity to match the terms of VAL's Loan Conversion (discussed below). The Open Offer is currently due to expire on Wednesday, 1 February 2017. The Board is considering extending this deadline to allow shareholders to consider audited FY 2016 results and the Trading update in their investment decisions, and will announce any extension.

- *VAL Loan Conversion:* Conversion of £1.25 million of VAL's loan at 1p per share into 125 million Cambria ordinary shares will increase net equity by $1.55 million and equity per share by 0.46 US cents per share (0.36 UK pence) and will reduce annual interest costs by $130,000.

- *Increased Net Equity:* Following the VAL Loan Conversion, Cambria's net equity per share will approximate 0.31 U.S. cents. Despite the increase, this number, in the opinion of the Directors, significantly underestimates the fair value of the company's investments and proprietary technologies. By way of illustration, the balance sheet only reflects the goodwill attributable to Payserv which is carried at $720,000 – less than half its consolidated EBITDA of $1.76 million for FY 2016.

- *New Loan Facilities:* A $1.2 million loan facility was established by Paynet Zimbabwe (Pvt) Limited with Central Africa Building Society (CABS) of which $1.0 million has been accessed to date.

- *$1.8 million Counterclaim against Consilium and Security for Costs*: In respect of Cambria's $1.8 million counterclaim against Consilium in the English courts, the company has lodged security for costs of £380,000 and paid a related costs order of £30,000.

Changes to the board:

The Company's Board of Directors remains unchanged.

About Cambria Africa Plc:

Cambria Africa Plc, quoted on the AIM market of the London Stock Exchange, is a long-term, active investment company, investing primarily in Zimbabwe.

Introduction

I am pleased to report a significant improvement in our results and financial position. Despite the continued distractions of the Consilium dispute, we have started to see the positive results from the efforts invested by the new management of the Company. In fact, the improvements are dramatic:

- Cambria's EBITDA from continuing operations increased by $2.16 million to $430,000 from a loss of $1.73 million in FY 2015.
- Excluding legal costs, EBITDA from continuing operations increased by almost $3 million to $1.24 million from a loss of $1.73 million in FY 2015.
- Cambria's cash flow from operations in FY 2016 increased by $6.56 million to $3.63 million from a net cash outflow of $2.93 million in FY 2015.
- Cambria reduced central costs by almost half to $1.1 million from $2.0 million last year in FY 2015 (down 45%).

The timely repayment of $5 million to Consilium and $2 million to Nurture towards the end of FY 2016 removed a significant financial burden and risk to the Company. Cambria and Payserv's internal resources of almost $4 million substantially contributed to this repayment. The balance was refinanced by a VAL Loan of $1.78 million and a revolving VAL Bridging Facility of $1.45 million. The VAL Bridging Facility has been reduced to $700,000 by accessing a $1.2 million credit line granted to Paynet Zimbabwe by a local bank (CABS)..

After the end of the financial year, the Company's balance sheet will be further strengthened by the conversion of $1.55 million of VAL Loans into 125 million Cambria ordinary shares at 1p per share. Shareholders have been given the right to match this investment and avoid dilution through an Open Offer due to expire on 1 February 2017. As the ultimate beneficial owner of VAL, these loans and conversion are a strong expression of my confidence in the future of Cambria.

Following the VAL Loan Conversion, borrowings will be cut by half to $2.9 million from $7.0 million prior to repayment of the Consilium ($5 million) and Nurture ($2 million) loans in May and July 2016, respectively. The reduced borrowings will result in annual interest savings of $480,000 compared to the cost of a full year of servicing the Consilium and Nurture debts.

Given the unique positioning of Payserv and its technology platforms in Zimbabwe and the sharp reduction central and operating company costs, Cambria is poised for continued profitability despite of, and possibly because of, the economic challenges faced by Zimbabwe.

Legal expenses

The Board believes that adjusting for legal fees associated with the Consilium dispute will provide shareholders with a more accurate reflection of the Group's operating performance, its turnaround and improved cash generation. The current state of the litigation to which these expenses relate, is discussed under "Consilium Dispute" below.

Operating Results For the Year

Consolidated results:

Cambria's Cash flow from operations was $3.63 million compared to a net cash outflow of $2.93 million in FY 2015.

Excluding legal expenses, the Company achieved a consolidated profit from continuing operations of $70,000. Including legal expenses of $820,000 Cambria's improved operating performance more than halved its consolidated loss from continuing operations to $740,000 from a loss of $2.9 million in FY 2015.

Cambria's EBITDA from continuing operations increased by $2.16 million to $430,000 from a loss of $1.73 million in FY 2015.

Excluding legal costs, EBITDA from continuing operations increased by almost $3 million to $1.24 million from a loss of $1.73 million in FY 2015.

We cut central costs by almost half to $1.1 million from $2.0 million in 2015 and by two thirds from $3.1 million in FY 2015. Excluding legal costs of $820,000, central overheads decreased by 86% to $280,000. We are committed to remaining diligent in containing central costs.

As the CEO of Cambria, I have not collected any compensation nor benefits and will not do so until the cash flow from the Company's underlying investments supports it. Similarly, since their appointment, my fellow directors have served the company without compensation or benefits

Operating Division Results:

Payserv's cconsolidated EBITDA increased by 43.1% to $1.76 million from $1.23 million in FY 2015 while PBT increased by 81.8% to $1.4 million from $770,000 in FY 2015. PBT excluding minority interests increased by 186% to $1.06 million from $370,000 in FY 2015. This stellar performance was achieved on the back of only a 7% increase in revenues to $5.36 million from $5.01 million in FY 2015.

After Fiscal Year-End 2016, unaudited Year-to-Date (YTD) management accounts confirm the continuing trend of profitability at Payserv. For the four months ended 31 December 2016 PBT increased by 131% to $660,000 and EBIDTA increased by 51.8% to $850,000 compared to the same period in FY 2016. Payserv achieved these stellar results on the back of a 23.4% increase in revenues and despite a decline of 35.5% in Tradanet loan volumes.

It is expected that Payserv will be able to capitalise on several growth opportunities in the ensuing financial years, including:

- Application of its technology platform in the consumer market where it has a very small market share compared to its 95% plus share of the corporate and interbank payments market;
- Acquiring a money-transfer license and introduction of innovative money-transfer facilities through its technology platform;
- Increasing Tradanet revenues, which are currently derived from processing payroll-based loans originated through an exclusive relationship with the Central African Banking Society (CABS) through direct origination on behalf of CABS, selling of insurance products, and at-risk microfinance loans with high margins and risk-mitigated by access to payroll deduction.

Millchem reported positive cash flow from operations as a result of a significant improvement in the management of inventory and trade receivables. Millchem's EBITDA loss improved by 75.8% to a loss of $230,000 from an EBITDA loss of $950,000 in FY 2015, while its loss before tax improved by 74.5% to a loss of $260,000 from a loss of $1.02 million in 2015. The reduction in losses is also attributable to discontinuing of unprofitable operations in Malawi and Zambia. As a result of these closures, revenue decreased by 39.7% to $3.19 million from $5.29 million in FY 2015.

It is expected that Millchem will pursue a number of strategic partnerships within the Zimbabwe market to mitigate the scarcity of currency allocation for raw material imports.

Divisional Review

Payserv Africa

Payserv provides EDI switching services (Paynet), 'payslip' processing (Autopay) and payroll based micro-finance loan processing (Tradanet).

(US$ THOUSANDS)	2016	2015	GROWTH
Revenues	5,360	5,012	7.0%
Gross profit	5,065	4,745	6.7%
Gross margin	94%	95%	(1.1%)
Overheads	(3,307)	(3,519)	(6%)
EBITDA	1,758	1,226	43.3%
Profit before interest and tax	1,653	1,072	54.2%
Interest	(250)	(300)	(16.7%)
Profit before tax ("PBT")	1,403	772	81.7%
Minority interests in PBT	(358)	(406)	(11.8%)
PBT (excluding minority interests)	1,055	366	188.2%
Profit after tax ("PAT")	1,007	504	99.8%
PAT (excluding minority interests)	741	213	247.8%

Paynet provides Electronic Data Interchange (EDI) services to all the banks and building societies in Zimbabwe, as well as to over 1,500 corporate clients. Paynet processed 19.2 million transactions (2015: 17.3 million) during the period under review, an 11% increase. Electronic transfers have become a preferred payment method in Zimbabwe as a result of the local cash shortages.

Autopay provides payroll services to more than 150 customers and processed approximately 330,000 pay slips (2015: 345,000) during the period under review, a decrease of 4.3%. The decrease was mainly caused by a general downsizing of payroll sizes in Zimbabwe and a reduction in employment levels.

Autopay managed to offset the full impact of this with the addition of new clients.

Tradanet processed approximately 78,000 (2015: 134,000) loans during the period, representing a value of $143 million (2015: $176 million), a decrease of 42% and 18.8% respectively.

At the end of the period the loan book under management stood at $124 million (2015: $139 million), a decrease of 10.8%.

During the year under review, Payserv continued to invest in its entry into the **Zambian market** which generated an EBITDA loss of $205,000 (FY 2015: $271,000). This investment has not been capitalised and has therefore directly impacted the income statement during the year under review. The Board is in the process of reviewing the continuation of this investment against prospects for profitability. Payserv's board has concluded that as of December 2016 it will not continue to subsidize the Zambian operation and it will have to reach profitability on its own merits. As expenses related to the Zambian operation were not capitalized, a discontinuation of this operation is not expected to impact Payserv's profitability.

Millchem Holdings

Millchem is a value-added chemicals distributor in Zimbabwe.

(US$ THOUSANDS)	2016	2015	GROWTH
Revenues	3,193	5,294	(39.7%)
Gross profit	525	892	(41.1%)
Gross margin	16.4%	16.8%	(2.3%)
SG&A	(758)	(1,846)	(58.9%)
EBITDA	(233)	(954)	(75.6%)
Loss before tax	(264)	(1,020)	(74.1%)

The decrease in revenue and gross profit is a result of the discontinuance of unprofitable subsidiaries Millchem Zambia and Millchem Malawi. Despite the reduction in revenue and gross profit, EBITDA improved by 74.1% as a result of the significant reduction in overheads caused by the closure of these two operations.

Despite the improved performance, restoring Millchem Zimbabwe (the only remaining Millchem operating subsidiary) to profitability is a key focus for the executive team.

Central costs

Cambria's central costs decreased by 45% to $1.1 million from $2.0 million in the previous year. Excluding legal costs incurred to defend Consilium's claims and attempts to liquidate Cambria which cost $820,000, central overheads decreased by 86% to $280,000 from $2.0 million in FY 2015.

Events subsequent to FY 2016

VAL LOAN CONVERSION AND OPEN OFFER

On 14 December 2016 the Company extended an Open Offer for up to 125 million new ordinary shares to the remaining Cambria shareholders on terms equal to that of the VAL Loan Conversion explained below ("Open Offer"). This Open Offer is intended to give shareholders an opportunity to avoid dilution and participate in the company's equity in an orderly fashion and at a fixed price of 1p per share.

On 28 November 2016, the Company announced that it reached an agreement with VAL regarding the conversion of £1.25 million or approximately $1.55 million of its loans to Cambria into 125 million ordinary shares of Cambria, or at 1p per share. The price of the VAL Loan Conversion was set at 1p per Cambria share ("the Issue Price"), representing a premium of 11% to the 10 day volume weighted average price of 0.90p for the 10 days up to 24 November 2016.

Shareholders have concomitantly received an Open Offer to subscribe for shares in equal proportion to their holdings and can simultaneously apply for a further allocation to the extent that other shareholders don't participate.

The VAL Loan Conversion will significantly strengthen Cambria's balance sheet and further aligns my interests with that of fellow Cambria shareholders. The Board believes that the Issue Price for the conversion and the Open Offer is underpinned by the value of Cambria's underlying subsidiaries. It will also result in less dilution for Shareholders at any level of the Open Offer participation.

Currently the Open Offer is open for acceptance until Wednesday, 1 February 2017. This deadline may be extended to give shareholders a chance to consider the impact of these results on their investment decision. Open Offer proceeds will be utilised to further strengthen the balance sheet and fund growth in Cambria's core subsidiaries in Zimbabwe.

The Company intends to issue the shares in relation to the VAL Loan Conversion together with the issue of shares as a result of the Open Offer.

NEW CABS LOAN

The Company announced on 18 October 2016 the conclusion by Payserv's wholly owned subsidiary Paynet, of a $1.2 million loan facility agreement with CABS. The CABS Loan bears interest at 11% per annum, an annual renewal fee of 1%, and is subject to an establishment fee of 2%. The loan is repayable over 24 months. As security, a mortgage has been registered in favour of CABS over one of two properties owned by Le Har (Pvt) Ltd, a wholly owned subsidiary of the Company. The remaining property remains unencumbered.

CONSILIUM DISPUTE

Shortly after I was named the CEO of Cambria and appointed to the Board in July 2015, we reached a substantive settlement with Lonrho for $4.752 million of which approximately $900,000 was paid to outstanding legal fees which the previous management had left unpaid. A further $500,000 was paid for consultancy, accounting and other expenses.

Immediately thereafter, I was stunned that Consilium Corporate Recovery Master Fund ("Consilium") claimed in September 2015 that the change of control as a result of VAL's subscription constituted an event of default under the Credit Facility Agreement (CFA) between Cambria and Consilium. Consilium's management had been closely involved in procuring VAL's investment in Cambria in April 2015 and negotiating the terms upon which VAL would support the Lonrho litigation, I note that on 26 March 2015, Cambria's then Chairman and concurrently a Director of Consilium, Ian Perkins, issued a letter which accompanied a circular to shareholders. Neither the letter nor the circular contained any reference to the change of control provisions or the associated risks when recommending the approval of the proposed share subscription by VAL.

Consilium also sought unsuccessfully to wind-up Cambria in Isle of Man Courts in an attempt to recover its loan, to the detriment of the Company and all its shareholders. As a result of Consilium's actions, Cambria was, amongst other matters, denied access to the Lonrho settlement funds and suffered greatly from its inability to access these funds or even refinance its obligations. Consilium endeavoured to control these activities in reliance on the contractual terms of the CFA and related Debenture which were put in place by the previous CEO, Edzo Wisman. Edzo Wisman and Ian Perkins were appointed as directors of Consilium in December 2014 and February 2012 respectively – the very company which tried to damage Cambria by prematurely and unlawfully demanding repayment of its debt and seeking to wind up the Company.

The legal fees relating to defending Cambria from Consilium's claims and actions and pursuing the consequent counterclaim, amounted to $820,000 in FY 2016. Subsequent to the repayment of its loan in full and on time, Consilium amended its claim in the English Courts to claim that it is entitled to be indemnified for what we believe to be the unreasonable and unnecessary costs associated with the premature and predatory attempts to be repaid over six months before the loans were due and appropriate the proceeds of the Lonrho settlement. Cambria has counterclaimed for a total of $1.8 million against Consilium for losses and legal fees it has incurred as a result.

With respect to this counterclaim in December 2016 the Company lodged security for costs of £380,000 and was ordered to pay costs of £30,000 to Consilium.

Acquisition strategy

The Board will continue its search for appropriate value-creating acquisition opportunities primarily through the use of equity subscriptions. We will continue to focus on Zimbabwe, which we believe provides the best opportunity for successful investment and growth in the short- to medium-term.

SAMIR SHASHA
CHIEF EXECUTIVE OFFICER
27 JANUARY 2017

Paul Turner, 70

NON-EXECUTIVE CHAIRMAN

Paul Turner is a Chartered Accountant and past President of the Institute of Chartered Accountants of Zimbabwe. He is a highly respected and knowledgeable member of the Zimbabwean business community. He was a partner at Ernst & Young in Harare, Zimbabwe, for over thirty years and brings an unparalleled level of experience in the structure and operation of businesses in Zimbabwe. Initially appointed to the Cambria board on 1 July 2008, he was appointed as Chairman on 8 July 2015.

Samir Shasha, 56

CHIEF EXECUTIVE OFFICER

Samir Shasha started his involvement in Southern Africa with supplying and leasing trucks for the operations of a transport company focused on relief aid. In 1995 he established S. Shasha & Associates in Zimbabwe and introduced Freightliner Trucks in Southern Africa for the first time. In 2002, S. Shasha & Associates purchased Zimbabwe Online, an Internet Service Provider in Zimbabwe, and took on the role of CEO until 2006. The company was sold to Liquid Telecom in 2012. Mr. Shasha received his Bachelors from Vassar College with Honors in Economics in 1981. Following Ventures Africa Limited's investment in the Company in April 2015, Mr Shasha was appointed to the Cambria board on 5 June 2015 and as CEO on 3 August 2015.

Josephine Petra Watenphul, 36

NON-EXECUTIVE DIRECTOR

Josephine Watenphul is a qualified Chartered Accountant (South Africa). She joined the UCS Group Limited ("UCS"), a Johannesburg-based investment holding company in technology and associated businesses listed on the Johannesburg Stock Exchange, in April 2004. In April 2009, Josie was appointed Group CFO, a position which she held until May 2015. During her tenure at UCS, which was later renamed Capitaleye Investments upon delisting in October 2011, Josie assisted in various corporate actions and restructurings. She was appointed to the Cambria board on 17 June 2015.

Dipak Champaklal Pandya, 58

NON-EXECUTIVE DIRECTOR

Dipak Pandya is a Chartered Accountant and has since March 2009 been the financial controller at Strauss Logistics Limited, a fuel trading and distribution company active in central and southern Africa. Prior to this, Dipak was the financial controller at Playwize Plc, a computer software development company. Dipak was appointed to the Cambria board on 26 June 2015.

Changes to the board

The board remains unchanged. Mrs Josie Watenphul is acting as non-executive director only as per the announcement on 2 March 2016.

No other changes to the board of directors occurred during the financial period under review and up to the date of this report.

Directors' Responsibility Statement in Respect of the Directors' Report and the Financial Statements.

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. The Directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

The Group and Parent Company financial statements are required to give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time its financial position. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

The Directors of Cambria Africa Plc (the "Company") and its subsidiaries (together the "Group") submit their report, together with the audited financial statements for the year ended 31 August 2016.

Principal activities

During the year, the Group was an investment company with a portfolio of investments in Zimbabwe.

Investing policy

The Company's investment objective is to provide Shareholders with long term capital appreciation.

While the Company does not have a particular sectoral focus, utilising the investment skills of the Directors and their advisors, the Company seeks to identify individual companies in sectors best positioned to benefit should there be radical improvements in Zimbabwe's economy. The Company may make investments in the tourism, accommodation, infrastructure, transport, commercial and residential property, technology, communications, manufacturing, retail, services, leisure, agricultural and natural resources sectors. The Company may also make investments in businesses outside Zimbabwe and the countries surrounding Zimbabwe as well as the remainder of Sub-Saharan Africa, that have a significant exposure to assets, businesses or operations within the defined region. The Company will only be able to achieve its investment objective in the event the Zimbabwean economy radically improves.

Whilst there will not be any limit on the number or size of investments the Company can make in any sector, the Directors seek to diversify the Company's investments across various sectors in order to mitigate risk and to avoid concentrating the portfolio in any single sector.

The Company's interest in a proposed investment or acquisition may range from a minority position to full ownership. The Company intends to actively manage the operations of the companies it has invested in. Wherever possible the Company will seek to achieve Board control or financial control of its portfolio companies. Indigenisation legislation within Zimbabwe may, however, prevent the Company from acquiring or maintaining a majority control in a Zimbabwean business.

The Directors believe that through their individual and collective experience of investing and managing acquisitions and disposals in Africa, they have the necessary skills to manage the Company and to source deal flow. Prior to any investment decisions being taken by the Board of the Company, a due diligence process is undertaken by the Company's appointed specialist financial and legal advisors.

The Company's investment strategy is dependent upon future radical improvement in the economy of Zimbabwe and expansion into the immediate region. It is therefore possible that a significant period of time may elapse before an investment by the Company will produce any returns and there is no guarantee that the economy in Zimbabwe will improve.

The Company Directors will comply as a matter of policy with the US Office of Foreign Assets Control and the European Union Council Regulation (EC) No. 314/2004 regulations.

Results

The Group made a consolidated loss of US$744,000 (2015: profit US$455,000) during the year and this has been set against reserves.

Business review and development

The Chief Executive's review of operations contains information on developments during the year and key potential future developments.

The requirements of the enhanced business review in relation to strategy and progress thereon are contained in the Chief Executive's review of operations.

The principal risks and uncertainties relate to the revenue generation in the Group's businesses which, being located in Africa, are subject to respective government policies, political stability, general economic conditions in the relevant country and exposure to foreign currency movements.

The Group monitors cash flow as one of its primary key performance indicators. Given current global financial conditions, as well as current developments in Zimbabwe, the Directors are carefully monitoring cash resources within the

Group and have instigated a number of initiatives to ensure funding will be available to meet obligations as they fall due and for planned projects and ongoing working capital support for its investments.

Business review and development (continued)

If such funding cannot be secured, the projects will be delayed or cancelled to ensure that the Group can manage its cash resources for the foreseeable future.

The Group also uses a number of other key performance indicators which are measured at different tiers in the operation. At the top level, the Group tracks revenues, gross profit, EBITDA and cash generation against budget of the underlying subsidiaries.

The Directors mitigate risk by evaluation of every investment that is made and have therefore developed a risk analysis reporting procedure, which links into the Company’s Corporate Governance procedures.

Further information regarding the Group’s policies and exposure to financial risk can be found in note 29 to the financial statements.

Share capital

Details of changes to the Company’s share capital and share premium during the financial year are contained in note 21 to the financial statements.

Post statement of financial position events

Details of significant events since the reporting date are contained in note 37 to the financial statements.

Corporate Governance

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The Directors recognise the value of the UK Corporate Governance Code (formerly the Combined Code on Corporate Governance) and, whilst under AIM rules full compliance is not required, the Directors are considering the recommendations and applicability in respect of the Company insofar as is practicable and appropriate for a public company of its size and will continue to implement appropriate compliance measures.

BOARD OF DIRECTORS

At the date of this report the Board of Directors comprises of one Executive Director, and three Non-Executive Directors, one of whom is the Chairman.

The Directors are of the opinion that the Board comprises a suitable balance to enable the recommendations of the Code to be implemented to an appropriate level. The Board, through the Chairman and Chief Executive Officer in particular, maintains regular contact with its advisors, and institutional investors in order to ensure that the Board develops an understanding of the views of the major shareholders of the Group.

The Board is responsible for formulating, reviewing and approving the Group’s strategy, financial activities and operating performance. Day-to-day management is devolved to the executive management who are charged with consulting the Board on all significant financial and operational matters. Consequently, decisions are made promptly following consultation amongst the Directors and managers concerned, where necessary and appropriate.

All necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively and all Directors have access to independent professional advice at the Company’s expense, as and when required.

The Chairman is available to meet with institutional shareholders to discuss any issues and concerns regarding the Group’s governance. The Non-Executive Directors can also attend meetings with major shareholders, if requested.

The participation of both private and institutional investors at the Annual General Meeting is welcomed by the Board.

Corporate Governance (continued)

INTERNAL CONTROLS

The Directors acknowledge their responsibility for the Company's and the Group's systems of internal control, which are designed to safeguard the assets of the Group and ensure the reliability of financial information for both internal use and external publication. Overall control is ensured by a regular detailed reporting system covering the state of the Group's financial affairs. The Board has implemented procedures for identifying, evaluating and managing the significant risks that face the Group.

Any system of internal control can provide only reasonable, and not absolute, assurance that material financial irregularities will be detected or that the risk of failure to achieve business objectives is eliminated.

COMMITTEES

The Board is in the process of establishing the following committees:

AUDIT COMMITTEE

The role of the Audit Committee will be to oversee the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures and the Company's financial reporting statements. The Audit Committee's primary objectives will include assisting the Directors in meeting their responsibilities in respect of the Company's continuous financial disclosure obligations and overseeing the work of the Company's external auditors. The Audit Committee will comprise Paul Turner (Chairman) and Dipak Pandya.

REMUNERATION COMMITTEE

The Remuneration Committee will make recommendations to the Board on the remuneration policy that applies to Executive Directors and senior employees.

The Remuneration Committee will comprise Dipak Pandya (Chairman) and Paul Turner.

NOMINATION COMMITTEE

The Nomination Committee will be responsible for identifying candidates to fill vacancies on the Board, as and when they arise, and nominate them for approval by the Board. The Nomination Committee will comprise Paul Turner (Chairman), Samir Shasha and Dipak Pandya.

Substantial shareholdings

The Directors have been advised of the following shareholdings at 13 January 2017 of 3 per cent or more of the Company's issued share capital:

	NUMBER OF SHARES	PERCENTAGE OF THE ISSUED CAPITAL
Ventures Africa Ltd*	107,000,000	50.55%
Consilium Investment Management LLC	16,262,798	7.68%
Russell Investments Ltd	14,252,663	6.73%
Roald Sommersel	7,168,458	3.39%

** Ventures Africa Limited is beneficially owned by Samir Shasha, director and CEO of the Company.*

Directors

Biographical details of all Directors as well dates of appointment and resignation (if applicable) are set out on page 9.

Directors' share interests

The Directors' who were in office at the beginning and end of the current financial year, had the following interests in the shares of the Company:

DIRECTORS	AT 31.08.16 NO. OF SHARES	AT 31.08.15 NO. OF SHARES
Samir Shasha*	107,000,000	107,000,000
Josephine Watenphul	-	-
Dipak Pandya	-	-
Paul Turner	-	-
Total	107,000,000	107,000,000

** Held indirectly through Ventures Africa Limited.*

Share options held by the previous Directors are detailed in note 22 of the financial statements

All of the above interests are recorded in the Company's Register of Directors' Share and Debenture Interests. No Director has a beneficial interest in the shares or debentures of any of the Company's subsidiary undertakings.

Anti-Corruption and Bribery Policy

The Company has in place an Anti-Corruption and Bribery Policy which has been adopted by the Company across all divisions of the Group. The Board has overall responsibility for ensuring compliance by Directors, employees and other persons associated with the Group with applicable legal and ethical obligations. The Company's Chief Executive Officer has primary and day-to-day responsibility for implementation of the policy. Management at all levels of the Group are responsible for ensuring those reporting to them are made aware of, and understand, the policy. The policy gives guidance on risk identification and the procedures to follow where a risk is identified, together with clear guidelines on gifts, entertainment and donations.

Share price performance

Between 1 September 2015 and 31 August 2016 the share price varied between a closing high of 1.64p and a low of 0.35p. At 31 August 2016 the closing market price of the shares at close of business was 0.63p (2015: 0.825p). On 24 January 2017 the mid price of the shares was marked at 1p.

Auditors

A resolution to re-appoint Baker Tilly Isle of Man LLC and to authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

ON BEHALF OF THE BOARD.
JOSIE WATENPHUL
NON-EXECUTIVE DIRECTOR
27 JANUARY 2017

Report of the Independent Auditors, Baker Tilly Isle of Man LLC, to the members of Cambria Africa Plc

We have audited the Group and Parent Company Financial Statements (the "financial statements") of Cambria Africa Plc for the year ended 31 August 2016 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the Directors are responsible for the preparation of financial statements that give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit . If we become aware of any apparent material misstatements or inconsistencies we consider implications for our report.

Report of the Independent Auditors, Baker Tilly Isle of Man LLC, to the members of Cambria Africa Plc (continued)

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Parent Company's affairs as at 31 August 2016 and of the Group's loss for the year then ended; and
- have been properly prepared in accordance with IFRS as adopted by the European Union.

Baker Tilly Isle of Man LLC
Chartered Accountants
2a Lord Street
Douglas
Isle of Man
IM99 1HP
27 January 2017

Consolidated Income Statement
For the year ended 31 August 2016

	NOTE	2016 TOTAL US$'000	*Restated 2015 TOTAL US$'000
Revenue	5	8,552	10,306
Cost of sales	6	(2,962)	(4,670)
Gross profit		**5,590**	**5,636**
Operating costs	6	(5,302)	(7,766)
Other income		-	7
Net profits on disposal of investments and impairment of assets		5	199
Operating profit/(loss)		**293**	**(1,924)**
Finance income	8	16	10
Finance costs	8	(657)	(740)
Net finance costs		**(641)**	**(730)**
Loss before tax		**(348)**	**(2,654)**
Income tax	9	(396)	(271)
Loss for the period from continuing operations		**(744)**	**(2,925)**
Discontinued operations			
Profit for the year from discontinued operations, net of tax	5/10	-	3,380
(Loss)/profit for the year		**(744)**	**455**
Attributable to:			
Owners of the company		(1,010)	164
Non-controlling Interests		266	291
(Loss)/profit for the year		**(744)**	**455**
(Loss)/earnings per share - all operations			
Basic and diluted (loss)/profit per share (Cents)	11	(0.5c)	0.1c
Loss per share-continuing operations			
Basic and diluted loss per share (Cents)	11	(0.5c)	(2.3c)

The notes on pages 23 to 62 are an integral part of these consolidated financial statements.

*Amounts have been restated due to reclassification of net litigation settlement proceeds to discontinued operations. (See note 2)

Consolidated Statement of Comprehensive Income

For the year ended 31 August 2016

	2016 US$'000	*Restated 2015 US$'000
(Loss)/profit for the year	**(744)**	**455**
Other comprehensive income		
Items that will not be reclassified to income statement:		
Foreign currency translation differences for overseas operations	9	97
Total comprehensive (loss)/profit for the year	**(735)**	**552**
Attributable to:		
Owners of the company	(1,001)	261
Non-controlling interest	266	291
Total comprehensive (loss)/profit for the year	**(735)**	**552**

The notes on pages 23 to 62 are an integral part of these consolidated financial statements.

*Amounts have been restated due to reclassification of net litigation settlement proceeds to discontinued operations. (See note 2)

Consolidated Statement of Changes in Equity

For the year ended 31 August 2016

	ATTRIBUTABLE TO OWNERS OF THE COMPANY									
	SHARE CAPITAL	SHARE PREMIUM	RE-VALUA-TION RESERVE	FOREIGN EXCHANGE RESERVE	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	NDR	TOTAL	NON- CON-TROLLING INTERESTS	TOTAL EQUITY
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 September	**34**	**83,950**	**438**	**(10,532)**	**86**	**(75,385)**	**1,900**	**491**	**65**	**556**
(Loss)/profit for the year	-	-	-	-	-	(1,010)	-	**(1,010)**	266	**(744)**
Foreign currency translation differences for overseas operations	-	-	-	9	-	-	-	**9**	-	**9**
Total comprehensive profit for the year	**-**	**-**	**-**	**9**	**-**	**(1,010)**	**-**	**(1,001)**	**266**	**(735)**
Contributions by and distributions to owners of the Company recognised directly in equity										
Disposal of subsidiary	-	-	-	(105)	-	105	-	**-**	-	**-**
Expiry of share options	-	-	-	-	(43)	43	-	**-**		**-**
Dividends paid	-	-	-	-	-	-	-	**-**	(335)	**(335)**
Total contributions by and distributions to owners of the Company	**-**	**-**	**-**	**(105)**	**(43)**	**148**	**-**	**-**	**(335)**	**(335)**
Balance at 31 August 2016	**34**	**83,950**	**438**	**(10,628)**	**43**	**(76,247)**	**1,900**	**(510)**	**(4)**	**(514)**

The notes on pages 23 to 62 are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity

For the year ended 31 August 2016

	ATTRIBUTABLE TO OWNERS OF THE COMPANY									
	SHARE CAPITAL	SHARE PREMIUM	RE-VALUA-TION RESERVE	FOREIGN EXCHANGE RESERVE	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	NDR	TOTAL	NON- CON-TROLLING INTERESTS	TOTAL EQUITY
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 September	**18**	**82,487**	**438**	**(10,629)**	**86**	**(75,890)**	**2,241**	**(1,249)**	**9**	**(1,240)**
Profit for the year	-	-	-	-	-	164	-	**164**	291	**455**
Foreign currency translation differences for overseas operations	-	-	-	97	-	-	-	**97**	-	**97**
Total comprehensive profit for the year	**-**	**-**	**-**	**97**	**-**	**164**	**-**	**261**	**291**	**552**
Contributions by and dis-tributions to owners of the Company recognised directly in equity										
Disposal of subsidiary	-	-	-	-	-	341	(341)	**-**	-	**-**
Dividends paid	-	-	-	-	-	-	-	**-**	(235)	**(235)**
Issue of ordinary shares	15	1,463	-	-	-	-	-	**1,479**	-	**1,479**
Total contributions by and distributions to owners of the Company	**15**	**1,463**	**-**	**-**	**-**	**341**	**(341)**	**1,479**	**(235)**	**1,244**
Balance at 31 August 2015	**34**	**83,950**	**438**	**(10,532)**	**86**	**(75,385)**	**1,900**	**491**	**65**	**556**

The notes on pages 23 to 62 are an integral part of these consolidated financial statements

Consolidated and Company Statement of Financial Position

As at 31 August 2016

	NOTES	GROUP 2016 US$'000	COMPANY 2016 US$'000	GROUP 2015 US$'000	COMPANY 2015 US$'000
Assets					
Property, plant and equipment	12	2,594	-	2,594	-
Goodwill	13	717	-	717	-
Intangible assets	14	39	-	2	-
Investment in subsidiaries	15	-	-	-	-
Total non-current assets		**3,350**	**-**	**3,313**	**-**
Inventories	16	407	-	761	-
Financial assets at fair value through profit or loss	17	40	-	50	-
Trade and other receivables	18	1,311	6,374	1,241	8,383
Cash and cash equivalents	19	701	-	645	50
Discontinued operation (Litigation settlement)	5	-	-	4,752	
Total current assets		**2,459**	**6,374**	**7,449**	**8,433**
Total assets		**5,809**	**6,374**	**10,762**	**8,433**
Equity					
Issued share capital	20,21	34	34	34	34
Share premium account	20,21	83,950	83,950	83,950	83,950
Revaluation reserve	20,21	438	-	438	-
Share based payment reserve	20,21,22	43	43	86	86
Foreign exchange reserve	20	(10,628)	(13,186)	(10,532)	(13,186)
Non distributable reserves	20	1,900	-	1,900	-
Retained losses		(76,247)	(71,765)	(75,385)	(70,270)
Equity attributable to owners of company		**(510)**	**(924)**	**491**	**614**
Non-controlling interests		(4)	-	65	-
Total equity		**(514)**	**(924)**	**556**	**614**
Liabilities					
Loans and borrowing	23	2,965	2,929	45	-
Provisions	24	207	-	183	-
Deferred tax liabilities	25	152	-	177	-
Total non-current liabilities		**3,324**	**2,929**	**405**	**-**
Current tax liabilities	27	308	-	200	-
Loans and borrowings	23,26	1,469	1,469	6,877	4,812
Trade and other payables	27	1,222	2,900	1,446	3,007
Discontinued operation (Litigation settlement)	5	-	-	1,278	
Total current liabilities		**2,999**	**4,369**	**9,801**	**7,819**
Total liabilities		**6,323**	**7,298**	**10,206**	**7,819**
Total equity and liabilities		**5,809**	**6,374**	**10,762**	**8,433**

These financial statements were approved by the Board of Directors and authorised for issue on 27 January 2017. They were signed on their behalf by:

MR SAMIR SHASHA
EXECUTIVE DIRECTOR

The notes on pages 23 to 62 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 August 2016

	NOTES	GROUP 2016 US$'000	GROUP 2015 US$'000
Cash generated from/(used) in operations*	**28**	**3,944**	**(2,590)**
Taxation paid		(313)	(342)
Cash generated from/(used) in operating activities		**3,631**	**(2,932)**
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		20	126
Purchase of property, plant and equipment		(170)	(88)
Proceeds on disposal of subsidiary		60	2,445
Other investing activities		(39)	-
Interest received		16	10
Net cash (used)/from investing activities		**(113)**	**2,493**
Cash flows from financing activities			
Dividends paid to non-controlling interests		(335)	(235)
Interest paid		(267)	(363)
Proceeds from issue of share capital		-	1,479
Loans repaid	23/26	(7,146)	(595)
Proceeds from drawdown of loans	23/26	4,277	62
Net cash (utilised)/generated by financing activities		**(3,471)**	**348**
Net increase/(decrease) in cash and cash equivalents		**47**	**(91)**
Cash and cash equivalents at 1 September		645	639
Foreign exchange		9	97
Net cash and cash equivalents at 31 August	**19**	**701**	**645**
Cash and cash equivalents as above comprise the following:			
Cash and cash equivalents		701	645
Bank overdraft		-	-
Net cash and cash equivalents at 31 August	**19**	**701**	**645**

***** All amounts include both continuing and discontinued operations. Cash flow from discontinued operations are set out in note 10, the effect of which was $3.4 million inflow in 2016 and $1.03 million utilised in 2015.

The notes on pages 23 to 62 are an integral part of these consolidated financial statements.

1. Reporting entity

Cambria Africa Plc (the "Company") is a public limited company listed on the Alternative Investment Market (AIM) and incorporated in the Isle of Man under the Companies Act 2006. The consolidated financial statements of the Group for the year ended 31 August 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The majority shareholder is Ventures Africa Limited and the ultimate controlling entity is S Shasha and Associates.

The financial statements were authorised for issue by the Directors on 27 January 2017.

2. Basis of preparation

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the E.U. On publishing the Company statement of financial position here together with the Group financial statements, the Company complies with the Isle of Man Companies Act 2006 under which there is no requirement to present a company only statement of comprehensive income in consolidated financial statements.

RESTATEMENT OF COMPARATIVE NUMBERS

During the period, the Group reclassified the net litigation proceeds relating to its Jet Claims (2015) as a discontinued operation. The board is of the opinion that the Jet Claims relate to the Group's discontinued Air Business, a distinct business that was reported on separately and discontinued. Accordingly the information for the prior period has been restated such that comparative information given in respect of discontinued and continuing operations is consistent in each period.

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In the current year, the application of the following new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB became mandatory. The adoption of these new and revised standards and interpretations has not resulted in any changes to the Company's accounting policies that would affect the amounts reported for the current or prior periods:

Various IFRS: Amendments resulting from Annual Improvements 2010-2012 Cycle (definition of 'vesting condition') Effective in the EU for annual periods beginning on or after 1 February 2015.

Amendments resulting from Annual Improvements 2011-2013 Cycle (scope exception for joint ventures) Effective in the EU for annual periods beginning on or after 1 January 2015.

IFRS 10 Consolidated Financial Statements: Amendments deferring the effective date of the September 2014 amendments - Effective immediately.

IAS 19 Employee Benefits: Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service - Effective for annual periods beginning on or after 1 February 2015.

IAS 28 Investments in Associates and Joint Ventures: Amendments deferring the effective date of the September 2014 amendments – Effective immediately.

The following standards, amendments and interpretations have been issued but are not effective for the period commencing 1 September 2015 and have not been early adopted by the company.

Various IFRS: Amendments resulting from September 2014 Annual Improvements to IFRSs - Effective for annual periods beginning on or after 1 January 2016.

IFRS 7 Financial Instruments: Disclosures: Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 - Applies when IFRS 9 is applied.

IFRS 9 Financial Instruments: Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and de-recognition - Effective for annual periods beginning on or after 1 January 2018.

IFRS 10 Consolidated Financial Statements: Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture - deferred indefinitely (see below).

2. Basis of preparation (continued)

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (CONTINUED)

Amendments regarding the application of the consolidation exception – Effective from annual periods beginning on or after 1 January 2016.

IFRS 11 Joint Arrangements: Amendments regarding the accounting for acquisitions of an interest in a joint operation - Effective for annual periods beginning on or after 1 January 2016.

IFRS 15 Revenue from Contracts with Customers: Original issue - Applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2017.

Amendments to defer to the effective date to 1 January 2018 Effective from annual periods beginning on or after 1 January 2018.

Clarifications to IFRS 15 - Annual periods beginning on or after 1 January 2018. Currently not yet endorsed for use in the EU.

IFRS 16 Leases: Original Issue - Effective in annual periods beginning on or after 1 January 2019.

IAS 1 Presentation of Financial Statements: Amendments resulting from the disclosure initiative - Effective from annual periods beginning on or after 1 January 2016.

IAS 7 Statement of Cash Flows: Amendments as result of the Disclosure initiative - Effective from annual periods beginning on or after 1 January 2017.

IAS 12 Income Taxes: Amendments regarding the recognition of deferred tax assets for unrealised losses - Effective from annual periods beginning on or after 1 January 2017.

IAS 16 Property, Plant and Equipment: Amendments regarding the clarification of acceptable methods of depreciation and amortisation - Effective from annual periods beginning on or after 1 January 2016.

IAS 38 Intangible Assets: Amendments regarding the clarification of acceptable methods of depreciation and amortisation - Effective in annual periods beginning on or after 1 January 2016

BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- land and buildings measured at revalued amounts.
- share-based payments measured at fair value.

FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in United States Dollars, which is the Group's presentational currency and the Company's functional currency.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 13 – Goodwill
- Note 12 – Property, plant and equipment
- Note 24 – Provisions

2. Basis of preparation (continued)

USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

By their nature, these estimates and assumptions are subject to an inherent measurement of uncertainty and the effect on the Group's financial statements of changes in estimates in future periods could be significant.

GOING CONCERN

The Group's business activities and financial performance are set out in the Chief Executive's Review on pages 3 to 8. In addition, note 29 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

The Board has considered the cash flow forecasts for the ensuing 12 months including the maturity profile of its contractual debt obligations. The financial position of the Group has improved significantly as a result of the settlement of the Consilium and Nurture Loans. The VAL Loan Conversion, in terms of which VAL converts £ 1.25 million (approximately $1.55 million) of its loans into equity, has been agreed subsequent to the end of the financial year. As a result of the VAL Loan Conversion and the above debt settlements, group debt will be reduced to $2.9 million from $6.9 million at the end of the previous financial year. The Board is confident that it will have access to sufficient financial resources for its immediate needs and will be able to refinance its contractual debt obligations.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

3. Significant accounting policies

The following accounting policies have been applied consistently by the Group.

(A) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and Group entities controlled by the Company (its subsidiaries). Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commenced until the date that control ceases.

The interest of non-controlling shareholders is stated at their proportion of the fair values of the assets and liabilities recognised. Subsequently, losses applicable to the non-controlling interests are allocated against their interests even if doing so causes the non-controlling interests to have a deficit balance.

The results of entities acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal as appropriate. Where necessary, the financial statements of the subsidiaries are adjusted to conform to the Group's accounting policies. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

BUSINESS COMBINATIONS

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are expensed as incurred unless they relate to the cost of issuing debt or equity securities. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with IFRS 5, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset at the date that control is assumed (the acquisition date) and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognised.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statement.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling interests' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(B) INTANGIBLE ASSETS

GOODWILL

Goodwill arising on consolidation is recognised as an asset. Following initial recognition, goodwill is subject to impairment reviews, at least annually, and measured at cost less accumulated impairment losses. The recoverable amount is estimated at each reporting date.

Any impairment loss is recognised immediately in the income statement and is not subsequently reversed when the carrying amount of the asset exceeds its recoverable amount.

Any impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (groups of units) and then to reduce the carrying amount of other assets in the unit (groups of units) on a pro rata basis.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

OTHER INTANGIBLE ASSETS

Other intangible assets are measured initially at cost and are amortised on a straight-line basis over their estimated useful lives. The carrying amount is reduced by any provision for impairment where necessary.

On a business combination, as well as recording separable intangible assets already recognised in the statement of financial position of the acquired entity at their fair value, identifiable intangible assets that are separable or arise from contractual or other legal rights are also included in the acquisition statement of financial position at fair value.

3. Significant accounting policies (continued)

(B) INTANGIBLE ASSETS (CONTINUED)

Amortisation of intangible assets, disclosed under operating costs and in note 6, is charged over their useful economic life, as follows:-

Software licences	3-6 years

(C) FOREIGN CURRENCIES

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which it operates (its functional currency).

For the purpose of the consolidated financial statements, the results and financial position of each of the Group entities are expressed in United States Dollars, which is the functional currency of the Company, and the presentational currency for the consolidated financial statements.

In preparing the financial statements of the individual Group entities, transactions denominated in foreign currencies are translated into the respective functional currency of the Group entities using the exchange rates prevailing at the dates of transactions.

Non-monetary assets and liabilities are translated at the historic rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the year, as either finance income or finance costs depending on whether foreign currency movements are in a net gain or net loss position.

Exchange differences arising on the retranslation of non-monetary items earned at fair value are included within the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the reporting date. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate so as to have a material impact on the financial statements during that period, in which case the exchange rates at the date of transactions are used.

Exchange differences arising, if any, are recognised in other comprehensive income and are transferred to the Group's foreign currency translation reserve within equity.

(D) TAXATION

The tax expense represents the sum of current and deferred tax.

CURRENT TAXATION

Current tax is based on taxable profit for the period for the Group. Taxable profit differs from net profit in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

DEFERRED TAXATION

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

3. Significant accounting policies (continued)

(D) TAXATION (CONTINUED)

Deferred tax liabilities are recognised for taxable temporary differences arising on the investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(E) INVESTMENTS IN SUBSIDIARIES

Investments in subsidiary undertakings are carried at cost with annual reviews undertaken for impairment.

(F) OTHER INVESTMENTS

Other asset investments are stated at fair value, adjusted for impairment losses.

(G) PROPERTY, PLANT AND EQUIPMENT

Land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such assets is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such asset is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued assets is charged to the income statement. On subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining is transferred directly to retained earnings.

Depreciation is charged straight line so as to write off the cost or valuation of assets, other than land and buildings, over their estimated useful lives. The annual depreciation rates used for this purpose are:

Freehold buildings	2%
Plant and machinery	10%
Motor vehicles	15%-25%
Fixtures and fittings	15%-25%

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement for the year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, over the relevant lease term. No depreciation is provided on land and buildings.

Property, plant and equipment identified for disposal are reclassified as assets held for resale.

(H) IMPAIRMENT OF ASSETS EXCLUDING GOODWILL

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which

3. Significant accounting policies (continued)

(H) IMPAIRMENT OF ASSETS EXCLUDING GOODWILL (CONTINUED)

the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount in which case the reversal of the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(I) FINANCIAL INSTRUMENTS

Non-derivative financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

TRADE RECEIVABLES

Trade receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated recoverable amounts are recognised in profit or loss when there is objective evidence the asset is impaired.

TRADE PAYABLES

Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

FINANCIAL LIABILITIES

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

CAPITAL MANAGEMENT

The new Board's objective, following the poor results of the last few years, is to restore and rebuild the group's capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

BANK BORROWINGS

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an amortised cost basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

EQUITY INSTRUMENTS

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. Significant accounting policies (continued)

(J) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable direct expenditure and attributable overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(K) SHARE BASED PAYMENTS

The Group provides benefits to certain employees (including senior executives) of the Group in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The grant date fair value of options granted to employees is recognised as an employee expense with a corresponding increase in equity over the period the employees become unconditionally entitled to the options.

(L) INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(M) PROVISIONS

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(N) REVENUE RECOGNITION

Revenue is derived from the sale of goods and services and is measured at the fair value of consideration received or receivable after deducting discounts, volume rebates, value-added tax and other sales taxes. A sale of goods and services is recognised when recovery of the consideration is probable, there is no continuing management involvement with the goods and services and the amount of revenue can be measured reliably.

A sale of goods is recognised when the significant risks and rewards of ownership have passed to the buyer, the associated costs and possible return of goods can be estimated reliably. This is when title and insurance risk have passed to the customer and the goods have been delivered to a contractually agreed location. A sale of services is recognised when the service has been rendered.

(O) LEASES

Leases are classified according to the substance of the transaction. A lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

FINANCE LEASES

Finance leases are capitalised at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability is shown as a finance lease obligation to the lessor. Leasing repayments comprise both a capital and finance element. The finance element is written off to the income statement so as to produce an approximately constant periodic rate of charge on the outstanding obligations. Such assets are depreciated over the shorter of their estimated useful lives and the period of the lease.

OPERATING LEASES

Operating lease rentals are charged to the income statement on a straight line basis over the period of the lease.

3. Significant accounting policies (continued)

(P) EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated based on the weighted average number of ordinary shares outstanding during the year. Diluted earnings/(loss) per share is based upon the weighted average number of shares in issue throughout the year, adjusted for the dilutive effect of potential ordinary shares. The only potential ordinary shares in issue are employee share options.

(Q) SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(R) ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

ASSETS HELD FOR SALE

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale or held-for-distribution if it is highly probable that they will be recovered primarily through sale or distribution rather than through continuing use.

Immediately before classification as held-for-sale or held-for-distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's other accounting policies.

Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held-for-sale or held-for-distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

INVENTORIES

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

EQUITY AND DEBT SECURITIES

The fair values of investments for equity and debt securities are determined with reference to their quoted closing bid price at the measurement date. Subsequent to initial recognition, the fair values of held-to-maturity investments are determined for disclosure purposes only.

TRADE AND OTHER RECEIVABLES

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

PROPERTY, PLANT AND EQUIPMENT

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which property could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

INVESTMENT PROPERTY

An external independent valuation company having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's property portfolio. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Due to the unique nature of a number of properties within the Group's portfolio, external valuations are obtained, however the Directors also review the valuations and may determine the need for impairment for the financial statements given their own knowledge of the properties and in particular where there has been interest from third parties in purchasing the properties, the Directors may refer to amounts offered for purchase.

5. Segment reporting

Segment information is presented in respect of the Group's business segments based on the Group's management and internal reporting structure. The results of the business segments are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Inter-segment pricing is determined on an arm's length basis and inter-segment revenue is eliminated.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly interest-bearing loans, borrowings and expenses, and corporate assets and expenses primarily relating to Company's head office.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

5. Segment reporting (continued)

GEOGRAPHICAL SEGMENTS

Support services and industrial chemicals operate primarily in Zimbabwe, with industrial chemicals start up operations commencing in the period under review in bordering countries in Sub-Saharan Africa. Separate geographical analysis is therefore not presented.

BUSINESS SEGMENTS

For management purposes, continuing operations are organised into three main business segments.

- Outsource and IT services - includes payments and business process outsourcing and payroll services
- Industrial chemicals - includes the manufacture and distribution of industrial solvents and mining chemicals
- Head office

In addition, the following segments are reported separately as discontinued operations in respect of the 2015 financial year: net litigation settlement proceeds relating to the Group's Jet claims from its discontinued Air Business and the Group's Hotel business which was sold in the previous financial year.

5. Segment reporting (continued)

CONTINUING OPERATIONS

FOR THE YEAR ENDED 31 AUGUST 2016	INDUSTRIAL CHEMICALS	OUTSOURCE AND IT SERVICES	HEAD OFFICE	TOTAL
	US$'000	US$'000	US$'000	US$'000
Revenue	3,192	5,363	-	8,555
Inter-segment revenue	-	(3)	-	(3)
Revenue from external customers	**3,192**	**5,360**	**-**	**8,552**
Cost of sales to external customers	(2,667)	(295)	-	(2,962)
Gross profit	**525**	**5,065**	**-**	**5,590**
Operating costs	(766)	(3,308)	(1,096)	(5,170)
Other operating income	-	1	-	1
Impairment of assets	-	-	-	-
Depreciation	(22)	(104)	-	(126)
Amortisation	(1)	(1)	-	(2)
Operating profit/(loss) for the year	**(264)**	**1,653**	**(1,096)**	**293**
Finance income	1	15	-	16
Finance expense	(2)	(265)	(390)	(657)
Income tax expense	-	(396)	-	(396)
(Loss)/profit for the year	**(265)**	**1,007**	**(1,486)**	**(744)**
EBITDA *	**(234)**	**1,758**	**(1,096)**	**428**

CONTINUING OPERATIONS

FOR THE YEAR ENDED 31 AUGUST 2015	INDUSTRIAL CHEMICALS	OUTSOURCE AND IT SERVICES	HEAD OFFICE	LITIGATION SETTLEMENT	*Restated* TOTAL
	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue	5,294	5,021	-	-	10,315
Inter-segment revenue	-	(9)	-	-	(9)
Revenue from external customers	**5,294**	**5,012**	**-**	**-**	**10,306**
Cost of sales to external customers	(4,402)	(268)	-	-	(4,670)
Gross profit	**892**	**4,744**	**-**	**-**	**5,636**
Operating costs	(1,852)	(3,525)	(2,000)	-	(7,377)
Other operating income	-	7	-	-	7
Impairment of assets	-	-	-	-	-
Depreciation	(50)	(146)	18	-	(178)
Amortisation	(1)	(11)	-	-	(12)
Operating (loss)/profit for the year	**(1,011)**	**1,069**	**(1,982)**	**-**	**(1,924)**
Finance income	1	9	-	-	10
Finance expense	(9)	(306)	(425)	-	(740)
Income tax expense	-	(269)	(2)	-	(271)
(Loss)/profit for the year	**(1,019)**	**503**	**(2,409)**	**-**	**(2,925)**
EBITDA *	**(954)**	**1,226**	**(2,000)**	**-**	**(1,728)**

** Earnings Before Interest, Taxation, Depreciation and Amortisation. Adjusted for depreciation included in cost of sales*

5. Segment reporting (continued)

DISCONTINUED OPERATIONS

FOR THE YEAR ENDED 31 AUGUST 2015	HOTELS	LITIGATION SETTLEMENT	*Restated* TOTAL
	US$'000	US$'000	US$'000
Revenue	276	-	276
Inter segment revenue	-	-	-
Revenue from external customers	**276**	**-**	**276**
Cost of sales to external customers	(70)	-	(70)
Gross profit	**206**	**-**	**206**
Operating costs	(300)	(1,278)	(1,578)
Other operating income	-	4,752	4,752
Impairment of assets	-	-	-
Depreciation	-	-	-
Amortisation	-	-	-
Operating profit/(loss)	**(94)**	**3,474**	**3,380**
Finance income	-		-
Finance expense	-		-
Income tax credit/(expense)	-		-
Profit/(loss) for the year	**(94)**	**3,474**	**3,380**
EBITDA*	**(94)**	**3,474**	**3,380**

CONTINUING OPERATIONS (AS PREVIOUSLY STATED)

FOR THE YEAR ENDED 31 AUGUST 2015	INDUSTRIAL CHEMICALS	OUTSOURCE AND IT SERVICES	HEAD OFFICE	LITIGATION SETTLEMENT	TOTAL
	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue	5,294	5,021	-	-	10,315
Inter-segment revenue	-	(9)	-	-	(9)
Revenue from external customers	**5,294**	**5,012**	**-**	**-**	**10,306**
Cost of sales to external customers	(4,402)	(268)	-	-	(4,670)
Gross profit	**892**	**4,744**	**-**	**-**	**5,636**
Operating costs	(1,852)	(3,525)	(2,000)	(1,278)	(8,655)
Other operating income	-	7	-	4,752	4,759
Impairment of assets	-	-	-	-	-
Depreciation	(50)	(146)	18	-	(178)
Amortisation	(1)	(11)	-	-	(12)
Operating profit/(loss) for the year	**(1,011)**	**1,069**	**(1,982)**	**3,474**	**1,550**
Finance income	1	9	-	-	10
Finance expense	(9)	(306)	(425)	-	(740)
Income tax expense	-	(269)	(2)	-	(271)
Profit/(loss) for the year	**(1,019)**	**503**	**(2,409)**	**3,474**	**549**
EBITDA *	*** (954)**	**1,226**	**(2,000)**	**3,474**	**1,746**

** Earnings Before Interest, Taxation, Depreciation and Amortisation. Adjusted for depreciation included in cost of sales*

5. Segment reporting (continued)

DISCONTINUED OPERATIONS (AS PREVIOUSLY STATED)

FOR THE YEAR ENDED 31 AUGUST 2015	HOTELS	AVIATION	PRINTING & PROPS	LITIGATION SETTLEMENT	TOTAL
	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue	276	-	-	-	276
Inter segment revenue	-	-	-	-	-
Revenue from external customers	**276**	**-**	**-**	**-**	**276**
Cost of sales to external customers	(70)	-	-	-	(70)
Gross profit	**206**	**-**	**-**	**-**	**206**
Operating costs	(300)	-	-	-	(300)
Other operating income	-	-	-	-	-
(Impairment)/write-back of PPE and receivables	-	-	-	-	-
Loss on disposal of property	-	-	-	-	-
Depreciation	-	-	-	-	-
Amortisation	-	-	-	-	-
Operating loss	**(94)**	**-**	**-**	**-**	**(94)**
Finance income	-	-	-	-	-
Finance expense	-	-	-	-	-
Income tax credit/(expense)	-	-	-	-	-
Loss for the year	**(94)**	**-**	**-**	**-**	**(94)**
EBITDA*	**(94)**	**-**	**-**	**-**	**(94)**

CONTINUING OPERATIONS - SEGMENT ASSET & LIABILITIES

FOR THE YEAR ENDED 31 AUGUST 2016	INDUSTRIAL CHEMICALS	OUTSOURCE AND IT SERVICES	HEAD OFFICE	TOTAL
	US$'000	US$'000	US$'000	US$'000
Segment assets	1,181	2,122	2,506	5,809
Segment liabilities	306	997	5,020	6,323
Capital expenditure	17	154	-	171

**Restated*

FOR THE YEAR ENDED 31 AUGUST 2015	INDUSTRIAL CHEMICALS	OUTSOURCE AND IT SERVICES	HEAD OFFICE	TOTAL
	US$'000	US$'000	US$'000	US$'000
Segment assets	1,758	1,074	3,178	6,010
Segment liabilities	641	2,797	5,490	8,928
Capital expenditure	37	71	-	108

** Earnings Before Interest, Taxation, Depreciation and Amortisation. Adjusted for depreciation included in cost of sales*

5. Segment reporting (continued)

CONTINUING OPERATIONS - SEGMENT ASSET & LIABILITIES (AS PREVIOUSLY STATED)

FOR THE YEAR ENDED 31 AUGUST 2015	INDUSTRIAL CHEMICALS	OUTSOURCE AND IT SERVICES	HEAD OFFICE	TOTAL
	US$'000	US$'000	US$'000	US$'000
Segment assets	1,758	1,074	7,930	10,762
Segment liabilities	641	2,797	6,768	10,206
Capital expenditure	37	71	-	108

ASSETS AND LIABILITIES HELD FOR SALE

FOR THE YEAR ENDED 31 AUGUST 2015	LITIGATION SETTLEMENT	**Restated* TOTAL
	US$'000	US$'000
Property, plant and equipment	-	-
Biological assets	-	-
Inventories	-	-
Trade and other receivables	4,752	4,752
Cash and cash equivalents	-	-
Total assets held for sale	**4,752**	**4,752**
Trade and other payables	1,278	1,278
Provisions	-	-
Deferred tax liabilities	-	-
Total liabilities held for sale	**1,278**	**1,278**
Net assets of disposal groups held for sale	**3,474**	**3,474**

ASSETS AND LIABILITIES HELD FOR SALE (AS PREVIOUSLY STATED)

No amounts were included in Assets and Liabilities held for sale in the prior year before the reclassification of the net Litigation Settlement proceeds as discontinued operations in the curent year, requiring the restatement above.

6. Group net operating costs

	2016 US$'000	2015 US$'000
Cost of sales	2,962	4,670
Administrative expenses	5,162	7,397
Net operating costs	**8,124**	**12,067**

Administrative expenses include management related overheads for operations and head office.

	NOTE	2016 US$'000	2015 US$'000
Operating costs include, inter alia:			
Depreciation of property, plant and equipment		125	177
Depreciation of property plant and equipment in cost of sales		7	7
Amortisation		2	12
Operating lease rentals:			
Land and buildings		191	305
Personnel expenses	7	2,567	4,052
Gain on investments and subsidiaries disposed of		94	94
Auditors remuneration			
Fees Payable to the Company Auditors for:			
Current year audit of the Group's financial statements		98	75
Prior year audit of the Group's financial statements		-	4
Total audit fees		**98**	**79**

7. Personnel expenses

The aggregate remuneration comprised (including Executive Directors):

	2016 US$'000	2015 US$'000
Wages and salaries	2,407	3,908
Compulsory social security contributions	160	144
Total personnel expenses	**2,567**	**4,052**
Of which: Remuneration of Group Executive Directors and Key Personnel		
Directors' and key personnels' emoluments (see note 36)	-	755

The average number of employees (including Executive Directors) in continuing operations was:

	2016 Number	2015 Number
Outsource and IT services	60	60
Industrial chemicals	24	25
Head Office	3	3
Total	**87**	**88**

8. Net finance (costs)/income

	2016 US$'000	2015 US$'000
Recognised in income statement:		
Bank interest receivable	16	9
Loan interest receivable	-	1
Finance income	**16**	**10**
Bank interest payable	-	-
Loan interest payable	(657)	(740)
Finance costs	**(657)**	**(740)**
Net finance costs	**(641)**	**(730)**

9. Taxation

	2016 US$'000	2015 US$'000
Income tax recognised in the income statement		
Current tax expense		
Current period	420	273
Deferred tax credit		
Origination and reversal of temporary differences	(24)	(2)
Total income tax charge in income statement	**396**	**271**

RECONCILIATION OF EFFECTIVE TAX RATE

	2016 US$000	2015 US$000
Profit/(loss) before tax	(348)	820
Income tax using the Zimbabwean corporation tax rate 25.75% (2015: 25.75%)	(90)	211
Net losses where no group relief is available	486	60
Total income tax charge in income statement	**396**	**271**

DEFERRED TAX

	2016 US$'000	2015 US$'000
Relating to temporary tax differences in subsidiaries	(24)	(2)
Total	**(24)**	**(2)**

Corporation tax is calculated as 25.75% (2015: 25.75%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Deferred tax assets are only recognised to the extent that there are available offsetting deferred tax liabilities, unless the entity is reasonably assured of earning sufficient future profits to offset against any future tax liabilities.

10. Disposals and discontinued operations

The following entities were classified as held for disposal in the previous (2015) financial year:

- LonZim Hotels Limited and its subsidiaries

The following entities were reclassified as held for disposal in the period under review. As discussed in note 2 and note 5, the comparatives for the period ended 31 August 2015 are accordingly restated.

- Litigation Settlement proceeds on the Group's Jet Claims. The Jet Claims relate to the Group's Air Business, a distinct business that was reported on separately and discontinued.

The financial effect of these discontinued operations on the profit or loss and financial position is shown in the operating segment disclosures in note 5 in respect of the 2015 financial year.

CASH FLOWS FROM/(USED IN) DISCONTINUED OPERATIONS

	2016 US$'000	*Restated 2015 US$'000
Net cash generated by/(used in) operating activities	3,474	(929)
Net cash used in investing activities	-	(55)
Net cash used in financing activities	-	(52)
Net cash flows for the year	**3,474**	**(1,036)**
Cash and cash equivalents held for sale	**-**	**-**

ASSETS AND LIABILITIES OF SUBSIDIARY DISPOSED OF DURING THE 2015 YEAR:

	HOTELS US$'000
Property, plant and equipment	5,973
Biological assets	69
Inventories	125
Trade and other receivables	65
Total assets of disposal subsidiary	**6,232**
Trade and other payables and ST loan	582
Provisions	127
Deferred tax liabilities	3,078
Total liabilities of disposal subsidiary	**3,787**
Cash and cash equivalents	**55**

11. (Loss)/earnings per share

The calculation of basic and diluted (loss)/earnings per share at 31 August 2016 has been based on the (loss)/profit attributable to ordinary shareholders for continuing and discontinued operations at a weighted average number of ordinary shares outstanding during the period as detailed in the table below:

LOSS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

	2016 EARNINGS PER SHARE US$'CENTS	2016 US$'000	*Restated 2015 EARNINGS PER SHARE US$'CENTS	*Restated 2015 US$'000
(Loss)/profit for the purposes of basic (loss)/earnings and dilutive per share being net (loss)/profit attributable to equity holders of the parent*	(0.5)	(1,010)	0.1	164
(Loss)/profit for the purposes of basic (loss)/earnings and dilutive per share being net (loss)/profit attributable to equity holders of the parent				
- continuing operations	(0.5)	(1,010)	(2.3)	(3,216)
- discontinued operations	-	-	2.4	3,380

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

	NOTE	2016 000'S	2015 000'S
Weighted average number of ordinary shares for the purposes of basic and dilutive loss per share for all calculations*		141,518	141,518
Actual number of shares outstanding at the end of the period	21	207,920	207,920

**In the current and prior year the effect of the share options (note 22) were anti-dilutive as the share options were, at all times, priced above the trading value of the shares.*

12. Property, plant and equipment

2016 GROUP	FREEHOLD LAND & BUILDINGS US$'000	PLANT & MACHINERY US$'000	MOTOR VEHICLES US$'000	FURNITURE FIXTURES & FITTINGS US$'000	TOTAL US$'000
Cost or valuation					
At 1 September 2015	2,317	76	580	988	3,961
Additions in year	-	2	105	62	169
Disposals in year	-	(1)	(159)	(10)	(170)
Balance at 31 August 2016	**2,317**	**77**	**526**	**1,040**	**3,960**
Accumulated depreciation					
At 1 September 2015	(34)	(49)	(412)	(872)	(1,367)
Disposals in year	-	-	129	4	133
Depreciation charge for the year	-	(6)	(88)	(38)	(132)
Balance at 31 August 2016	**(34)**	**(55)**	**(371)**	**(906)**	**(1,366)**
Carrying amounts					
At 31 August 2016	2,283	22	155	134	2,594
At 31 August 2015	2,283	27	168	116	2,594

12. Property, plant and equipment (continued)

2015 GROUP	FREEHOLD LAND & BUILDINGS US$'000	PLANT & MACHINERY US$'000	MOTOR VEHICLES US$'000	FURNITURE FIXTURES & FITTINGS US$'000	TOTAL US$'000
Cost or valuation					
At 1 September 2014	2,317	71	782	987	4,157
Additions in year	-	6	48	34	88
Disposals in year	-	(1)	(250)	(33)	(284)
Balance at 31 August 2015	**2,317**	**76**	**580**	**988**	**3,961**
Accumulated depreciation					
At 1 September 2014	(34)	(41)	(528)	(849)	(1,452)
Disposals in year	-	1	236	32	269
Depreciation charge for the year	-	(9)	(120)	(55)	(184)
Balance at 31 August 2015	**(34)**	**(49)**	**(412)**	**(872)**	**(1,367)**
Carrying amounts					
At 31 August 2015	2,283	27	168	116	2,594
At 31 August 2014	2,283	30	254	138	2,705

2016 COMPANY	FREEHOLD LAND & BUILDINGS US$'000	PLANT & MACHINERY US$'000	MOTOR VEHICLES US$'000	FURNITURE FIXTURES & FITTINGS US$'000	TOTAL US$'000
Cost or valuation					
At 1 September 2015	-	-	-	10	10
Additions in year	-	-	-	-	-
Disposals in year	-	-	-	-	-
Balance at 31 August 2016	**-**	**-**	**-**	**10**	**10**
Accumulated depreciation					
At 1 September 2015	-	-	-	(10)	(10)
Additions in year	-	-	-	-	-
Disposals in year	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-
Balance at 31 August 2016	**-**	**-**	**-**	**(10)**	**(10)**
Carrying amounts					
At 31 August 2016	-	-	-	-	-
At 31 August 2015	-	-	-	-	-

12. Property, plant and equipment (continued)

2015 COMPANY	FREEHOLD LAND & BUILDINGS US$'000	PLANT & MACHINERY US$'000	MOTOR VEHICLES US$'000	FURNITURE FIXTURES & FITTINGS US$'000	TOTAL US$'000
Cost or valuation					
At 1 September 2014	-	-	212	43	255
Additions in year	-	-	-	-	-
Disposals in year	-	-	(212)	(33)	(245)
Balance at 31 August 2015	**-**	**-**	**-**	**10**	**10**
Accumulated depreciation					
At 1 September 2014	-	-	(200)	(37)	(237)
Additions in year	-	-			
Disposals in year	-	-	207	31	238
Depreciation charge for the year	-	-	(7)	(4)	(12)
Balance at 31 August 2015	**-**	**-**	**-**	**(10)**	**(10)**
Carrying amounts					
At 31 August 2015	-	-	-	-	-
At 31 August 2014	-	-	12	6	18

Valuations

LE HAR (PRIVATE) LIMITED

VALUATION – PROPERTY

An external, professional and independent valuer with appropriate and recognised qualifications, T.W.R.E Zimbabwe (Pvt) Limited ("TWRE") carried out a valuation of the freehold land and buildings as at 31 August 2013 with reference to observed market evidence. TWRE performed a desktop update of their valuation as at 31 August 2016. The directors having considered the TWRE updated report, consider this value to still be an accurate reflection of the fair value at 31 August 2016 being US$2.3 million (2015: US$2.3 million). The Directors consider the fair value at the reporting date to not be materially different from the carrying value.

13. Goodwill

As at 31 August 2016, the consolidated statement of financial position included goodwill of US$717,000 (2015: US$717,000). Goodwill is allocated to the Group's cash-generating units ("CGUs"), or groups of cash-generating units, that are expected to benefit from the synergies of the business combination that gave rise to the goodwill as follows:

CASH GENERATING UNIT (CGU)	ORIGINAL COST	COST AT 1 SEPTEMBER 2015	CARRYING VALUE AT 1 SEPTEMBER 2015	ACCELERATED WRITE-OFF	CARRYING VALUE AT 31 AUGUST 2016
	US$'000	US$'000	US$'000	US$'000	US$'000
Paynet Limited	717	717	717	-	717
Total	**717**	**717**	**717**	**-**	**717**

ESTIMATES AND JUDGEMENTS

The following assumptions are held in the assessment on the impairment or otherwise of goodwill:

- Growth rates are based on a range of growth rates that reflect the products, industries and countries in which the relevant CGU or group of CGUs operate. Growth rates have been calculated based on management's expected forecast volumes and cash generation in place at the date of this report and taking factors existing at that date into considerration.
- The key assumptions on which the cash flow projections for the most recent forecast are based relate to discount rates, growth rates, expected changes in selling prices and direct costs.
- The cash flow projections have been discounted using rates based on the Group's pre-tax weighted average cost of capital. The rate used was 15%.
- The growth rates applied in the value in use calculations for goodwill allocated to each of the CGUs or groups of CGUs that is significant to the total carrying amount of goodwill were in a range between 0% and 5%.
- Changes in selling price and direct costs are based on past results and expectations of future changes in the market.
- In respect of the value in use calculations, cash flows have been considered for both the conservative and the full forecast potential of future cash-flows with no impact to the valuation of goodwill.

IMPAIRMENT LOSS

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The Directors believe that the value of the Group's investments significantly exceed the reported value thereof and that the respective book values do not adequately reflect the value of the Group's investments and proprietary technologies. The Directors do not believe any impairment to goodwill is necessary in the current period.

14. Intangible assets

	ORIGINAL COST US$'000	NET BOOK VALUE AT 1 SEPTEMBER 2015 US$'000	ADDITIONS	DISPOSALS	AMORTISATION US$'000	CLOSING BALANCE AT 31 AUGUST 2016 US$'000
Payserv software licences	1,465	2	40	(1)	(2)	39
Total	**1,465**	**2**	**40**	**(1)**	**(2)**	**39**

AMORTISATION

The amortisation charge is recognised within operating expenses (note 6) in the income statement. The Group tests other intangible assets for impairment if there are indications that they might be impaired.

The amortisation periods for intangible assets are:

Software licences	3-6 years

15. Investments in subsidiaries and associates

The Company has investments in the following subsidiaries which principally affect the profits and/or net assets of the Company. The direct investments in subsidiaries held by the Company are stated at cost. This is subject to impairment testing.

CONTINUING OPERATIONS

	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2016	2015
African Solutions Limited	Mauritius	100%	100%
Autopay (Pvt) Limited	Zimbabwe	100%	100%
Gardoserve (Pvt) Limited	Zimbabwe	100%	100%
Le Har (Pvt) Limited	Zimbabwe	100%	100%
LonZim Enterprises Limited	United Kingdom	100%	100%
LonZim Holdings Limited +	Isle of Man	100%	100%
Millchem Africa Limited	Isle of Man	-	100%
Millchem Holdings Limited	Isle of Man	100%	100%
Millchem Zambia Limited	Zambia	-	100%
MillChem (Lilongwe) Limited	Malawi	-	100%
MSA Chemicals (Pty) Limited	South Africa	100%	100%
MSA Sourcing BV	Netherlands	100%	100%
Para Meter Computers (Pvt) Limited	Zimbabwe	100%	100%
Paynet Limited	Mauritius	100%	100%
Paynet Zimbabwe (Pvt) Limited	Zimbabwe	100%	100%
Payserv (Pvt) Limited	Zimbabwe	100%	100%
Payserve Africa Limited (previously Paynet Limited)	Mauritius	100%	100%
Payserv Zimbabwe (Pvt) Limited	Zimbabwe	100%	100%
Payserv Zambia Limited	Zambia	100%	100%
Tradanet (Pvt) Limited	Zimbabwe	51%	51%
Yellowwood Projects (Pvt) Limited	Zimbabwe	100%	100%

\+ *Held directly by Cambria Africa Plc.*

15. Investments in subsidiaries and associates (continued)

NON-CONTROLLING INTERESTS ("NCI")

Ottonby Trading (Pvt) Ltd (address: CABSA Head Office, Northridge Park, Harare) holds a 49% interest in Tradanet (Pvt) Ltd. Tradanet salient financial information:

	2016 US$'000	2015 US$'000
Profit attributable to NCI	266	291
Dividends paid to NCI	(335)	(235)
Accumulated NCI at year end	(4)	65
Non-current assets	44	54
Current assets	208	387
Non-current liabilities	1	16
Current liabilities	261	291
Cash flow from operations	549	701
Cash utilised in investing activities	(8)	(54)
Cash utilised in financing activities (including dividends)	(674)	(507)
Cash and cash equivalents	178	311

16. Inventory

	GROUP 2016 US$'000	GROUP 2015 US$'000
Raw materials and consumables	192	222
Goods in transit	5	36
Finished goods	210	503
Total	**407**	**761**

17. Financial assets at fair value through profit or loss

	GROUP 2016 US$'000	GROUP 2015 US$'000
Quoted investments portfolio	40	50
Total	**40**	**50**

QUOTED INVESTMENTS PORTFOLIO:	GROUP 2016 US$'000	GROUP 2015 US$'000
Balance at 1 September	50	66
Acquired during the year	-	-
Disposed during the year	-	-
Loss on fair valuation during the year	(10)	(16)
At end of the year	**40**	**50**

The portfolio is managed by an asset management company who makes the decisions regarding the sale and purchase of listed shares. This investment is held at fair value. The portfolio, which was purchased in "payment" of a trade vendor liability which could not be settled due to Zimbabwe foreign currency constraints at the time, is callable at the option of the vendor. See note 23.

18. Trade and other receivables

	GROUP 2016 US$'000	COMPANY 2016 US$'000	GROUP 2015 US$'000	COMPANY 2015 US$'000
Amounts owed by Group undertakings	-	6,168	-	8,273
Trade receivables	898	-	933	-
Other receivables	339	206	169	110
Prepayments and accrued income	74	-	139	-
Total	**1,311**	**6,374**	**1,241**	**8,383**

No interest is charged on receivables.

The Directors consider the carrying amount of trade and other receivables approximates their fair value. In determining the recoverability of the trade receivable, the Group considers any change in the credit quality of trade receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

CREDIT RISK

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cashflows.

19. Cash and cash equivalents

	GROUP 2016 US$'000	COMPANY 2016 US$'000	GROUP 2015 US$'000	COMPANY 2015 US$'000
Bank balances	701	-	645	50
Bank overdrafts	-	-	-	-
Net cash and cash equivalents	**701**	**-**	**645**	**50**
Net cash included in held for sale	-	-	-	-
Total cash and cash equivalents in statement of financial position	**701**	**-**	**645**	**50**

20. Capital and reserves

REVALUATION RESERVE

The revaluation reserve relates to property, plant and equipment which has been revalued in the Zimbabwean subsidiary Payserv Zimbabwe (Private) Limited ("Payserv") and Le Har (Private) Limited, which holds the property from which Payserv operates.

FOREIGN EXCHANGE RESERVE

This reserve arises on translation of subsidiary entities where their functional currency is not United States Dollars, the presentational currency of the Group. The Company foreign exchange currency reserve relates to the translation of net assets due to a change in the functional currency of the Company from Pounds Sterling to United States Dollars as at 1 September 2011.

SHARE BASED PAYMENT RESERVE

The share based payment reserve comprises of the charges arising from the calculation of the share based payment posted to the income statement in 2008 and 2012, and partially released on expiration of options never exercised, in 2013 and 2016, restated to US$ at closing rates.

NON DISTRIBUTABLE RESERVE

The non distributable reserve arises on the restatement of the assets and liabilities on dollarisation in Zimbabwe. Amounts held within this reserve are ring fenced from retained earnings. Distributions can only be made from retained earnings and not from the non distributable reserve. Amounts transferred to the non distributable reserve are determined by the directors as necessary, unless specifically required to do so as part of any financing arrangements.

21. Share capital & share premium

	ORDINARY SHARES 2016		ORDINARY SHARES 2015	
	NUMBER	US$'000	NUMBER	US$'000
Issued and fully paid				
At 1 September 2015	207,920,406	34	99,155,162	18
Issued in period	-	-	108,765,244	16
At 31 August 2016	**207,920,406**	**34**	**207,920,406**	**34**

No warrants were granted during the current financial year and no warrants are outstanding.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The Directors are authorised in any period between consecutive annual general meetings, or consecutive 12 month periods, to allot any number of ordinary shares on such terms as they shall, in their discretion, determine up to such maximum number as represents 50 per cent of the issued share capital at the beginning of such period. Further ordinary shares may also be allotted on terms determined by the Directors but subject to the pre-emption rights prescribed by Section 36 of the Isle of Man Companies Act 2006.

SHARE PREMIUM

The share premium represents the value of the premium arising on shares issued as follows:

17 April 2015	107,000,000 ordinary shares at a price of 0.85p per share (US$1,337,000)
6 March 2014	4,133,333 ordinary shares at a price of 7.5p per share (US$508,000).
4 March 2014	28,272,806 ordinary shares at a price of 7.5p per share (US$3,475,000 of which US$ 719,000 related to settlement of expenses and liabilities).
1 Oct 2012	8,615,115 ordinary shares at a price of 10p per share (US$1,400,000).
16 Sep 2011	3,988,439 ordinary shares at a price of 23p per share (US$1,448,000).
10 Dec 2010	17,813,944 ordinary shares at a price of 28p per share net of issue costs of £143,000 (US$7,646,000).
9 Dec 2009	4,255,525 ordinary shares at a price of 27.5p per share net of issue costs of £58,000 (US$1,820,000).
14 Jul 2009	Cost of purchasing and cancelling 4,374,000 shares at 30.5p per share (US$2,174,000).
11 Dec 2007	36,450,000 ordinary shares at a price of 100p per share net of issue costs of £2,753,000 (US$68,659,000).

22. Share options

The following share options over ordinary shares have been granted over the last 5 years under an Unapproved Share Option scheme:

NAME	DATE OF GRANT	NUMBER OF SHARE OPTIONS GRANTED	EXERCISE PRICE	PERIOD DURING WHICH EXERCISABLE	MARKET PRICE PER SHARE AT DATE OF GRANT
Edzo Wisman	10.03.2011	500,000	30p	01.07.2011 – 30.06.2016	21.75p
Edzo Wisman	10.03.2011	500,000	30p	01.07.2012 – 30.06.2017	21.75p
Total		**1,000,000**			

In accordance with IFRS 2 'Share-based payments' the equity settled share options granted have been measured (at the time of grant) at fair value and recognised as an expense in the income statement with a corresponding increase in equity (other reserves). The fair value of the options granted has been estimated at the date of grant using the Black-Scholes option pricing model. The estimated value of the options granted on 10 March 2011 was £53,000 (US$85,000).

Options may be exercised in whole or in part until the expiry of the exercise period. Holders of the options are entitled to receive notice of certain proposed transactions or events of the Company which may dilute or otherwise affect their options, and may exercise or be deemed to have exercised their options prior to the occurrence thereof. Ordinary Shares issued pursuant to an exercise of the options shall rank pari passu in all respects with the Company's existing Ordinary Shares save as regards any rights attaching by reference to a record date prior to the receipt by the Company of the notice of exercise of options. The Company shall apply to admit to trading on AIM the Ordinary Shares issued pursuant to the exercise of options.

The following assumptions have been used at the date of grant:

	DATE GRANT 10 MARCH 2011	DATE OF GRANT 10 MARCH 2011
Number of shares	500,000	500,000
Share price at vesting date (Date of Grant)	21.75p	21.75p
Exercise price	30p	30p
Expected volatility	30.2%	30.2%
Expected life	5.4 years	6.4 years
Expected dividends	0.00%	0.00%
Risk-free interest rate	5.00%	5.00%

Volatility has been calculated by reference to industry indices at vesting dates.

All share options vested at date of grant and the basis of settlement is in shares of the company.

The number and weighted average exercise price of share options are as follows:

	WEIGHTED AVERAGE EXERCISE PRICE PENCE	NUMBER OF OPTIONS
Outstanding and exercisable at 31 August 2015	30	1,000,000
Outstanding and exercisable at 31 August 2016	**30**	**500,000**

The Directors are authorised to grant options over the Ordinary Shares on such terms as they shall in their discretion determine up to such maximum number as represents 10 per cent of the number of Ordinary Shares in issue.

23. Loans and borrowings - long term

	GROUP 2016 US$'000	COMPANY 2016 US$'000	GROUP 2015 US$'000	COMPANY 2015 US$'000
VAL Loan	2,929	2,929	-	-
Other trade payables	36	-	45	-
Total	**2,965**	**2,929**	**45**	**-**

The VAL Loan carries interest at 8% per annum retrospectively from the inception thereof. It is repayable after three years on 30 November 2019 with early repayment at the election of VAL, from any proceeds realised from a Liquidity Event. A Liquidity Event shall comprise: a) the sale, whether partly or in full, of Cambria's investments and/or b) the proceeds realised from the settlement of or an award of, the Company's US$ 1.8 million counterclaim against Consilium. The VAL Loan is secured through a pledge and cession over the Company's shares in its subsidiaries.

Subsequent to the end of the financial year, the Company announced the VAL Loan Conversion in terms of which VAL agreed to convert £1.25 million (approximately $1.55 million) of the VAL Loan into 125 million ordinary shares at 1.00p per shares. As a result of the VAL Loan Conversion, the balance of the VAL Loan has been reduced to $1.38 million.

Other non-current trade payables are in respect of historic Paywell software licence fees with the Payserv Group, which could not be remitted due to Zimbabwe foreign currency constraints at the time. The amounts due were invested in a listed portfolio (see note 17).

24. Provisions

	GROUP 2016 US$'000	COMPANY 2016 US$'000	GROUP 2015 US$'000	COMPANY 2015 US$'000
Provisions	207	-	183	-
Total	**207**	**-**	**183**	**-**

Provisions at 31 August 2016, are in respect of the maximum Leave Pay and Retirement Gratuity, which may become payable by individual companies on termination of employment.

25. Deferred tax liability

RECOGNISED DEFERRED LIABILITY

The following are the major deferred tax liabilities recognised by the Group and movements thereon during the current year.

GROUP	2016		2015	
	ACCELERATED TAX DEPRECIATION US$'000	TOTAL US$'000	ACCELERATED TAX DEPRECIATION US$'000	TOTAL US$'000
At 1 September	177	177	178	178
Recognised directly in reserves	-	-	-	-
Other movements	(25)	(25)	(1)	(1)
At 31 August	**152**	**152**	**177**	**177**

Deferred tax assets off set against deferred tax liabilities in the period were US$ nil (2015:US$ nil).

26. Loans and borrowings - short term

	GROUP 2016 US$'000	COMPANY 2016 US$'000	GROUP 2015 US$'000	COMPANY 2015 US$'000
Consilium Loan	-	-	4,812	4,812
Nurture Loan	-	-	2,000	-
VAL Bridging Loan	1,469	1,469	-	-
VAL Short Term Loan	-	-	60	-
Finance Leases	-	-	5	-
Total	**1,469**	**1,469**	**6,877**	**4,812**

The Consilium loan carried interest at 8% per annum with effect from 1 August 2014 and at 15% per annum before that date. These loans were secured by a fixed and floating charge over the assets of the Group.

The Nurture loan carried interest at 15% per annum and was secured over the shares in Le Har (Private) Ltd (which holds the property in Mount Pleasant, Harare) and by the cession of the entire portfolio of Payserv Africa Limited's trade debtors.

The Consilium and Nurture Loans were settled on 3 May 2016 and 21 July 2016, respectively in accordancy with the terms of the related loan agreements.

The settlement of the Consilium Loan was funded from the Company's cash resources (approximately $3.29 million), while the remainder ($1.78 million) was made available with the assistance of VAL (see VAL Loan under note 23).

The settlement of the Nurture Loan was funded utilising Payserv cash resources and the VAL Bridging Facility. The VAL Bridging Facility is unsecured and functions as a line of credit available to Cambria. The interest rate payable on the VAL Bridging Facility mirrors that of the CABS Loan referred to below.

The Company announced on 18 October 2016 that Payserv's wholly owned subsidiary, Paynet Zimbabwe Pvt Limited ("Paynet"), successfully concluded a $1.2 million loan facility agreement with Central Africa Building Society ("CABS Loan"). The CABS Loan bears interest at 11% per annum, an annual renewal fee of 1%, and is subject to an establishment fee of 2%. The loan is repayable over 24 months. As security, a mortgage has been registered in favour of CABS over one of two properties owned by Le Har (Pvt) Ltd, a wholly owned subsidiary of the Company. The remaining property remains unencumbered.

The CABS Loan will be used by Paynet to repay in part its license fee and loan obligations to Payserv. Payserv would in turn use the funds to settle the remaining portion of the VAL Bridging Facility, if considered appropriate.

27. Trade and other payables

	GROUP 2016 US$'000	COMPANY 2016 US$'000	GROUP 2015 US$'000	COMPANY 2015 US$'000
Trade payables	693	472	381	1,230
Non trade payables and accrued expenses	529	2,428	1,065	1,777
Total	**1,222**	**2,900**	**1,446**	**3,007**
Current tax liability	308	-	200	-
Total	**1,530**	**2,900**	**1,646**	**3,007**

Trade payables and accruals principally comprise amounts outstanding for trade purchases and on-going costs.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

28. Notes to the statement of cash flows

	GROUP 2016 US$'000	GROUP 2015 US$'000
(Loss)/profit for the year	**(744)**	**455**
*Adjusted for *:*		
Amortisation of intangible assets	2	12
Depreciation of property, plant and equipment	132	183
Loss/(Profit) on sale of property, plant and equipment	4	(109)
Valuation adjustments to inventories, receivables and other assets	1	2
Finance income	(16)	(10)
Finance costs	657	740
Increase in provisions	25	1
Income tax charge	396	271
Operating cash flows before movements in working capital	**457**	**1,545**
Decrease in inventories	305	624
Decrease/(Increase) in trade and other receivables	4,623	(4,581)
Decrease in trade and other payables	(1,441)	(178)
Cash generated from/(used) in operations	**3,944**	**(2,590)**

***** All amounts include both continuing and discontinued operations.

29. Financial instruments

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk (comprises: foreign currency risk and interest rate risk)

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

RISK MANAGEMENT FRAMEWORK

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

29. Financial instruments (continued)

CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit- ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. At the reporting date, there were no significant credit risks.

EXPOSURE TO CREDIT RISK

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the Group and Company's maximum exposure to credit risk at the reporting date, being the total of the carrying amount of financial assets, excluding equity investments is shown in the table below.

	NOTE	GROUP 2016 US$'000	COMPANY 2016 US$'000	GROUP 2015 US$'000	COMPANY 2015 US$'000
Cash and cash equivalents	19	701	-	645	50
Trade and other receivables	18	1,311	206	1,241	110
Amounts owed by group undertakings	18	-	6,168	-	8,273
Other investments	17	40	-	50	-
Total		**2,052**	**6,374**	**1,936**	**8,433**

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

	GROUP 2016 US$'000	COMPANY 2016 US$'000	GROUP 2015 US$'000	COMPANY 2015 US$'000
United Kingdom	206	206	160	160
Southern Africa	1,846	4,585	1,673	8,170
Mauritius	-	1,583	60	60
Europe	-	-	43	43
Total	**2,052**	**6,374**	**1,936**	**8,433**

29. Financial instruments (continued)

The maximum exposure to credit risk for trade and other receivables (excluding trade creditors which are linked to listed investments per contract with the supplier - see note 17 US$40,000 (2015: US$50,000)) at the reporting date by type of counterparty was:

	GROUP 2016 US$'000	COMPANY 2016 US$'000	GROUP 2015 US$'000	COMPANY 2015 US$'000
Trade customers and other receivables	1,311	206	1,241	110
Amounts owed by Group undertakings	-	6,168	-	8,273
Total	**1,311**	**6,374**	**1,241**	**8,383**

The ageing of trade and other receivables at the reporting date was:

	GROUP		
	GROSS 2016 US$'000	IMPAIRMENT 2016 US$'000	TOTAL 2016 US$'000
Neither past nor impaired	650	-	650
Past due 1-30 days	165	(2)	163
Past due 31-60 days	52	(4)	48
Past due 61-90 days	13	(13)	-
Past due 91-days +	137	(99)	38
Other receivables	412	-	412
Total	**1,429**	**(118)**	**1,311**

Based on the Group's monitoring of customer credit risk, the Group believes that no further impairment allowance is necessary in respect of trade receivables not past due.

LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash and another financial asset.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements.

The new board plans to manage liquidity risk by raising adequate reserves, banking facilities and reserve borrowing facilities and by regularly monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

29. Financial instruments (continued)

LIQUIDITY RISK MANAGEMENT (CONTINUED)

The following are the contractual, undiscounted maturities of financial liabilities, including estimated interest payments and excluding the effect of netting arrangements:

GROUP	CONTRACTUAL CASH FLOWS 2016			CONTRACTUAL CASH FLOWS 2015		
	CARRYING AMOUNT US$'000	1 YEAR OR LESS US$'000	2 TO < 5 YEARS US$'000	CARRYING AMOUNT US$'000	1 YEAR OR LESS US$'000	2 TO < 5 YEARS US$'000
Trade and other payables	1,222	1,222	-	1,446	1,446	-
Loans and borrowings	4,809	1,645	3,163	6,872	7,490	-
Total	**6,031**	**2,867**	**3,163**	**8,318**	**8,936**	**-**

COMPANY	CONTRACTUAL CASH FLOWS 2016			CONTRACTUAL CASH FLOWS 2015		
	CARRYING AMOUNT US$'000	1 YEAR OR LESS US$'000	2 TO < 5 YEARS US$'000	CARRYING AMOUNT US$'000	1 YEAR OR LESS US$'000	2 TO < 5 YEARS US$'000
Trade and other payables	2,900	2,900	-	3,007	3,007	-
Loans and borrowings	4,809	1,645	3,163	4,812	5,167	-
Total	**7,709**	**4,545**	**3,163**	**7,819**	**8,174**	**-**

FOREIGN CURRENCY RISK MANAGEMENT

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than United States Dollars. The currencies giving rise to this risk are primarily the Pound Sterling, Euro , Zambian Kwacha, Malawian Kwacha and the South African Rand. In respect of other monetary assets and liabilities held in currencies other than United States Dollars, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. The following significant exchange rates applied during the year:

	AVERAGE RATE 2016	REPORTING DATE SPOT RATE 2016	AVERAGE RATE 2015	REPORTING DATE SPOT RATE 2015
Pounds Sterling (GBP)	0.70	0.76	0.64	0.65
Euro (EUR)	0.90	0.90	0.86	0.89
Zambian Kwacha (ZMW)	14.79	14.67	11.77	13.31
South African Rand (ZAR)	10.85	9.52	7.01	8.64
Malawian Kwacha (MWK)	666.36	721.75	454.29	556.19

29. Financial instruments (continued)

FAIR VALUES

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

GROUP	HIERARCHY	CARRYING AMOUNT 2016 US$'000	FAIR VALUE 2016 US$'000
Cash and cash equivalents	Level 3	701	701
Trade and other receivables	Level 3	1,311	1,311
Quoted investment portfolio	Level 1	40	40
Trade and other payables	Level 3	(1,222)	(1,222)
Loans and borrowings	Level 3	(4,398)	(4,398)
Total		**(3,568)**	**(3,568)**

GROUP		CARRYING AMOUNT 2015 US$'000	FAIR VALUE 2015 US$'000
Cash and cash equivalents	Level 3	645	645
Trade and other receivables	Level 3	1,241	1,241
Quoted investment portfolio	Level 1	50	50
Trade and other payables	Level 3	(1,446)	(1,446)
Loans and borrowings	Level 3	(6,877)	(6,877)
Total		**(6,387)**	**(6,387)**

COMPANY		CARRYING AMOUNT 2016 US$'000	FAIR VALUE 2016 US$'000
Cash and cash equivalents	Level 3	-	-
Trade and other receivables	Level 3	6,374	6,374
Trade and other payables	Level 3	(2,900)	(2,900)
Loans and borrowings	Level 3	(4,398)	(4,398)
Total		**(924)**	**(924)**

COMPANY		CARRYING AMOUNT 2015 US$'000	FAIR VALUE 2015 US$'000
Cash and cash equivalents	Level 3	50	50
Trade and other receivables	Level 3	8,383	8,383
Trade and other payables	Level 3	(3,007)	(3,007)
Loans and borrowings	Level 3	(4,812)	(4,812)
Total		**614**	**614**

29. Financial instruments (continued)

THE FAIR VALUE OF ASSETS AND LIABILITIES CAN BE CLASSED IN THREE LEVELS.

Level 1	Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Fair values measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	Fair values measured using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

ESTIMATION OF FAIR VALUES

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the above table.

CASH AND CASH EQUIVALENTS

Fair value approximates its carrying amount largely due to the short-term maturities of this instrument.

LOANS AND BORROWINGS

Fair value has been derived from discounting future cash flows at the cost of debt.

TRADE RECEIVABLES AND PAYABLES

For receivables and payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

QUOTED INVESTMENT PORTFOLIO

Fair value has been derived from quoted prices.

30. Operating leases

LEASES AS LESSEE

At the reporting date, the Group had the following outstanding annual commitments for future minimum lease payments under non-cancellable operating leases:

Operating lease commitments	*US$'000*
Payable in next 12 months	64
Payable in 1 to 5 years	138
Payable thereafter (> 5 years)	-
Total	**202**

During the year ended 31 August 2016, US$191,000 (2015: US$305,000) was recognised as an expense in the income statement in respect of operating leases. Operating lease payments represents rentals payable by the Group for certain of its properties. Leases are negotiated for a minimum term of 1 year and rentals are fixed for the period.

31. Finance leases

	GROUP 2016	*GROUP 2015*
CREDFIN LOAN	*US$'000*	*US$'000*
Minimum lease payments	-	6
Finance cost	-	(1)
Present value	**-**	**5**

The above finance lease, measured at amortised cost was secured by a finance lease agreement in respect of motor vehicles. It was settled during the current financial year and ownership transferred to Paynet Zimbabwe (Pvt) Ltd, after payment of the nominal amount. Interest ranged between 28.27% and 25.7% per annum.

32. Statement of comprehensive income of Cambria Africa Plc

There is no requirement under the Isle of Man Companies Act 2006 to present a company only statement of comprehensive income. The loss for the year to 31 August 2016 was US$1.54 million (2015: US$5.2 million).

33. Capital commitments

The capital commitments at 31 August 2016 totalled US$nil (2015: US$nil).

34. Guarantees

Chemicals & Marketing Company Limited ("C&M")

It was announced on 26 August 2013 that the Company had concluded the acquisition of the entire issued share capital of Malawi chemical distributor Chemicals & Marketing Company Limited ("C&M") and that the related 5.5 million consideration shares ("consideration shares") have been admitted to listing on AIM.

Subsequent to that announcement, and following a more in-depth understanding of the financial affairs of C&M, the Company and the C&M vendors entered into a Disengagement Agreement (dated 29 June 2015) in terms of which the parties agreed that the C&M acquisition will be reversed and the parties be restored to their initial positions.

The Company's subsidiary MillChem Holdings Limited ("MHL"), has provided guarantees to creditors of C&M to the value of $592,000. C&M has undertaken to release MHL from these guarantees and indemnified MHL against any related loss.

35. Contingent liabilities and assets

CONTINGENT LIABILITIES - CONSILIUM DISPUTE

The Company announced on 3 May 2016, that the Board has given instruction to effect payment in satisfaction of the sums owed to Consilium which fell due for payment on that day, in a total amount of $5.07 million. Of this sum, approximately $3.29 million was paid by Cambria; while the remainder ($1.78 million) was made available with the assistance of VAL (see VAL Loan, note 23).

Despite repaying the loan in full, Consilium on 10 June 2016 amended its original claim to include a claim for all costs and expenses it incurred in relation to the above in the amount of £227,000 which the Company is vigorously defending on advice from its legal advisers.

The Company announced on 18 July 2016 that it has filed an Amended Defence and Counterclaim against Consilium in the Commercial Court. The Company's Counterclaims total $1.84 million which have been based on the substantive losses suffered by the Company as a result of Consilium's actions.

On 20 December 2016, the High Court ordered Cambria to post security for costs of £380,000 and ordered it to pay costs of £30,000 to Consilium. The security was paid into court as instructed and will be held pending determination of Cambria's counterclaims. The Company's board was disappointed with the ruling which was made notwithstanding an opinion by the company's auditors, Baker Tilly Isle of Man LLC, that "Cambria would be able to meet costs of £425,000 should they become payable." However, the obligations of this ruling have been met allowing the Company to proceed with its counterclaim against Consilium.

CONTINGENT LIABILITIES - OTHER

On 26 August 2011, the Group, pursuant to its disposal of Sol Aviation (Pvt) Ltd, ("Sol Aviation") entered into a Memorandum of Understanding with the purchaser, whereby the purchaser would be fully indemnified in respect of any claim, made either by Royal Khmer Airlines International (Pte) Limited ("Royal Khmer") or Fly540 Aviation Limited ("Fly540") pursuant to the Memorandum of Understanding entered into by Sol Aviation and Royal Khmer and a licence agreement entered into between Sol Aviation and Fly540. To the date of this report no claims have been lodged under this indemnity against the Group.

On 16 August 2012, the Group, pursuant to its disposal of the scrap remains of the aircraft owned by LonZim Air (BVI) Limited, indemnified the purchaser, against any claims or costs arising in connection with any claim made by 540 (Uganda) Limited against Lonzim Air (BVI) Limited to a maximum value of US$50 thousand. To the date of this report no claims have been lodged under this indemnity against the Group.

On 21 October 2014, the Group, pursuant to its disposal of Lonzim Hotels Limited, provided warranties relating to matters fairly disclosed to the Purchaser in terms of the relevant sale and purchase agreement and the related disclosure letter and/or due diligence data room. General warranties remain in force and effect until 31 August 2015 and Title warranties remain in force and effect until 21 October 2016. The liability of the Group in respect of the aggregate of all Title warranties shall not exceed $2 000 thousand; and in respect of the aggregate of all General warranties, shall not exceed $350 thousand. The Group will have no liabiilty in respect of General warranty claims in aggregate less than $100 thousand and General warranty claims shall not be less than US$25 thousand for a single claim. To the date of the report, no formal warranty claim has been lodged.

36. Related parties

IDENTITY OF RELATED PARTIES

The Group has a related party relationship with its subsidiaries (see note 15), and with its Directors and executive officers.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and there is no requirement for them to be disclosed in this note.

GROUP AND COMPANY

At 31 August 2016, no amounts were due to Directors in respect of Directors fees, nor had any been paid in the year under review.

VAL is the controlling shareholder of Cambria with a 50.55% interest as at 31 August 2016. Mr Samir Shasha is the ultimate beneficial owner of VAL and the CEO and Director of Cambria. VAL has provided loan funding to Cambria in the form of the VAL Loan and the VAL Bridging Facility as set out in notes 23 and 26 respectively. Interest accrued during the period amounted to US$102,000 in respect of the VAL Loan and $20,000 in respect of the VAL Bridging Facility.

36. Related parties (continued)

GROUP AND COMPANY (CONTINUED)

Consilium through the Consilium Corporate Recovery Master Fund Ltd and the Consilium Emerging Markets Absolute Return Master Fund Ltd (jointly "Consilium"), is a substantial shareholder of Cambria. Consilium has provided loan funding to the Group which has been settled. Interest and Fees accrued during the period amounted to US$268,000 (2015: US$425,000).

TRANSACTIONS WITH SUBSIDIARY ENTITIES WITHIN THE GROUP

Paynet Zimbabwe (Private) Limited ("Paynet"), a 100% subsidiary of the Group provides services including payroll processing, software licensing, training and utility and property sublets to fellow subsidiaries which amounted to US$3,000 (2015: US$9,000). All charges were at market value, arms length rates.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management personnel are the holding Company Directors and executive officers. None of the current active directors received any remuneration during the financial year.

Total remuneration is included in "personnel expenses" (see note 7).

	TOTAL 2016 US$000	TOTAL 2015 US$000
S Shasha	-	-
P Turner	-	34
JP Watenphul	-	-
DC Pandya	-	-
E Wisman	-	438
I Perkins	-	177
I Mazaiwana	-	32
F Jones	-	13
R Wells	-	61
Total	**-**	**755**

37. Events after the reporting date

New CABS Loan

The Company announced on 18 October 2016 that Paynet, successfully concluded a $1.2 million loan facility agreement with Central Africa Building Society ("CABS Loan"). The CABS Loan bears interest at 11% per annum, an annual renewal fee of 1%, and is subject to an establishment fee of 2%. The loan is repayable over 24 months. As security, a mortgage has been registered in favour of CABS over one of two properties owned by Le Har (Pvt) Ltd, a wholly owned subsidiary of the Company. The remaining property remains unencumbered.

The CABS Loan will be used by Paynet to repay in part its license fee and loan obligations to Payserv. Payserv would in turn use the funds to settle the remaining portion of the VAL Bridging Facility if considered appropriate in the context of the Group's working capital requirements.

Consilium dispute

On 20 December 2016, the High Court ordered Cambria to post security for costs of £380,000 and ordered it to pay costs of £30,000 to Consilium. The security was paid as ordered and will be held pending determination of Cambria's counterclaims. The Company's board was disappointed with the ruling which was made notwithstanding an opinion by the company's auditors, Baker Tilly Isle of Man LLC, that "Cambria would be able to meet costs of £425,000 should they become payable." However, the obligations of this ruling have been met allowing the Company to proceed with its counterclaim against Consilium (also see note 35).

VAL Loan Conversion and Open Offer

On 28 November 2016, the Company announced that it has reached agreement with VAL regarding the conversion into Cambria ordinary shares of £1.25 million or approximately $1.55 million of its loans to Cambria ("the VAL Loan Conversion").

The VAL Loan Conversion will significantly strengthen Cambria's balance sheet and will further align the interests of its CEO, Mr Samir Shasha, with that of Cambria shareholders. The price of the VAL Loan Conversion was set at 1.00p per Cambria share ("the Conversion Price"), representing a premium of 11% to the 10 day volume weighted average price of 0.90p for the 10 days up to 24 November 2016. VAL will receive 125 million ordinary shares in Cambria in return for its £1.25 million VAL Loan Conversion. After the VAL Loan Conversion, the Company's total debt obligation will fall 34% from $4.4 million to $2.9 million.

37. Events after the reporting date (continued)

VAL Loan Conversion and Open Offer (continued)

The Company also extended an Open Offer of up to 125 million new ordinary shares to the remaining Cambria shareholders on terms equal to that of the VAL Loan Conversion ("Open Offer").

The Open Offer is open for acceptance until Wednesday, 1 February 2017 ("Open Offer Closing Date").

Open Offer proceeds will be utilised to fund growth in Cambria's core subsidiaries in Zimbabwe.

The shares to be issued in terms of the the VAL Loan Conversion and the Open Offer will be issued following the Open Offer Closing Date.

REGISTERED OFFICE AND AGENT

Peregrine Corporate Services Limited
Burleigh Manor
Peel Road
Douglas
Isle of Man
IM1 5EP
Tel: +44 (0) 1624 626586

NOMINATED ADVISOR AND BROKER

WH Ireland Limited
24 Martin Lane
London
EC4R 0DR
Tel: +44 (0) 20 7220 1666

AUDITORS

Baker Tilly Isle of Man LLC
2a Lord Street
Douglas
Isle of Man
IM99 1HP
T: +44 (0) 1624 693900

REGISTRARS

Capita Registrars (Isle of Man) Limited
3rd Floor Exchange House
Clinch's House
Lord Street
Douglas
Isle of Man
IM99 1RZ
Tel: +44 (0) 1624 641560

PRINCIPAL GROUP BANKERS

Barclays Corporate
Level 27, 1 Churchill Place
Canary Wharf
London
E14 5HP
Tel: +44 (0) 20 7116 1000

Analysis of ordinary shareholdings as at 13 January 2017

Note: the shareholding analysis has been performed on 13 January 2017 incorporating changes since the year end of 31 August 2016

	NUMBER OF HOLDERS	% OF TOTAL HOLDERS	NUMBER OF SHARES	% OF TOTAL SHARES
Category of shareholder				
Private shareholder	91	40.8%	20 706 232	9.8%
Banks, nominees and other corporate bodies	132	59.2%	190 948 930	90.2%
Total	**223**	**100.0%**	**211 655 162**	**100.0%**
Shareholding range				
1 – 5,000	76	34.1%	181 002	0.1%
5,001 – 50,000	53	23.8%	1 085 866	0.5%
50,001 – 500,000	53	23.8%	9 704 725	4.6%
500,001 – 5,000,000	36	16.1%	56 065 948	26.4%
5,000,001 – 50,000,000	4	1.8%	37 617 621	17.8%
50,000,001 – 150,000,000	1	0.4%	107 000 000	50.6%
Total	**223**	**100.0%**	**211 655 162**	**100.0%**

REGISTRARS

All administrative enquiries relating to shareholdings, such as queries concerning dividend payments, notification of change of address or the loss of a share certificate, should be addressed to the Company's registrars.

UNSOLICITED MAIL

As the Company's share register is, by law, open to public inspection, shareholders may receive unsolicited mail from organisations that use it as a mailing list. Shareholders wishing to limit the amount of such mail should write to the Mailing Preference Society, Freepost 29 Lon20771, London W1E 0ZT.

Cambria Africa Plc
Burleigh Manor
Peel Road
Douglas IM1 5EP

Tel: +44 (0) 203 287 8814
info@cambriaafrica.com
www.cambriaafrica.com