Ambrian plc

Report and Financial Statements
Year Ended 31 December 2015

Ambrian plc

Report and financial statements
for the year ended 31 December 2015

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Ambrian plc

Officers and advisers

Directors

Robert F Adair *(Non-executive Chairman)*
Jean-Pierre Conrad *(Chief Executive Officer)*
John M Coles *(Finance Director)*
Nicolas F Rouveyre *(Non-executive Director)*
Charles S Davies *(Non-executive Director)*
Martin Abbott *(Non-executive Director)*

Registered Office

62- 64 Cornhill, London, EC3V 3NH

Company Secretary

Cargil Management Services Limited, 27/28 Eastcastle Street, London, W1W 8DH

Company Registration Number

3172986

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Registrar

Capita Asset Services Limited, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

Nominated Adviser

Cenkos Securities plc, 6-7-8 Tokenhouse Yard, London, EC2R 7AS

Ambrian plc

Chairman's and Chief Executive's statement

Overview

2015 has been one of the most testing years in the natural resources sector. The Bloomberg Commodity Index (a broadly diversified commodity price index) fell more than 25 per cent. in 2015, the fifth straight losing year and its worst drop since 2008. This situation has been building up for some time as the world's largest commodity consumers have experienced a sharp drop in GDP growth rates including China, a significant market for Ambrian. Part of the slowdown in China relates to the authorities' attempts to shift the cornerstone of the country's growth from government spending and investment fuelled growth to growing private sector consumption. This, combined with the restructuring of Chinese state-owned enterprises, tighter credit conditions and inventory drawdowns, has negatively affected consumption, depressed prices and created a growing supply surplus in a number of commodities. Furthermore, the strong performance of the US dollar against most currencies in 2015 contributed generally in reducing the margins of our customers in local currency terms.

Against this backdrop, commodities exporting led economies, particularly in Africa, have been severely affected. Declining export receipts creating significant current account deficits and unsustainable international debt repayment conditions have all contributed to GDP growth forecasts being sharply revised downwards. In Mozambique, the situation is particularly acute as most infrastructure projects, the backbone of the country's efforts to grow its fledging agricultural and manufacturing sectors, have been delayed or even cancelled due to the lack of funding and mismanagement.

Managing our businesses against this depressed macro background has been difficult but there have been some positive events. We completed the merger with Consolidated General Minerals ("CGM") early in the year and the cement plant was finally commissioned in October 2015, culminating in first sales of cement by the end of the year. This modern, efficient cement plant is the latest industrial-scale production capacity that has been built in Mozambique. The combination of efficient production capacity and optimal logistics between plant and market will enable us to successfully enter the building materials industry whilst adhering to industry's best practice in terms of emissions and environmental protection. Good quality products and service offering have resulted in demand for our brand in a highly contested market.

The primary focus of the Directors during this period has been liquidity management, inventory control, improving reporting and control systems, and ensuring that our business model going forward is resilient.

Our marketing business certainly has an important role to play as a specialist merchant in a sector in which a number of participants have disappeared, leaving customers with fewer alternatives to transact with qualified partners. The focus in our cement business is to establish our brand and secure market share but also to utilise our expertise in developing a marketing and logistics platform in cement and associated products. We continue to review the strategy of our businesses within the Group and believe that the current course is the appropriate one in the present circumstances.

Throughout this period, the support of the Board and our key stakeholders continues to be very strong as evidenced by the successful private placement completed in September and the continued support of our lenders and customers.

Completion of merger

In March 2015, Ambrian and CGM successfully completed the combination of their businesses. The Group's core business of physical trading and logistics is now supplemented by the acquisition of a custom-built cement mill operation in Beira, Mozambique. The acquisition of this 800,000 tonne annual capacity facility was justified by its long-term economic rationale and also by the opportunity to leverage our expertise to source raw materials competitively and develop an additional marketing activity.

Fund raising

During the year the Company completed a fundraising for £2.6 million with certain of its existing shareholders, Directors and senior management. This funding was deemed prudent considering the difficult environment in which we have to operate. The net proceeds after satisfying cost overruns in the construction of the cement plant provided the Group with additional headroom for future general working capital requirements.

Board changes

As a result of the acquisition transaction referred to above, we (Robert Adair and Jean-Pierre Conrad) joined the Board of the Company as Non-executive Chairman and Chief Executive Officer respectively, on 27 March 2015. Furthermore, Martin Abbott and Charles Davies joined the Board in October. Martin, the former Chief Executive of the London Metal Exchange, has invaluable experience in the commodity markets and will undoubtedly assist in the Group's future development strategy of its marketing activities whilst emphasising risk control. Charles, a businessman with a variety of interests including in Mozambique, will contribute his "hands on" experience in the Group's drive to develop its portfolio of operating assets.

During the year, Kevin Lyon stepped down as a Non-executive Director and Chairman of the Company. The Board is grateful to Kevin for his unwavering and professional contribution in driving the merger process to its conclusion.

Outlook

Although most market commentators have predicted an improvement in the business environment for 2016, there are little visible signs that this has yet materialised sustainably, particularly in the markets in which we operate.

In our marketing activities, we have seen a subdued start of the year as the focus remains on macroeconomic developments in China. The first quarter of 2016 saw record highs of copper imports boosted by a favourable arbitrage window, a surge in fixed asset investments and a recovery in seasonal demand. However, questions remain on the efficacy of the government stimulus and whether a recovery in China is sustainable. Whilst copper prices have rallied, premiums remain subdued into the second quarter of 2016 indicating poor industrial demand. As a result, we have developed additional business in the Middle East, India and Europe and have increased our business flows with South America and Africa. With a view to ensuring cash flows are insulated in times of weak market fundamentals, a significant portion of our trading with long standing relationships has been contractually arranged at the beginning of the new year for most or all of 2016. Continuous reduction in net working capital and improving our cash generation ability in our marketing activities remain our prime focus. Finally, we have also invested in improving our finance and risk management systems and processes to support our enlarged operations, but more significantly to provide us with the necessary tools to manage risks more efficiently.

In Mozambique, we have been pleased with the technical performance of the cement plant in its first few months of operation and believe that the high quality cement produced is proving attractive both to retail customers and in the construction sector. Cement demand is driven by both infrastructure projects and small and mid-sized private sector initiatives. In Central Mozambique, 2015 was a particularly good year in terms of cement demand despite the first signs of problems to come as cement prices in US dollar equivalent decreased markedly in the second half, in line with the dramatic weakening of the local currency. Since the beginning of 2016, the situation has deteriorated rapidly with the economic situation in the country remaining uncertain as direct foreign investments and foreign support to the country's budget deficits have all but dried up. Given current macroeconomic assumptions and the lack of any visible immediate solution to the predicament the country is going through, we believe that residential construction will suffer as disposable income falls and the banking system is short of foreign currency.

The non-residential construction industry is mostly a function of infrastructure projects and incentives rolled out by the oil and gas and mining industries, which have been suspended or postponed. With increased downward pressure on margins expected and a reduction in demand growth anticipated, our focus is to secure market share without being disruptive, improve free cash flows and reduce gearing in Mozambique. We continue to place emphasis on liquidity management and generating cash to reduce gearing.

We would like to thank our colleagues for their hard work and dedication in what has been a challenging year. We look forward to a better year though no doubt not without its difficulties.

Robert fm Adair

Robert F Adair
Chairman

Jean-Pierre Conrad
Chief Executive Officer

Ambrian plc

Strategic report

The Directors of the Company present their Strategic report for the year ended 31 December 2015.

Overview of the Group

Ambrian is active is sourcing and marketing a range of industrials metals, minerals and value added products to end users worldwide. We pursue selective strategic acquisitions and ventures which can demonstrate a compelling industrial, commercial and financial justification and ultimately strengthen Ambrian's supply chain and value added activities. Ambrian's services add the right value at every stage of the supply chain; we plan procurement and logistics to streamline and simplify transportation and deliver on time commodities in the most cost efficient manner from remote locations to wherever they are needed by our customers. Ambrian also capitalizes on opportunities to improve margins and grow shareholder value through diversifying into sourcing and processing. This has enabled us to expand our business into the manufacturing and distribution of branded cement products to professional and individual customers in Mozambique.

Business review and future prospects

Trading and Logistics

The metals and minerals marketing business was the Group's principal revenue generator during the year under review. Its results were significantly impacted by the global economic slowdown, particularly in emerging markets to which Ambrian has a significant exposure. Faltering demand, surplus manufacturing capacity and large inventory legacies with the Group's traditional customer base all contributed to difficult trading conditions. Reduced volume turnover contributed to higher warehousing and financing costs which, combined with lower net premiums realised resulted in our business posting a loss.

Throughout the year under review, trading conditions in most industrial metals and minerals were subdued, continuing on from the last quarter of 2014. Softer economic conditions, inventory drawdowns by customers and tighter credit availability in China resulted in a 23 per cent. reduction in the Group's traded volumes. Noteworthy was the reduction in the traditional long-term back-to-back business as consumers and traders were unwilling to commit tonnage over extended periods, preferring trading on a spot basis. Finally the Group's activity in semi-finished products was adversely affected by the Saudi Government's cancelled tenders for copper cable in favour of cheaper aluminium cable for their domestic infrastructure investment program.

With fewer opportunities to arbitrage geographic premiums, slower moving inventories resulted in increased financing and warehousing costs. The third quarter of the year did offer a brief respite enabling the Group to benefit from a temporary improvement in the Chinese copper premiums thus allowing us to reduce our inventories towards the end of 2015 and the first quarter of 2016.

The prospects for our business in 2016 are more encouraging but we remain extremely prudent as clear signs of a turnaround, particularly in the Far East, have yet to materialise. With most of the 2015 legacy inventory disposed of, the Group has focused on entering into a number of long term arrangements with its traditional suppliers and customers thus ensuring a "base load" into 2016.

Chinese metal premiums rallied to higher levels before Chinese New Year, enabling us to achieve better margins than anticipated over the first quarter of 2016. We anticipate that such opportunistic business during 2016 could have a positive impact on our results as international trade should benefit from a sustainable recovery in the larger economies and more particularly in the Far East. As the benefits of the 2016 long-term contracts materialise, combined with an expected increase in spot business and our efforts to diversify our geographic footprint bears fruit, the Group's income from its marketing activities should improve over the course of the year when compared to our 2015 performance.

Cement operations

Following the business combination with CGM, the construction of the cement mill was completed in October 2015, albeit behind schedule, resulting in late commercial production start up. Despite cement sales starting in December 2015, the cement business made a positive contribution in the period under review.

A number of factors are expected to affect the Group's operations in Mozambique in 2016. These include a sharp drop in the country's export-derived revenues, substantially lower foreign investments, a lack of foreign currency, a weakening currency and pervasive constraints to the private business sector. As we establish ourselves in this market environment, sales ramp-up has been slower than anticipated with realised prices in US dollar terms at their lowest historical levels. With little to no visibility on critical exogenous factors that may contribute to improve the business climate in Mozambique, it is difficult to predict whether the negative impact of macro-economic factors will continue throughout the current year. Finally, the banking system in Mozambique has great difficulties in accessing foreign exchange and opening letters of credit in favour of foreign suppliers. This could affect negatively our performance as we rely on functioning trade flows and trade finance. Planning our cement production and therefore timely raw material procurement is critical in supplying the local markets without interruption. Should we not be in a position to open letters of credit on a timely basis, production may need to be temporarily curtailed, affecting our sales.

Performance management and business development

Our key performance indicators include, but are not limited to, both financial metrics and operational metrics. Indicators of the financial metrics are revenue per segment, gross profit and margin, profit before tax, available liquidity, free cash, and tangible net asset value. Additional key performance indicators for our cement plant include volumes, sales prices, unit costs, overheads and capital allocations. This is discussed in greater detail below under the financial performance of the Group.

The operational metrics within our trading and logistics business include but are not limited to volumes traded and inventory movements, trade lines available and usage thereof, net premium and hedge positions. With our cement business, the operational metrics include production figures, raw material, power and consumable usage, and inventory levels.

We continue to maintain strict cash management and customer credit controls. These controls were evidenced by another year with no bad debts or provisions for bad debts. Further, as a Group we continue to strive for a sustainable approach to our operations.

Financial performance of the Group

The Group recorded a loss after tax of $7.02 million (2014: profit $0.53 million).

Total income was negative $4.01 million for the year ended 31 December 2015 compared with $8.58 million for the year ended 31 December 2014.

Administrative expenses of $5.18 million (2014: $6.57 million) were 21.1 per cent lower than the comparative period. This was principally due to lower provisions for compensation paid to our employees in 2015.

There were no exceptional costs incurred in 2015 compared to the comparative period in which $0.90 million were incurred for professional fees incurred in the transaction with CGM.

Overall, the Group reported a post-tax loss of $7.02 million, compared to a post-tax profit of $0.53 million in 2014. The difference is explained by the performance of the marketing activities in 2015.

Trading and logistics

Net revenue from our marketing activities was negative $4.88 million (2014: $7.70 million) for the year ended 31 December 2015. This reduction in performance was due to the persistent difficult trading conditions in 2015, including losses incurred on a long term procurement contract for semi-finished products. This had a significant impact on the results of our activities, resulting in pre-tax losses before intra Group interest and management charges of $8.92 million (2014: profit $2.54 million).

Cement

Net profit from our cement operations was $0.19 million for the year ended 31 December 2015. As this was a new activity acquired during the year, the figures for the comparative period were nil. This activity reported a profit before tax of $0.67 million.

From the date of acquisition of this business in March 2015 up to commercial production start up in December 2015, the cement plant was in the phase of construction followed by commissioning.

Expenses

Administrative expenses attributable to the Group for the year ended 31 December 2015 were $5.18 million (2014: $6.57 million). These expenses were lower than in the comparative year principally due to a lower provision for profit related compensation.

Remuneration expenses were $3.31 million for the 12 months ended 31 December 2015 (2014: $3.91 million). Total headcount in our continuing operations at 31 December 2015 was 95 (31 December 2014: 32).

The Group incurred Exceptional costs of $0.90 million in the comparative period which were professional fees incurred in the transaction with CGM. No Exceptional costs were incurred during the year ended 31 December 2015.

Balance Sheet

Total net assets of the Group at 31 December 2015 were $53.43 million compared with $29.15 million at 31 December 2014. This significant increase in value was principally due to the addition of the cement plant following the transaction with CGM.

The Group's cash resources amounted to $9.82 million at 31 December 2015 (2014: $9.66 million).

Inventory was $262.54 million at 31 December 2015 compared with $329.54 million at 31 December 2014. Inventory principally comprises metal in transit or in warehouse and an insignificant amount of raw materials for the cement plant at 31 December 2015. The reduction in inventory was due to the commercial decision to reduce metals in warehouse at the year end, referred to above. This enabled us to reduce financing and warehousing costs.

Net tangible asset value per share at 31 December 2015 was $ 21.67 cents (2014: $ 29.00 cents). Net tangible asset value is based on 236,810,653 ordinary shares and 9,707,102 Second Tranche Deferred Convertible Securities outstanding at 31 December 2015 (excluding 4,500,058 Treasury shares, 28,812,191 non-Treasury shares and 6,259,046 shares held by the Ambrian Capital Employee Benefit Trust). At 31 December 2014, the calculation was based on 100,602,104 ordinary shares outstanding at 31 December 2014 (excluding 4,500,058 Treasury shares and 6,259,046 shares held by the Ambrian Capital Employee Benefit Trust).

Risk Management and Financial Risk

The Group attaches great importance to effective risk management. The principal business units operate through their own management committees which meet monthly and are also attended by the Group's senior management. The Group's principal exposures are monitored daily and reviewed by the Group's senior management. The Group also operates an Executive Committee, comprising the Chief Executive Officer, the heads of metals trading and cement, the Finance Director and the Chief Operating Officer.

The key business risks to which the Group is exposed are as follows:

Competition

The Group operates in a competitive environment with a limited customer and supplier base and is therefore vulnerable to losing business to third parties able and willing to offer more competitive terms. We aim to mitigate this risk by maintaining close long term relationships with our customers, seeking to expand our customer base and providing differentiating and tailored services.

Premium risk

Whilst our trading and logistics activities are substantially hedged in respect of price risk and operate a service like margin-based business model, the prime determinant of the profitability of the metals and minerals marketing business is the premium margin made on the sale of the metal or mineral. Premiums are a function of numerous factors such as supply and demand, availability, regulations, global and regional economic conditions and natural events. Premiums also vary on a regional basis. A significant reduction in the premium margin or a material change in market dynamics would be likely to have a materially adverse effect on the Group. We manage this risk through diversification of our clients and suppliers on a geographical basis. Also, the Group will as far as possible match purchases and sales, locking in the margin premium to the largest extent possible.

Commodity concentration and disintermediation

The Group's principal business is focused on the metals, minerals and industrial building and construction material sectors which are prone to cyclical movements. Any material change in the demand and supply dynamics for relevant commodities or materials could have an adverse impact on the Group's performance. This is mitigated by the business having long term relationships with its clients and suppliers.

Loss of key staff

Retaining key staff, including, in particular, significant current and future revenue generators, is essential to the long term health and growth of the business. The Group's policies on remuneration are devised to engender loyalty and promote performance by such staff. These policies include payment of bonuses and long term incentive plans where appropriate. Succession management is also of importance to preserve key customer relationships. The Group seeks to ensure that these relationships will be maintained notwithstanding the loss of key personnel.

Operational risk

The value of some of the Group's trades particularly in its merchant activities is significant. The Group is accordingly exposed to the risk of material loss through operational errors in conducting and executing those trades. We manage this risk by a combination of well established procedures, an experienced and well-trained execution team, and sophisticated trade capture systems which are designed to minimise the risk of loss through such errors.

The production of cement requires that the equipment which is technically sophisticated, operates according to specification. The equipment is maintained in accordance with the suppliers' specifications.

Currency risk and exchange rate fluctuations

The Group is exposed to foreign currency risk due to fluctuations in exchange rates. The principal revenues of the trading business are earned in US dollars and its principal costs incurred are in Sterling. The principal revenues of the cement business are earned in Mozambique Meticals and the principal costs incurred are in US dollars.

Currency fluctuations may affect the Group's operating cash flow since certain of its costs and revenues are likely to be denominated in a number of different currencies other than US dollars and any income may become subject to exchange control or similar restrictions. Fluctuations in exchange rates between currencies may result in gains or losses with respect to movements in exchange rates which may be material and may also cause fluctuations in reported financial information that are not necessarily related to the Group's operating results or its underlying operations.

The conversion of local financial statements to the functional currency of the Group may lead to currency conversion impacts that the Group does not or cannot hedge. Moreover, the balance sheet is only partly covered for borrowing funds in foreign currency and consequently, a significant decrease in the aggregate value of such currencies against the reporting currency could have a materially significant impact on the equity of the Group. Those currency fluctuations may also give rise to the reporting of currency exchange losses in operations which will be reflected in the consolidated financial statements of the Group.

Anti-bribery policy

Doing business in certain countries in which we operate brings with it inherent risks associated with enforcement of obligations, fraud, bribery and exposure to potential corruption. Legal rights may be difficult to enforce. The Group has a formal anti-bribery policy with which we are fully compliant.

Information technology risk

All of our businesses depend upon robust, effective and efficient IT support. We have in place appropriate back up procedures to safeguard the loss of information and records arising from IT failure. We also seek to ensure that our own material data and service providers have appropriate back up and disaster recovery procedures in place to overcome or mitigate any damage to us resulting from their failure.

Legal risk

Legal risk is inherent in most transactions affecting our businesses. This is managed by the use of external legal advisers where appropriate and the adoption of industry standard documentation.

Approved by the Board of Directors and signed on behalf of the Board on 7 June 2016.

J.M.Coles

John M Coles
Finance Director

Ambrian plc

Report of the Directors
for the year ended 31 December 2015

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2015.

Principal activities

The Group has three main operating businesses:

- sourcing and marketing of physical metals and minerals;
- production and sale of cement and concrete; and
- investment portfolio.

Business and review of future prospects

A full review of the activity of the business, key performance indicators and future prospects is contained in the Chairman's and Chief Executive's statement and the Strategic report pages 4 to 11 which accompany these financial statements.

Dividends

The Board is not recommending the payment of a dividend (2014: nil).

Directors' indemnity arrangements

The Group has purchased and maintained throughout the year qualifying indemnity provisions through Directors' and Officers' liability insurance.

Substantial shareholders

The Directors are aware of the following that have interests of 3% or more in the Company's shares as at 1 June 2016:

	Number	*Percentage*
Kestrel Partners LLP	30,435,397	12.46%
Davies C S Esq	27,018,854	11.07%
Rouveyre N F M Esq	24,885,762	10.19%
Conrad JP Esq	22,339,666	9.15%
AXA	12,388,100	5.36%
Carrarini K Esq	8,936,962	3.66%
Adair R Esq	8,816,522	3.61%
Majedie	8,413,263	3.45%
Cael Engineering Limited	7,925,409	3.25%

Acquisition of own shares

At the Annual General Meeting of the Company held on 7 July 2015 the Company was given authority to grant rights to subscribe for, or to convert any security into ordinary shares of 1p each in the Company up to an aggregate nominal amount of £0.9 million. The authority will expire on the earlier of the conclusion of the Annual General Meeting of the Company in 2016 and 30 September 2016.

The Company did not purchase any of its own ordinary 1p shares during the year (2014: nil 10p shares). As a result of the transaction with CGM, the Company received 28,812,192 ordinary 1p shares in itself which are non-Treasury shares. Non-Treasury shares are required to be cancelled or sold in the future. The number of shares held in treasury at the year end was 4,500,058 in addition to the 28,812,192 non-Treasury shares. At 31 December 2015 the Company had 276,381,948 shares in issue (2014: 111,361,208). Therefore, at 31 December 2015, the total number of shares held in treasury and non-treasury represented 12.05 per cent (2014: 10.04 per cent.). Shares held in treasury may in the future contribute to staff incentive schemes.

Employee Benefit Trust

The Group has an Employee Benefit Trust ("EBT") for the benefit of its employees. At 31 December 2015, the EBT held 6,259,046 ordinary 1p shares in the Company (2014: 6,259,046 10p shares). Details of the share options granted to staff by the EBT are set out in note 18.

Internal control

The Directors acknowledge their responsibility for the Group's system of internal controls and procedures and for reviewing the effectiveness of these and ensuring that management of its subsidiaries review the internal controls and procedures operating in the subsidiaries. Such controls and procedures are designed to safeguard the Company's and the Group's assets and ensure reliability of reporting information, financial and otherwise, for both internal use and external publication. Whilst conscious that no system can provide absolute assurance against material misstatement, fraud, or loss, the Directors are satisfied that having regard to the Group's size and stage of development, the system of controls currently in place is adequate and effective.

Directors and their interests

The present membership of the Board, together with details of the Directors who served during the year and their interests in the share capital of the Company are set out below.

	Ordinary shares		*Share options*	
	At 31 December 2015 or on resignation if earlier	*At 1 January 2015 or on appointment if later*	*At 31 December 2015 or on resignation if earlier*	*At 1 January 2015 or on appointment if later*
J M Coles	450,000	200,000	450,000	450,000
R F Adair	8,816,522	8,816,522	—	—
JP Conrad	22,339,666	22,339,666	—	—
C S Davies	27,018,854	27,018,854	—	—
N F Rouveyre	24,885,762	7,925,409	—	—
M Abbott	—	—	—	—
R F Clegg	436,667	186,667	920,277	1,170,277
K J Lyon	—	—	—	—
E H Marlow	—	—	—	—

Mr R F Adair and Mr J P Conrad were appointed to the board on 27 March 2015.

Mr R F Clegg and Mr K J Lyon resigned from the board on 7 July 2015.

Mr E H Marlow resigned from the board on 30 September 2015.

Mr M Abbott was appointed to the board on 9 October 2015.

Mr C S Davies was appointed to the board on 16 October 2015.

Further details in respect of the share options are disclosed in note 18.

Political Donations

No political donations were made by the Group during 2015 (2014: nil).

Disclosure of information to auditors

In so far as the Directors are aware, at the time this report was approved:

- There is no relevant audit information of which the Group's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Financial risk management

Financial risk management objectives and policies and risk arising from financial instruments are disclosed in note 25 to the consolidated financial statements.

Post balance sheet events

There were no post balance sheet events.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Auditor

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board, 7 June 2016.

J. M. Coles

John M Coles
Finance Director

Corporate Governance

The Directors give due regard to the principles set out in The UK Corporate Governance Code published in September 2014 by the Financial Reporting Council. They do not need to comply with the Code. However they have chosen to adopt those principles that are appropriate given the size and nature of activities of the Group.

The Board meets at least six times a year and at such other times when necessary in order to determine the strategy and policy of the Group, its trading performance, the risks to which the Group is exposed and any other matters of significance affecting the Group. The Board has a schedule of matters specifically reserved to it for decision.

The Remuneration Committee comprises all the Non-executive Directors of the Company and is chaired by Mr C S Davies. The Committee determines salary levels, discretionary bonuses and the terms and conditions of service of the executive Directors. It also reviews the remuneration recommendations (including the overall level of bonuses and individual awards under incentive programmes adopted from time to time) relating to other staff. The Remuneration Committee is also responsible for exercising discretions in relation to the Group's long term incentive schemes and for the development of the Group's strategy in relation to the use of equity related remuneration for the benefit of the Group's employees.

The Audit Committee comprises all the Non-executive Directors of the Company and is chaired by Mr R F Adair. Mr J M Coles and Mr JP Conrad, although not members of the Committee, regularly attend the meetings. The Committee meets twice a year and is responsible for monitoring the effectiveness of the internal control environment, reviews external financial reporting and monitors the framework for compliance with relevant laws and regulations. The Committee reports to the Board on the Group's full and half year results having considered the Group's accounting policies and relevant accounting principles applicable to the Group. The Committee also monitors the relationship between the Group and its auditors.

Table of meetings and attendees

	Board Meetings	*Audit Committee*
Number of meetings held	**8**	**2**
M Abbott	2(2)	—
R F Adair	6(6)	2(2)
J M Coles	8(8)	—
JP Conrad	6(6)	—
C S Davies	2(2)	—
R F Clegg	4(4)	—
K J Lyon	4(4)	1(1)
E H R Marlow	5(6)	1(2)
N F Rouveyre	8(8)	2(2)

In the above table the numbers in brackets indicate the number of meetings which the Director concerned was eligible to attend. One Remuneration Committee was held during the year.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic report, Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the company financial statements have been prepared in accordance with UK GAAP and whether the group financial statements have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditor's Report to the Members of Ambrian plc

We have audited the financial statements of Ambrian plc for the year ended 31 December 2015 which comprise the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position, consolidated statement of cash flows, company balance sheet, company statement of changes in equity, company statement of cash flows and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Scott Knight *(senior statutory auditor)*
For and on behalf of BDO LLP, statutory auditor
London

7 June 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Ambrian plc

Consolidated statement of comprehensive income
for the year ended 31 December 2015

	Note	*Year to 31 December 2015 US $000's*	*Year to 31 December 2014 US $000's*
Turnover	3	1,897,528	2,885,069
Cost of sales	3	(1,902,214)	(2,877,276)
Net revenue		(4,686)	7,793
Investment portfolio gains	3	676	784
Total (loss)/income		(4,010)	8,577
Administrative expenses	4	(5,177)	(6,571)
Exceptional items – acquisition costs	28	—	(904)
Total administrative expenses		(5, 177)	(7,475)
Operating (loss)/profit	4	(9,187)	1,102
Finance income		428	—
Finance costs	6	(601)	—
(Loss)/profit before tax		(9,360)	1,102
Taxation	7	2,339	(574)
(Loss)/profit after tax		(7,021)	528
Other comprehensive income			
Items that may be subsequently reclassified to profit or (loss)			
Exchange profit/(loss) arising from translation of foreign operations		59	(344)
Total other comprehensive profit/(loss)		59	(344)
Total comprehensive (loss)/profit		(6,962)	184
(Loss)/profit attributable to:			
Owners of the parent		(7,324)	518
Non-controlling interest		303	10
		(7,021)	528
Total comprehensive (loss)/profit attributable to:			
Owners of the parent		(7,265)	174
Non-controlling interest		303	10
		(6,962)	184
Earnings per share in USD cents:			
Basic earnings per share	8	(3.87)	0.51
Diluted earnings per share	8	(3.87)	0.51

The accounting policies and notes set out on pages 23 to 61 form an integral part of these consolidated financial statements.

Ambrian plc
Consolidated statement of financial position
at 31 December 2015

Company Number 3172986	Note	*As at 31 December 2015 US $000's*	*As at 31 December 2014 US $000's*
ASSETS			
Non-current assets			
Property, plant and equipment	9	76,036	442
Deferred tax asset	16	2,459	252
		78,495	694
Current assets			
Financial assets at fair value through profit or loss	10	7,495	21,933
Inventory	11	262,541	329,545
Trade and other receivables	12	60,083	78,505
Current tax receivable	7	250	—
Cash and cash equivalents	13	9,823	9,661
Total assets		418,687	440,338
LIABILITIES			
Non-current liabilities			
Long-term borrowings	14	(21,376)	—
Deferred tax liability	16	(7,554)	—
		(28,930)	—
Current liabilities			
Financial liabilities at fair value through profit or loss	10	(2,675)	—
Short-term borrowings	14	(225,219)	(315,065)
Short-term liabilities under sale and repurchase agreements	14	(43,745)	(45,701)
Trade and other payables	15	(64,691)	(50,209)
Current tax payable	7	—	(216)
Total liabilities		(365,260)	(411,191)
Total net assets		53,427	29,147
Capital and reserves			
Share capital	17	4,222	17,665
Share premium	20	18,044	18,044
Capital redemption reserve	17	15,898	—
Merger relief reserve	20	24,770	—
Shares to be issued	20	1,477	—
Treasury shares	20	(1,986)	(1,986)
Other reserves	20	(4,980)	—
Retained (losses)/earnings	20	(6,822)	502
Employee benefit trust	20	(10,870)	(11,446)
Share-based payments reserve	20	8,052	8,052
Exchange reserve	20	(1,567)	(1,626)
Total equity attributable to the owner of the parent		46,238	29,205
Non-controlling interest	27	7,189	(58)
Total equity		53,427	29,147

The financial statements were approved by the Board of Directors and authorised for issue on 7 June 2016.

Robert M Adair J.M Coles

R F Adair **J M Coles**
Chairman *Finance Director*

The accounting policies and notes set out on pages 23 to 61 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2015

	Share capital US $ 000's	*Share premium account US $ 000's*	*Capital redemption reserve US $ 000's*	*Merger relief reserve US $ 000's*	*Shares to be issued US $ 000's*	*Treasury shares US $ 000's*	*Other reserve US $ 000's*	*Retained earnings/ (losses) US $ 000's*	*Share based payments reserve US $ 000's*	*Employee benefit trust US $ 000's*	*Exchange reserve US $ 000's*	*Total equity attributable to the owner of the parent US $ 000's*	*Non-controlling interest US $ 000's*	*Total equity US $ 000's*
Balance at 31 December 2013	**17,665**	**18,044**	**—**	**—**	**—**	**(1,986)**	**—**	**(16)**	**8,052**	**(11,446)**	**(1,282)**	**29,031**	**(66)**	**28,965**
Comprehensive income														
Profit for the year	—	—	—	—	—	—	—	518	—	—	—	518	10	528
Foreign currency adjustments	—	—	—	—	—	—	—	—	—	—	(344)	(344)	(2)	(346)
Total comprehensive income/(loss) for the year	—	—	—	—	—	—	—	518	—	—	(344)	174	8	182
Balance at 31 December 2014	**17,665**	**18,044**	**—**	**—**	**—**	**(1,986)**	**—**	**502**	**8,052**	**(11,446)**	**(1,626)**	**29,205**	**(58)**	**29,147**
Arising from the business combination of Consolidated General Minerals (Schweiz) AG	2,455	—	—	26,066	1,477	—	(5,066)	—	—	—	—	24,932	6,944	31,876
Shares issue costs (refer to note 28)	—	—	—	(1,296)	—	—	—	—	—	—	—	(1,296)	—	(1,296)
Exercise of options	—	—	—	—	—	—	—	—	—	576	—	576	—	576
Redemption of Deferred 9p shares	(15,898)	—	15,898	—	—	—	—	—	—	—	—	—	—	—
Stock award	—	—	—	—	—	—	86	—	—	—	—	86	—	86
Comprehensive income														
(Loss)/profit for the year	—	—	—	—	—	—	—	(7,324)	—	—	—	(7,324)	303	(7,021)
Foreign currency adjustments	—	—	—	—	—	—	—	—	—	—	59	59	—	59
Total comprehensive (loss)/income for the year	—	—	—	—	—	—	—	(7,324)	—	—	59	(7,265)	303	(6,962)
Balance at 31 December 2015	**4,222**	**18,044**	**15,898**	**24,770**	**1,477**	**(1,986)**	**(4,980)**	**(6,822)**	**8,052**	**(10,870)**	**(1,567)**	**46,238**	**7,189**	**53,427**

Ambrian plc

Consolidated statement of cash flows
for the year ended 31 December 2015

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
(Loss)/profit for the year	(7,021)	528
Adjustments for:		
Depreciation of property, plant and equipment	435	52
Share-based payment expense	72	—
Foreign exchange gains	(825)	(533)
Taxation expense	(2,339)	574
Realised gain on financial assets designated at fair value	(676)	(18)
Decrease/(increase) in inventories	67,004	(120,673)
Decrease/(increase) in trade and other receivables	22,377	(18,872)
Unrealised losses on financial liabilities at fair value	(428)	(2,371)
Unrealised gains/(losses) on financial assets at fair value	11,115	(19,989)
Increase/(decrease) in trade and other payables	12,545	(1,471)
Loss on disposal of property, plant and equipment	—	49
Cash generated/(used) in operations	102,259	(162,724)
Taxation paid	(362)	—
Net cash flow generated/(used) in operating activities	101,897	(162,724)
Investing activities		
Net cash from acquisition of subsidiary undertakings	424	—
Purchase of property, plant and equipment	(8,955)	(488)
Disposal of property, plant and equipment	—	14
Net cash used in investing activities	(8,531)	(474)
Financing activities		
Share issue costs	(1,296)	—
Proceeds from issue of convertible loan notes	4,121	—
Proceeds received from the exercise of options in Employee Benefit Trust	576	—
Increase in long-term borrowings	(4,793)	—
(Decrease)/increase in short-term liabilities under sale and repurchase agreements	(1,956)	12,646
(Decrease)/increase in short-term borrowings	(89,846)	138,175
Net cash (used)/generated in financing activities	(93,194)	150,821
Net increase/(decrease) in cash and cash equivalents	172	(12,377)
Cash and cash equivalents at the beginning of the year	9,661	22,075
Effect of foreign exchange rate differences on cash and cash equivalents	(10)	(37)
Cash and cash equivalents at the end of the year	9,823	9,661

The accounting policies and notes set out on pages 23 to 61 form an integral part of these consolidated financial statements.

1. Nature of operations

The Group is engaged in physical metals and minerals trading, cement operations and holds strategic investments. A full review of the Group's activities is contained in the Chairman's and Chief Executive's statement and the Strategic report on pages 4 to 11.

2. Accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards ("IFRS") as developed and published by the International Accounting Standards Board (IASB) as adopted by the European Union.

The consolidated financial statements have been prepared on the historical cost basis, as modified by the valuation of financial assets and liabilities, including derivative financial instruments, at fair value through profit or loss.

Amounts are rounded to the nearest thousand, unless otherwise stated.

The preparation of the financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in the appropriate application in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 26.

The accounting policies that have been used in the preparation of these consolidated financial statements are described below. The particular accounting policies adopted by the Directors are described below and are unchanged from the previous year unless otherwise stated.

New standards, interpretations and amendments effective

The company have adopted the following standards, amendments to standards and interpretations which are effective for the first time this year.

		Effective date
IFRSs	*Amendments – Annual Improvements to IFRSs 2011-2013 Cycle*	*1 January 2015*

There was no material impact on the Company from adopting these standards, amendments to standards and interpretations, although additional disclosure applies in certain areas.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2015, and have not been applied in preparing these consolidated financial statements. Management are assessing the impact of these on the financial statements.

It is not anticipated that the adoption in the future of the new or revised standards or interpretations that have been issued by the International Accounting Standards Board but are not yet effective will have a material impact on the Group's earnings or shareholders' funds. The Company has not adopted any new standards in advance of the effective date.

2. Accounting policies – *continued*

The following standards and interpretations are not yet effective:

		Effective date
IAS 19	*Amendments – Defined Benefit Plans: Employee Contributions*	*1 February 2015*
IFRSs	*Amendments – Annual Improvements to IFRSs 2010-2012 Cycle*	*1 February 2015*
IFRS 10, IFRS 12, IAS 28 (amendment)	*Investment Entities: Applying the Consolidation Exception*	*1 January 2016*
IFRS 11 (amendment)	*Accounting for Acquisitions of interests in Joint Operations*	*1 January 2016*
IAS 1 (amendments)	*Disclose initiative*	*1 January 2016*
IAS 16 and IAS 38 (amendments)	*Clarification of Acceptable Methods of Depreciation and Amortisation*	*1 January 2016*
IAS 27 (amendment)	*Equity method in Separate Financial Statements*	*1 January 2016*
IFRSs (amendments)	*Annual Improvements to IFRSs (2012–2014 Cycle)*	*1 January 2016*
IAS 7 (amendments)	*Disclosure Initiative*	*1 January 2017*
IAS 12 (amendments)	*Recognition of deferred tax assets for unrealised losses*	*1 January 2017*
IFRS 9	*Financial Instruments*	*1 January 2018*
IFRS 15	*Revenue from Contracts with Customers*	*1 January 2018*
IFRS 16	*Leases*	*1 January 2019*

2.2 ***Basis of consolidation***

(i) Subsidiaries and acquisitions

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is recognised where an investor is expected, or has rights, to variable returns from its investment with the investee and has the ability to affect these returns through its power over the investee. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as a Goodwill. If the cost of the acquisition is less than the fair value of net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

(ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2. Accounting policies – *continued*

2.3 *Business combinations*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as a liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.4 *Financial instruments*

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group has not classified any of its financial assets as held to maturity or available for sale.

2. Accounting policies – *continued*

The Group's accounting policy for each category is as follows:

(i) Fair value through profit or loss

These are financial assets held-for-trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling in the near term. Derivative assets, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the consolidated balance sheet at fair value with gains or losses recognised in the consolidated statement of income.

Fair value of securities listed in active markets are determined by current bid prices; where independent prices are not available, fair values have been determined with reference to financial information available at the time of the original investment updated to reflect all relevant changes to that information at the reporting date.

Accrued income principally represent open sales and purchase contracts which are initially recognised at fair value when the company becomes a party to the contractual provision of the instrument and are subsequently measured to fair value at the end of each reporting period with reference to recognised commodity prices. At the reporting date, ownership of the metals had not transferred to the purchasing counterparty. The effect of measurement of these is presented net in either prepayments and accrued income or accruals and deferred income depending on whether the outcome of measuring these results is gains or losses at the end of each reporting period.

(ii) Loans and receivables

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts.

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

2. Accounting policies – *continued*

The Group's accounting policy for each category is as follows:

(i) Fair value through profit or loss

This category comprises out-of-the-money derivatives and accruals and deferred income. They are carried in the consolidated statement of financial position at fair value, with changes in fair value recognised in cost of sales of the comprehensive statement of consolidated income. Accruals and deferred income and prepayments and accrued income principally represent open purchase and sales contracts which are initially recognised at fair value when the Company becomes a party to the contractual provision of the instrument and are subsequently measured at fair value, being the LME value at 17:00 GMT, the end of each reporting period with reference to recognised commodity exchange prices. If at the reporting date, ownership of the metals had not transferred to the Company, the effect of measurement of these is presented net in either accruals and deferred income or prepayments and accrued income depending on whether the outcome of measuring results is in gains or losses at the end of each reporting period.

(ii) Financial liabilities measured at amortised cost

All other financial liabilities include the following items:

- Long-term borrowings;
- Short-term borrowings;
- Short-term liabilities under sale and repurchase agreements; and
- Other payables

All of the above are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Fair value measurement hierarchy

IFRS 13 requires certain disclosures which require a classification of financial assets and liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

- level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The level in the fair value hierarchy within which the financial asset or liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measured. Financial assets and liabilities are classified in their entirety into only one of the three levels.

2. Accounting policies – *continued*

2.5 *Turnover and Cost of sales*

Turnover is the gross revenues generated from all business activities except for the investment portfolio. Turnover represents the gross sales invoices of the physical metals division and cement business.

Cost of sales are:

- The direct costs associated with sales of the physicals metals division and include such purchases of metals, freight and other costs directly related to sales including finance charges.
- The direct costs associated with sales of cement and concrete and include such purchases of raw materials, labour costs and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

2.6 *Total income*

Revenue is recognised when it is probable that the economic benefits will flow to the entity and these benefits can be measured reliably.

Revenue recognition in the physical metals business:

- Revenue is recognised on an accruals basis. It is recognised when the seller has transferred to the buyer the necessary legal documents that indicate that significant risks and rewards of ownership have transferred, this is usually on delivery. In most instances this is evidenced by a bill of lading, legal documents or holding certificate.
- In certain instances there are contracts where the sales price is determined on a provisional basis at the date of sale, as the final selling price is subject to movements in market prices up to the date of final pricing. Revenue on provisionally priced sales is recognised based on the total expected value of the sales contract. This is determined by assessing the fair value of sales contracts. The change in the value of the sales contract is offset in the revenue line by the gain/(loss) that arises from the LME futures position associated with the provisional pricing of the sales contract.

Revenue recognition in the cement business:

- Revenue is recognised on an accruals basis. It is recognised when the seller has transferred to the buyer the significant risks and rewards of ownership usually defined by the date when the customers receives the goods normally evidenced by a delivery note.

Total income is revenue defined as above and investment portfolio gains and losses.

2.7 *Foreign currencies*

The Group's presentation currency is US Dollars and has been selected based on the currency of the primary economic environment in which the Group as a whole operates.

Transactions in currencies other than the functional currency of a company are recorded at a rate of exchange approximating to that prevailing at the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at the amounts prevailing at the balance sheet date and any gains or losses arising are recognised in profit or loss.

2. Accounting policies – *continued*

2.8 *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs to its tax base, except for differences arising on:

- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

2.9 *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. The cost of the item also includes the cost of decommissioning any buildings or plant and equipment and making good the site, where a present obligation exists to undertake the restoration work. Depreciation is provided on all property, plant and equipment on a straight-line basis (2014: reducing balance method) over its expected useful life as follows:

- Plant and Equipment – over 5 to 25 years
- Motor Vehicles – over 5 to 10 years
- Office Equipment – over 2 to 10 years

2. Accounting policies – *continued*

In accordance with its policy, the Company reviews the depreciation methodology of its fixed assets on an ongoing basis. This review indicated that the methodology which best represents the expected pattern of consumption of the future economic benefits embodied in the asset is the straight line basis.

As a result, effective 1 January 2015, the Company changed its depreciation method from reducing balance method to the straight line method. The effect of this change in method was to reduce the 2015 depreciation expense by $23,000 and increase 2015 net income by $23,000.

Land is stated at cost and is not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset is included in the income statement.

Borrowing costs are capitalised when they are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs capitalised during the year were charged at a rate between 5% and 7.5%.

2.10 *Pensions*

The Group contributes to the private pension scheme of two Directors. The assets of the scheme are held separately from that of the Group. Contributions are charged in the consolidated statement of comprehensive income as incurred in line with a defined contribution scheme.

2.11 *Share-based payment – transactions*

All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2006 are recognised in the financial statements.

The fair values of employees' services rewarded using share-based payments are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All equity-settled share-based payments are recognised as an expense in the consolidated statement of comprehensive income with a corresponding credit to share-based payment reserve.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting. Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital and where appropriate share premium.

2. Accounting policies – *continued*

2.12 *Inventories*

Inventories comprise of:

Commodity contracts

Inventory relates to commodity contracts where delivery has been taken of the underlying commodity with the intention of resale within a short period after delivery. Inventory is held at fair value less costs to sell. Any changes in fair value less costs to sell are recognised in the consolidated statement of comprehensive income in the period of the change.

Cement operations

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a weighted average cost basis;
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 *Sale and repurchase agreements*

Inventory may be sold subject to a commitment to repurchase them (a "repo"). Such inventory is retained on the balance sheet when substantially all the risks and rewards of ownership remain with the Group. The transactions are treated as collateralised borrowing and the counterparty liability is presented separately on the balance sheet as short-term liabilities under sale and repurchase agreements. The net of the repo transaction is recognised as a finance cost within cost of sales.

2.14 *Equity*

Called up share capital is determined using the nominal value of shares that have been issued.

Share premium account includes any premium received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium account, net of any related income tax benefits.

Equity-settled share-based employee remuneration is credited to the share-based payment reserve until related stock options are exercised.

The cost of own shares purchased under the Employee Benefit Trust is debited to the reserve for Employee Benefit Trust and the proceeds of any sales of such shares are credited to this reserve.

The costs of purchasing treasury shares are shown as a deduction against equity. The proceeds from the sale of own shares held increase equity. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the consolidated statement of comprehensive income.

The merger reserve is the difference between the fair value of new shares issued on acquisition of CGM and the nominal value.

2. Accounting policies – *continued*

The costs of parent entity shares acquired, as a result of the merger (refer to note 28) are debited to Other reserves.

The exchange reserve reflects the cumulative gains and losses on translating the net assets of overseas operations to the presentation currency.

Retained earnings include all current and prior period results as disclosed in the consolidated statement of comprehensive income.

2.15 *Employee benefit trust*

The assets and liabilities of the Employee Benefit Trust (EBT) have been included in the Group accounts. Any assets held by the EBT cease to be recognised on the consolidated statement of financial position when the assets vest unconditionally in identified beneficiaries. The costs of purchasing own shares held by the EBT are shown as a deduction against equity. The proceeds from the sale of own shares held increase equity. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group consolidated statement of comprehensive income.

2.16 *Convertible notes*

Convertible notes are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible notes, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2.17 *Operating leases*

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

2.18 *Segmental reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker which is the Executive Committee and the management team for the relevant business segment. The Executive Committee comprises the Chairman and Managing Director of Ambrian Metals Limited, the Group Chief Executive, the Finance Director and the Chief Operating Officer.

2.19 *Disposal of assets*

The gain or loss on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the consolidated statement of comprehensive income. The gain or loss arising from the sale of fixed assets is included in "administrative expenses" in the consolidated statement of comprehensive income.

3. Segmental analysis

The Group has four reportable segments attributable to its continuing operations including Head office:

- Physical metals and minerals trading
- Cement operations
- Investment portfolio – comprises the Group's investment portfolio
- Head office costs relate to overheads incurred in connection with operating the public limited company, providing support functions to the Group.

The measurement of the segmental revenue, profit before tax, capital expenditure, depreciation, total assets, total liabilities and net assets have been prepared using consistent accounting policies across the segments. These policies are disclosed in note 2.

Factors that management used to identify the Group's reportable segments

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different strategies.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the management team including the Chief Executive Officer, Chief Operating Officer and the Finance Director.

	Trading 2015 US $ 000's	*Cement Operations 2015 US $ 000's*	*Investment Portfolio 2015 US $ 000's*	*Head office costs 2015 US $ 000's*	*Total 2015 US $ 000's*
Turnover	1,895,451	2,077	—	—	1,897,528
Cost of sales	(1,900,327)	(1,887)	—	—	(1,902,214)
Revenue	—	—	676	—	676
	(4,876)	190	676	—	(4,010)

	Trading 2014 US $ 000's	*Cement Operations 2014 US $ 000's*	*Investment Portfolio 2014 US $ 000's*	*Head office costs 2014 US $ 000's*	*Total 2014 US $ 000's*
Turnover	2,884,979	—	—	90	2,885,069
Cost of sales	(2,877,276)	—	—	—	(2,877,276)
Revenue	—	—	784	—	784
	7,703	—	784	90	8,577

3. Segmental analysis – *continued*

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
(Loss)/profit before tax		
Trading	(8,917)	2,542
Cement operations	669	—
Investment portfolio	676	784
Head office costs	(1,788)	(1,320)
Exceptional items	—	(904)
	(9,360)	1,102

Geographical split of Total income for the Group where > 10% per region

	Year to 31 December 2015 US $ 000's Turnover	*Year to 31 December 2014 US $ 000's Turnover*
Eastern Asia	1,035,593	2,042,216
Western Asia	533,706	286,480
Other	328,229	556,373

Major customers of the Group where individually >10% of Total income

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
Customer A	302,002	144,293
Customer B*	12,969	432,878
Other customers	1,582,557	2,307,898

* Customer B is < 10% during for the year ended 2015

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
Investment portfolio gains represent:		
Unrealised gains on financial assets designated at fair value	676	766
Realised gains on financial assets designated at fair value	—	18
	676	784

3. Segmental analysis – *continued*

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Total assets		
Trading	336,194	436,565
Cement operations	82,170	—
Investment portfolio	179	328
Head office	144	3,445
	418,687	440,338
Total liabilities		
Trading	322,863	410,951
Cement operations	38,538	—
Investment portfolio	—	1
Head office	3,859	239
	365,260	411,191

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
Depreciation:		
Trading	93	52
Cement operations	342	—
Investment portfolio	—	—
Head office	—	—
	435	52

4. Profit before tax, and Auditors' remuneration

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
Relating to operations:		
Profit before tax, all of which arises from the Group's principal activities, is stated after charging/(crediting):		
– fees payable to the Group's auditor for the audit of the Group's annual financial statements	265	216
– other assurance services	—	—
Depreciation of property, plant and equipment	435	52
Operating lease rentals – land and buildings	349	363
Exceptional items – acquisition costs (note 28)	—	(904)
Finance costs (included in Cost of sales)	6,735	6,470
Loss on disposal of property, plant and equipment	—	49
Exchange gains	(825)	(533)
Cost of sales	1,902,214	2,877,276
Interest income (included in net revenue)	(7)	—

Included in the auditors fees above are $26,740 (31 December 2014: $28,946) related to associate firms of BDO LLP.

5. Information regarding Directors and Employees

	Year to 31 December 2015	*Year to 31 December 2014*
Number of Employees		
The average monthly number of employees (including Directors) during the year was:	71	32
	US $ 000's	*US $ 000's*
Employment costs		
Salaries and bonuses	2,710	3,288
Social security costs associated with salaries and bonuses	451	550
Defined contribution pension costs	75	72
Stock award	72	—
	3,308	3,910

Directors' emoluments 2015	*Salary/ Fees US $ 000's*	*Other US $ 000's*	*Stock award US $ 000's*	*Bonus US $ 000's*	*Pension US $ 000's*	*2015 Total US $ 000's*
M Abbott	9	—	—	—	—	9
R F Adair	74	—	—	—	—	74
R F Clegg	99	—	36	37	5	177
J M Coles*	213	—	36	36	11	296
JP Conrad	177	—	—	—	19	196
C S Davies	8	—	—	—	—	8
K J Lyon	20	46	—	—	—	66
E H Marlow	40	—	—	—	—	40
N F Rouveyre	38	152	—	—	—	190
	678	198	72	73	35	1,056

Directors' emoluments 2014	*Salary/ Fees US $ 000's*	*Other US $ 000's*	*Stock award US $ 000's*	*Bonus US $ 000's*	*Pension US $ 000's*	*2014 Total US $ 000's*
R N Ashley	—	10	—	—	—	10
R F Clegg	26	—	—	—	1	27
J M Coles*	231	—	—	—	11	242
C A Crick	78	—	—	—	—	78
K J Lyon	35	87	—	—	—	122
E H Marlow	49	—	—	—	—	49
N F Rouveyre	42	82	—	—	—	124
	461	179	—	—	12	652

* Denotes the highest paid Director

The remuneration for Mr M Abbott relates to the period of his appointment on 9 October 2015 to 31 December 2015.

The remuneration for Mr R F Adair relates to the period of his appointment on 27 March 2015 to 31 December 2015.

5. Information regarding Directors and Employees – *continued*

The remuneration for Mr R F Clegg relates to the period from 1 January 2015 to the date of his resignation on 7 July 2015.

The remuneration for Mr JP Conrad relates to the period of his appointment on 27 March 2015 to 31 December 2015.

The remuneration for Mr C S Davies relates to the period of his appointment on 16 October 2015 to 31 December 2015.

The remuneration for Mr K J Lyon relates to the period from 1 January 2015 to the date of his resignation on 7 July 2015. Mr K J Lyon other fees were derived from consulting services provided to Ambrian plc, relating to the transaction as specified in note 28.

The remuneration for Mr E H Marlow relates to the period from 1 January 2015 to the date of his resignation on 30 September 2015.

Mr N F Rouveyre's other remuneration of $152,540 was derived from executive management services provided to Ambrian (Singapore) Pte Ltd. (2014: $82,330 consulting services provided to Ambrian Metals Ltd).

6. Finance costs

Finance costs are comprised of the following:

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
Interest on convertible loan notes		
– Coupon rate	82	—
– Unwinding of discount	29	—
IDC interest	104	—
Bank interest	193	—
Other interest	193	—
	601	—

Finance income derives from the change in the fair value of the financial liability arising from the convertible loan note which decreased in value.

7. Taxation

The tax provision for the period is lower than the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%). The deferred tax charge resulting from the origination and reversal of temporary differences on losses brought forward includes adjustments reflecting the reduction in the rate of corporation tax. The differences are explained as follows:

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
(Loss)/profit before tax	(9,360)	1,102
UK corporation tax on profit for the year at 20.25% (2014: 21.50%)	(1,895)	237
Expenses not deductible for tax purposes	134	279
Other adjustments	(56)	36
Adjustments in respect of prior years	63	—
Exchange differences	—	84
Losses carried forward	(774)	(62)
Difference in tax rates for overseas taxation	61	—
Deferred tax not provided on losses not recoverable	128	—
	(2,339)	574
Comprising:		
Current tax expense	(113)	112
Overseas taxation	314	28
Deferred tax resulting from the origination and reversal of temporary differences:		
– on losses brought forward	(2,412)	350
– on deferred relief on bonuses	(128)	84
	(2,339)	574

8. Earnings per ordinary share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year, excluding shares held in the Employee Benefit Trust on 31 December 2015 of 6,259,046 (2014: 6,259,046), Treasury shares on 31 December 2015 of 4,500,058 (2014: 4,500,058) and Non-treasury shares on 31 December 2015 of 28,812,192 (2014: nil).

The calculation of diluted earnings per share is based on the basic earnings per share adjusted to allow for the issue of shares through the share option schemes (note 18) on the assumed conversion of all dilutive options.

Reconciliations of the earnings and weighted average number of shares in the calculations are set out below. Diluted earnings per share has not been calculated as the Group is loss making.

8. Earnings per ordinary share – *continued*

The (loss)/profit attributable to the owners of the Company for continuing operations used in the calculation below is that presented in the consolidated statement of comprehensive income.

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
Continuing operations		
(Loss)/profit attributable to shareholders	(7,324)	518
Diluted (loss)/profit attributable to shareholders	(7,324)	518
Weighted average number of shares	189,044,366	100,602,104
Dilutive effect of convertible loan notes and warrants	66,675,000	—
Basic earnings per share US $ cents	(3.87)	0.51
Diluted earnings per share US $ cents	(3.87)	0.51

9. Property, plant and equipment

	Land US $ 000's	*Plant and Equipment US $ 000's*	*Motor Vehicles US $ 000's*	*Office Equipment US $ 000's*	*Total US $ 000's*
Cost					
At 1 January 2014	—	—	—	165	165
Additions	—	—	—	488	488
Disposals	—	—	—	(165)	(165)
At 1 January 2015	—	—	—	488	488
Additions	—	8,652	188	115	8,955
Acquired through business combinations	768	66,140	166	—	67,074
Disposals	—	—	—	—	—
Balance at 31 December 2015	768	74,792	354	603	76,517
Depreciation					
At 1 January 2014	—	—	—	96	96
Charge for the year	—	—	—	52	52
Disposals	—	—	—	(102)	(102)
At 1 January 2015	—	—	—	46	46
Charge for the year	—	310	6	119	435
Disposals	—	—	—	—	—
Balance at 31 December 2015	—	310	6	165	481
Net book value					
At 31 December 2015	768	74,482	348	438	76,036
At 1 January 2015	—	—	—	442	442

Management have performed an impairment assessment for property, plant and equipment and note that no impairment is needed.

Property, plant and equipment of $74,949,771 are pledged as security for bank borrowings.

10. Financial assets and liabilities at fair value through profit or loss

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
Financial assets at fair value through profit and loss – derivatives	7,316	18,669
Investments:		
Unlisted investments	179	3,264
	7,495	21,933
Financial assets at fair value through profit and loss – convertible loan derivatives	(2,675)	—

During the year, Ambrian Metals Limited and CGM merged pursuant to a "merger by absorption" governed by Swiss law. The unlisted investment in CGM was valued at $3.61 million based upon the transaction with Ambrian plc. As part of the merger, Ambrian plc issued shares to CGM shareholders which resulted in "Non-treasury" shares being recorded by Ambrian plc for shares owned in itself, disclosed as "Other reserves".

All amounts presented in respect of unlisted securities have been determined with reference to financial information available at the time of the original investment updated to reflect all relevant changes to that information at the reporting date. This determination requires significant judgement in determining changes to fair value since the last valuation date. In making this judgement the Board evaluates, among other factors, changes in the business outlook affecting a particular investment, performance of the underlying business against original projections and valuations of similar quoted companies and the most recent fund raise achieved by the investee company.

Financial assets at fair value through profit or loss represent commodity futures. These are used to hedge inventory of metals, and purchases and sales of metals. Hedges take into account both contango and backwardation market conditions and are marked to market at the year end closing price.

Financial liabilities at fair value through profit or loss represent convertible loan derivatives in respect of warrants and an embedded derivative in relation to the convertible loan notes in Ambrian plc which are denominated in Pounds Sterling. Refer to note 14 for further details.

11. Inventory

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Physical metals	260,409	329,545
Cement operations:		
– Raw materials	1,744	—
– Finished goods	388	—
	262,541	329,545

11. Inventory – *continued*

Inventory represents:

- A combination of physical metals in warehouses and afloat. Metals inventory includes stock held under sale and repurchase agreements amounting to $43,745,437 (2014: $45,701,233);
- Raw materials including gypsum, clinker and limestone used in the manufacturing of cement;
- Finished cement product.

12. Trade and other receivables

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Amounts falling due within one year		
Trade receivables	56,014	75,245
Other receivables	738	1,736
Prepayments and accrued income	477	1,015
Other taxes and social security	2,854	510
	60,083	78,506

The carrying value of trade receivables which is considered a reasonable approximation of fair value, includes amounts greater than three months but not more than one year past due of $1,093,926 (2014: $nil). All amounts past due included in the carrying value are considered recoverable.

Accordingly, no provision is made for impairment of these trade receivables.

Prepayments and accrued income principally represent open sales and purchase contracts that had been contracted but not paid for at the reporting date and are held at fair value. At the reporting date, ownership of the metals had not transferred to the purchasing counterparty. The effect of measurement of these is presented net in prepayments and accrued income.

13. Cash and cash equivalents

Within cash and cash equivalents there is restricted cash of $3,549,285 (2014: $5,009,818). $2,000,000 (2014: $2,000,000) was held as security for a letter of credit granted for the benefit of the cement operations. The residual is deposits held with banks and brokers in the metals trading business to cover any potential adverse market price movements.

14. Borrowings

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Non-current liabilities		
Financial liability at amortised cost – Convertible loan note	880	—
Industrial Development Corporation ("IDC") loans	20,496	—
	21,376	—
Current liabilities		
Short-term borrowings	219,172	315,065
Overdraft facilities	2,933	—
Current portion of IDC loans	3,114	—
	225,219	315,065
	246,595	315,065

a) Short term borrowings are secured upon physical metals inventory of $216,663,764 (2014: $283,843,574) and trade and other receivables of $55,666,970 (2014: $31,220,962).

b) Overdraft facilities

Cimentos da Beira ("CdB"), a subsidiary of Ambrian plc, has three overdraft facilities, of which $2,933,000 was outstanding at 31 December 2015. The terms and conditions of the facilities are as follows:

African Banking Corporation

- Facility limit of MZN 90,000,000 (equivalent to $1,920,000), with utilisation of $1,756,000 as at 31 December 2015.
- Interest for the first 12 months is fixed at 16%, plus 10% in the event of default or other interest or fees that may eventually be applied due to changes permitted legally or administratively.
- The facility is subject to non-financial covenants. The Company has complied with all covenants.
- The loan is secured as follows:
  - Second rank promissory mortgage bond over immovable assets of CdB
  - Limited guarantee issued by the ultimate parent company for $3 million

First National Bank

- Facility limit of MZN 30,000,000 (equivalent to $640,000), with utilisation of $566,000 as at 31 December 2015.
- Interest for the first 12 months is fixed at prime rate plus a margin of 2.25%, plus 5% in the event of default or other interest or fees that may eventually be applied due to changes permitted legally or administratively.
- The facility is subject to non-financial covenants. The Company has complied with all covenants.

14. Borrowings – ***continued***

- The loan is secured as follows:
  - Second rank promissory mortgage bond over immovable assets of CdB
  - A standby letter of credit of $500,000 issued by a European bank which expired in April 2016

Banco Internacional de Moçambique ("BIM")

- Working Capital Facility limit of $6,000,000, with utilization of $611,000 as at 31 December 2015.
- Interest at the MZN prime lending rate as published by BIM from time to time plus 0.5% margin per annum.
- The facility is subject to non-financial covenants. The Company has complied with all covenants.
- The loan is secured as follows:
  - Second rank mortgage bond over immovable assets of CdB
  - Comfort letter provided by the ultimate parent company

c) Industrial Development Corporation ("IDC") loans consist of the following:

i) IDC senior term loans

First tranche term loan of $13,500,000

In connection with funding the construction of the cement mill in Beira, Mozambique, CdB obtained from the IDC, a loan facility of $13,500,000, which was fully drawn down.

Terms and conditions of the loan are as follows:

- Interest of LIBOR plus 5% margin per annum.
- Repayable in equal monthly instalments from April 2016 to 2020.
- Interest up to 30 November 2015 has been capitalised to the loan balance per above.
- The loan is subject to covenants, including financial covenants in the form of an adjusted equity to total assets ratio for CdB. CdB has complied with all covenants.
- The loan is secured as follows:
  - First ranking mortgage bond over immovable assets of CdB
  - First ranking general notarial bond over the movable assets of CdB for the amount of $16.8 million
  - First ranking special notarial bond over all assets of CdB other than immovable and movable assets for the amount of $16.8 million
  - Cession of CdB's licenses, approvals, permits, intellectual property and EPCM Agreement
  - Limited guarantee issued by the ultimate parent company for $16.8 million

14. Borrowings – *continued*

Second tranche term loan of $5,500,000

In connection with funding the construction of the cement mill in Beira, Mozambique, CdB obtained an additional senior loan facility in December 2014 from the IDC of $5,500,000, which was fully drawn down.

Terms and conditions of the loan are as follows:

- Interest of LIBOR plus 7% margin per annum.
- Repayable in equal monthly instalments from April 2016 to 2020.
- Interest up to 30 November 2015 has been capitalised to the loan balance per above.
- The loan is subject to covenants, including financial covenants in the form of an adjusted equity to total assets ratio for CdB. CdB has complied with all covenants.
- The loan is secured as follows:
  - First ranking mortgage bond over immovable assets of CdB
  - First ranking general notarial bond over the movable assets of CdB for the amount of $5.8 million
  - First ranking special notarial bond over all assets of CdB other than immovable and movable assets for the amount of $5.8 million
  - Cession of the CdB's licenses, approvals, permits, intellectual property and EPCM Agreement
  - Limited guarantee issued by the ultimate parent company for $5.8 million

ii) IDC convertible loan

Terms and conditions of the loan are as follows:

In connection with funding the construction of the cement mill in Beira, Mozambique, CdB obtained, from IDC, a $3,000,000 junior convertible loan, increased to $4,000,000 in December 2014. The convertible loan is interest free and can be converted by IDC into a 20% equity interest in CdB provided conversion does not occur later than the date that is six months after the term loans granted by IDC to CdB have been repaid in full, i.e. 31 January 2021 and that both parties have mutually agreed to the final terms of conversion. Should IDC decide to convert into equity of CdB, CdB will issue in favour of IDC a 20% equity interest in the subsidiary.

The convertible loan is secured by the same securities as the IDC term loans mentioned above under c) i).

The value of the liability component and the equity conversion component were determined at the date the instrument was issued. A non-controlling interest of 20% in CdB has been recorded in respect of the above loan.

d) Convertible loan note

In October 2015, Ambrian issued 26,670 notes of 10% convertible loans at a face value of £100 each. The loan notes are unsecured and repayable on 16 October 2019 or can be converted at any time into shares at the holder's option at the rate of 1 share per £0.08 of the loan. The value of the financial liability component and the derivative component were determined at the date the instrument was issued. Refer to note 10 for the derivative component.

14. Borrowings – *continued*

As part of the issuance of these convertible loan notes, 33,337,500 warrants were issued to the loan note holders which are convertible into ordinary shares at an exercise price of £0.08 per share. These warrants expire on 16 October 2019.

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Short-term liabilities under sale and repurchase agreements	43,745	45,701

15. Trade and other payables

Accruals and deferred income principally represent open purchases of metals that have been contracted for but not paid for at the reporting date, and are held at fair value. These are not classified as trade payables as the final price of the physical metals may not have been determined and ownership has not transferred to the Group.

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Amounts falling due within one year		
Trade payables	18,307	12,563
Other payables	297	340
Other taxation and social security	142	294
Accruals and deferred income	45,945	37,012
	64,691	50,209

16. Deferred taxation

Deferred tax assets/(liabilities) represent temporary differences on:

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
Deferred tax on revaluation of property, plant and equipment	(7,554)	—
Deferred tax on losses carried forward	2,412	—
Deferred tax on bonus liability	47	252
	(5,095)	252
Movement in the year:		
Balance at 1 January	252	602
Origination and reversal of temporary differences		
– on recognition/(release) of deferred tax loss carried forward	2,412	(350)
– recognised on business combinations	(7,582)	
– change to exchange rates	14	—
– provision for the year	(191)	—
Balance at 31 December	(5,095)	252

17. Share capital

	2015 Number	2014 Number
Authorised		
Ordinary shares of 1p each (2014: 10p)	424,727,841	250,000,000
Deferred shares at 9p each	111,361,208	—

	Number	US $ 000's
Called up, allotted and fully paid		
Ordinary shares of 1p each (2014: 10p)		
At 1 January 2014 and 31 December 2014	111,361,208	17,665
Subdivision of shares	—	(15,898)
Shares issued arising from business combination of Consolidated General Minerals (Schweiz) AG (Refer to note 28)	165,020,740	2,455
At 31 December 2015	276,381,948	4,222
Deferred shares at 9p each		
At 1 January	—	—
Subdivision of shares	111,361,208	15,898
Redemption of Deferred shares	(111,361,208)	(15,898)
At 31 December 2015	—	—
Shares to be issued		
Convertible Securities		
Second Tranche Deferred Convertible Securities	9,707,102	1,678
Less: Portion to be issued to Ambrian Metals Limited	(1,160,454)	(201)
	8,546,648	1,477

All Deferred shares held during the year were redeemed on 18 November 2015.

The Group held shares in the Employee Benefit Trust on 31 December 2015 of 6,259,046 (2014: 6,259,046), Treasury shares on 31 December 2015 of 4,500,058 (2014: 4,500,058) and Non-treasury shares on 31 December 2015 of 28,812,192 (2014: nil).

The Second Tranche Deferred Convertible Securities retain no voting rights until they are converted into ordinary shares. The Second Tranche Deferred Convertible Securities converted are subject to adjustment due to any relevant CGM creditor claims not being accepted by, or are subject to validation by, the liquidators of CGM.

18. Share options

The Company has an unapproved share option scheme under which options to subscribe for the Company's shares have been granted to certain Directors and other persons. The vesting condition is the number of years' service.

The share options currently in existence were granted and are exercisable as follows:

Exercise date granted	*Price*	*Number of shares*	*Period exercisable*
06-Apr-09	25p	1,075,000	Between 6 October 2009 and 5 April 2016
02-Jun-09	30p	800,000	Between 2 December 2009 and 1 June 2016
		1,875,000	

At the year-end the market value of the Company's shares was 4.88 pence (2014: 8.75 pence) per share. The highest price during the year was 11.63 pence (2014: 12.00 pence) and the lowest price was 4.88 pence (2014: 6.00 pence).

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

	Weighted average exercise price in pence 2015	*Number of options 2015*	*Weighted average exercise price in pence 2014*	*Number of options 2014*
Outstanding at 1 January	27	1,875,000	—	2,799,444
Forfeited during the year	—	—	10	(924,444)
Outstanding at 31 December	27	1,875,000	27	1,875,000
Exercisable at 31 December	27	1,875,000	27	1,875,000

The options outstanding at 31 December 2015 have an exercise price in the range of 25 pence to 30 pence and a weighted average contractual remaining life of up to 1 year.

The Company also has an Employee Benefit Trust unapproved share option scheme under which options to subscribe for the Company's shares have been granted to staff. Directors of Ambrian plc are not eligible for awards under this scheme. Options are generally granted at 10 pence per ordinary share and the vesting condition is the number of years of service. The share options currently in existence were granted and are exercisable as follows:

Exercise date granted	*Price*	*Number of shares*	*Period exercisable*
31-May-06	10p	13,333	Between 29 June 2007 and 29 June 2016
31-Jan-07	10p	44,444	Between 31 January 2008 and 31 January 2017
23-May-07	10p	100,000	Between 23 May 2008 and 23 May 2017
18-Jan-08	10p	62,500	Between 18 January 2009 and 18 January 2018
01-Jul-09	10p	250,000	Between 1 July 2010 and 1 July 2016
		470,277	

18. Share options – *continued*

	Exercise price in pence 2015	*Number of options 2015*	*Exercise price in pence 2014*	*Number of options 2014*
Outstanding at 1 January	10	1,170,277	10	1,170,277
Forfeited during the year	10	(700,000)	—	—
Outstanding at 31 December	10	470,277	10	1,170,277
Exercisable at 31 December	10	470,277	10	1,170,277

The share-based payment charge relating to the share options granted to the EBT amounted to $nil (2014: $nil).

19. Share-based payment reserve

The fair values of employees' services rewarded using share-based payments are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All equity settled share-based payments are recognised as an expense in the consolidated statement of comprehensive income with a corresponding credit to share-based payment reserve.

20. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value.
Merger relief reserve	Under merger accounting, the carrying values of the assets and liabilities of the parties to the combination are not adjusted to fair value on consolidation. Any difference between the cost of investment and the nominal value of the share capital acquired is put to a merger reserve.
Shares to be issued	Shares for which consideration has been received but which are not issued yet.
Treasury shares	Amounts reflecting the costs of purchasing own shares held as treasury shares.
Other reserves	Amounts reflecting the value of shares held by Ambrian plc in itself as a result of the merger. These shares are held as non-treasury shares and are required by law to be sold or cancelled in the future.
Retained (losses)/earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.
Employee benefit trust	Amounts reflecting the costs of purchasing own shares held by the Employee Benefit Trust.
Share-based payments reserve	All equity-settled share-based payments are recognised as an expense in the consolidated statement of comprehensive income with a corresponding credit to share-based payment reserve.
Exchange reserve	Losses arising on retranslating the net assets of overseas operations into USD.

21. Operating lease commitments

At 31 December 2015 the total of future minimum commitments is due as follows:

	2015 US $ 000's	*2014 US $ 000's*
Commitments falling due:		
Within one year	384	222
Between one year and five years	728	886
	1,112	1,108

Lease commitments relate to office premises.

22. Capital commitments

There were no capital commitments as at 31 December 2015 (2014: $nil).

23. Contingent Liabilities

There were no contingent liabilities as at 31 December 2015 (2014: $nil).

24. Transactions with related parties

Details of transactions with the Group's key management personnel, who comprise the Directors, are given in note 5. Details of the transaction with CGM are given in note 28. Intra-group transactions and balances are eliminated on consolidation.

A subsidiary of the Company, Ambrian Resources AG, has the only related party outstanding balance at year end with Minestream, a company owned by two of the directors of the Group, totaling $6,052 (2014: $90,964). During the year, Minestream wrote off $84,912 of the balance owing by Ambrian Resources AG.

25. Financial instruments – Risk management

Principal financial instruments

A summary of the financial instruments held by category is provided below:

	Loans and Receivables at amortised cost 2015 US $ 000's	*At fair value through profit or loss 2015 US $ 000's*	*Total 2015 US $ 000's*
Financial assets			
Cash and cash equivalents	9,823	—	9,823
Trade receivables – current	56,014	—	56,014
Other receivables – current	738	—	738
Financial assets at fair value through profit or loss – equities	—	179	179
Financial assets at fair value through profit or loss – derivatives	—	7,316	7,316
Total	66,575	7,495	74,070

25. Financial instruments – Risk management – *continued*

	Loans and Receivables at amortised cost 2014 US $ 000's	*At fair value through profit or loss 2014 US $ 000's*	*Total 2014 US $ 000's*
Financial assets			
Cash and cash equivalents	9,661	—	9,661
Trade receivables – current	75,245	—	75,245
Other receivables – current	222	—	222
Financial assets at fair value through profit or loss – equities	—	3,264	3,264
Financial assets at fair value through profit or loss – derivatives	—	18,669	18,669
Total	85,128	21,933	107,061

A certain amount of the cash and cash equivalents is held as collateral by third party banks as disclosed in note 13. Trade receivables, current of $55,666,970 (2014: $76,333,944) were pledged as collateral against short term borrowings as disclosed in note 14.

	Trade and other payables at amortised cost 2015 US $ 000's	*At fair value through profit or loss 2015 US $ 000's*	*Total 2015 US $ 000's*
Financial liabilities			
Trade payables	18,307	—	18,307
Other payables – current	297	—	297
Long-term borrowings	21,376	—	21,376
Short-term borrowings	225,219	—	225,219
Accruals and deferred income	284	45,661	45,945
Short-term liabilities under sale and repurchase agreements	43,745	—	43,745
Financial liabilities at fair value through profit or loss – convertible loan derivatives	—	2,675	2,675
Total	309,228	48,336	357,564

25. *Financial instruments – Risk management – continued*

	Trade and other payables at amortised cost 2014 US $ 000's	*At fair value through profit or loss 2014 US $ 000's*	*Total 2014 US $ 000's*
Financial liabilities			
Trade payables	12,563	—	12,563
Other payables – current	340	—	340
Short term borrowings	315,065	—	315,065
Accruals and deferred income	—	37,012	37,012
Short term liabilities under sale and repurchase agreements	45,701	—	45,701
Financial liabilities at fair value through profit or loss – derivatives	—	—	—
Total	373,669	37,012	410,681

Financial instruments are measured at fair value as follows:

	Level 1		*Level 2*		*Level 3*	
As at 31 December	*2015 US $ 000's*	*2014 US $ 000's*	*2015 US $ 000's*	*2014 US $ 000's*	*2015 US $ 000's*	*2014 US $ 000's*
Financial assets						
Equity investments	—	—	—	3,075	179	189
Derivative financial assets	7,316	18,669	—	—	—	—
Total	7,316	18,669	—	3,075	179	189
Financial liabilities						
Accruals and deferred income	45,661	37,012	—	—	—	—
Derivative financial liabilities	—	—	2,675	—	—	—
Total	45,661	37,012	2,675	—	—	—

The valuation techniques used in assessing the categorisation level as disclosed above is detailed in note 2.4 of the accounting policy notes.

The impact of the level 3 adjustment is shown as part the current year investment portfolio gains and (losses) in the consolidated statement of comprehensive income. The valuation technique used was the last fund raise done by the respective investment adjusted for the relevant liquidity of the investments. An increase/(decrease) in the underlying unobservable inputs, would not be reflected in other comprehensive income, but rather directly to the profit or loss of the Group. A 10% increase/(decrease) in the assumption would result in a change of $17,882/($17,882) (2014: $18,916/($18,916)) to the Group's profit before tax.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

25. Financial instruments – Risk management – *continued*

Effective risk management is a fundamental aspect of the Group's business operations. In the ordinary course of the Group's business it is exposed to a number of financial risks: market risk, credit risk and liquidity risk. The principal risks and the policies for managing them are summarised below.

Equity risk

Equity risk arises from changes in the prices of the Group's equity investments arising through the normal course of its investing activities. An adverse movement in the fair value of the equity investments has a negative impact on the capital resources of the Group.

Equity risk exposures are primarily managed through the use of the individual stock position and overall portfolio limits.

A 10% increase or decrease in the underlying share price of listed financial assets of the Group at the year-end would have $nil effect on pre-tax profit and net assets in the current financial year (2014: $nil).

Market Risk

The principal market risks that the Group is exposed to are interest rate risk, foreign currency risk, commodity price risk and equity risk.

Interest rate risk

The Group is exposed to interest rate risk on cash it holds and trade finance credit facilities.

Interest rate risk is derived from interest bearing deposits in which the Group invests cash. Due to the Group's liquidity requirements, cash is generally deposited at interest rates set on a daily basis. Interest income included within revenue in the year was $7,406 (2014: $254). The Group's interest bearing assets are held as cash or cash equivalents at floating interest rates as follows:

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Sterling	89	340
Canadian Dollars	—	105
US Dollars	8,917	7,619
Euros	313	32
Swiss Francs	108	12
Mozambique Metical	70	—
Other denominations	326	1,553
Cash or cash equivalents	9,823	9,661

The Group is also exposed to interest rate risk in respect of the interest rate charged by:

- Trade finance providers for its physical metals activities. Interest rates charged by the banks are typically set at a margin over US$ LIBOR calculated on the total US Dollar value of a shipment at the time of shipping. The Group has a policy of estimating its per tonne profit margin using interest rates that are above the prevailing interest rate. The Group typically enters into arrangements to purchase and sell specific tonnages of metal up to 12 months in advance of shipment and estimates its profit margin per tonne of metal sold after all costs, including an estimate for the expected rate of interest. As the actual interest rate is not known until the time of shipping there is the risk if interest rates rise that the actual interest charge would adversely affect the profitability of the transaction;

25. Financial instruments – Risk management – ***continued***

- Long term finance providers for its cement operations. Interest rates charged by the IDC are typically set at a margin over LIBOR; and
- Facility providers for its cement operations. Interest rates charged by the banks are typically set at a margin over MZN prime lending rate.

A change of 100 basis points upwards or downwards in interest rates at the year-end would have (decreased)/increased pre-tax profit from continuing operations and net assets by ($1,894,722)/$1,894,722 (2014: ($754,095)/$754,095). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Foreign currency risk

The Group is exposed to currency risks from its operating and investing activities. The Group publishes its consolidated financial statements in US Dollars. The revenue generated by Ambrian Metals Limited is for the most part denominated in US Dollars while the vast majority of their operating expenses are denominated in Pounds Sterling.

The revenue generated by Cimentos da Beira is for the most part denominated in Mozambique Meticals while the majority of their operating expenses are denominated in US Dollars. Thus the impact arising from foreign currency risk on the Group's trading activities is potentially material.

The Group mitigates the risk of a loss as a result of transactions that occur in US Dollars by the purchase of forward foreign exchange contracts to sell a proportion of US Dollar income forward or through the purchase of options to sell US Dollars.

A 10% strengthening or weakening in the exchange rate between the Pound Sterling and the US Dollar at 31 December 2015 would have increased/(decreased) pre-tax profit from continuing operations and net assets by $14,027/($14,027) (2014: $276,364/($276,364)), assuming that all other variables, in particular interest rates, remain constant.

A summary of the financial instruments held by currency is provided below:

	Sterling 2015 US $ 000's	*US Dollars 2015 US $ 000's*	*Metical 2015 US $ 000's*	*Other 2015 US $ 000's*
Financial Assets				
Cash at bank	89	8,917	70	747
Trade receivables	—	55,673	341	—
Other receivables – current	—	738	—	—
Financial assets at fair value through profit or loss – equities	179	—	—	—
Financial assets at fair value through profit or loss – derivatives	—	7,316	—	—
Total	268	72,644	411	747

25. Financial instruments – Risk management – *continued*

	Sterling 2014 US $ 000's	*US Dollars 2014 US $ 000's*	*Euros 2014 US $ 000's*	*Other 2014 US $ 000's*
Financial Assets				
Cash at bank	340	7,619	32	1,670
Trade receivables	101	75,142	—	2
Other receivables – current	—	222	—	—
Financial assets at fair value through profit or loss – equities	3,256	—	8	—
Financial assets at fair value through profit or loss – derivatives	—	18,669	—	—
Total	3,697	101,652	40	1,672

	Sterling 2015 US $ 000's	*US Dollars 2015 US $ 000's*	*Metical 2015 US $ 000's*	*Other 2015 US $ 000's*
Financial Liabilities				
Trade and other payables	162	15,587	379	2,476
Long-term borrowings	880	20,496	—	—
Short-term borrowings	—	222,287	2,932	—
Short term liabilities under sale and repurchase agreements	—	43,745	—	—
Financial liabilities at fair value through profit or loss – derivatives	2,675	—	—	—
Accruals and deferred income	281	44,565	284	815
Total	3,998	346,680	3,595	3,291

	Sterling 2014 US $ 000's	*US Dollars 2014 US $ 000's*	*Euros 2014 US $ 000's*	*Other 2014 US $ 000's*
Financial Liabilities				
Trade and other payables	30	6,484	2	6,047
Short-term borrowings	—	315,065	—	—
Short term liabilities under sale and repurchase agreements	—	45,701	—	—
Financial liabilities at fair value through profit or loss – derivatives	—	—	—	—
Accruals and deferred income	1,739	35,061	12	199
Total	1,769	402,311	14	6,246

Commodity price risk

Commodity price risk is the risk of financial loss resulting from movements in the price of commodities.

The Group is exposed to commodity price risk arising from physical sales of base metals, primarily refined copper.

25. Financial instruments – Risk management – *continued*

This risk is principally managed through contractual arrangements with customers and the use of futures. Any increase/decrease in the base metal market price on physical contracts will be offset by a corresponding decrease/increase on our futures position.

The Group is also exposed to commodity price risk in the event that commodity prices rise and the US Dollar value of total tonnages of commodities that it has contracted to purchase exceeds the total US Dollar amount of trade finance facilities available to the Group.

The Group mitigates this risk by entering into purchase contracts assuming commodity prices above prevailing levels. The Group also has the potential to finance metal purchases with trade finance providers by entering into sale and repurchase agreements for the commodity.

Credit and non-performance risk

The Group is exposed to credit risk from its operating activities.

The Group's cash and cash equivalents are placed with major financial institutions.

Counterparty credit risk arises from our normal business operations including purchases and sales transactions, and thus receivables, as well as transactions which may involve a performance risk, for example associated with prepayments and accrued income. These risks are addressed by individual counterparty analysis and the creation of risk limits which are monitored on an ongoing basis. Given the global nature of our business operations, which involves a diverse counterparty base, the impact of individual risk exposure is reduced. Concentration risk is regularly monitored and assesses counterparty exposure, industry sector exposure and country exposure.

Trade receivables payment risk associated with the physical metals business is reduced as almost all the trade receivables are either backed by a letter of credit from a major financial institution or there is credit insurance for substantially all of the credit exposure or there is other protection through title retention arrangements.

The maximum exposure to credit risk before the consideration of collateral or other credit enhancements is represented by the carrying amounts of the financial assets that are shown on the consolidated statement of financial position, including derivatives with positive market value.

The Group is exposed to the potential risk of a supplier defaulting on delivery of a contracted shipment of metal. We mitigate this risk in our physical metals business, by keeping a quantity of stock in storage and, by the use of performance bonds or similar instruments. Further, as the physical metals business deals almost exclusively in readily convertible commodities, we expect to be able to source metals from alternative counterparties although this may impact the profitability of the transaction.

As at 31 December 2015, the analysis of trade receivables outstanding was as follows:

	Total US $ 000's	*< 30 days US $ 000's*	*31 – 90 days US $ 000's*	*91 – 180 days US $ 000's*	*> 180 days US $ 000's*
2015	56,014	55,123	810	8	73
2014	75,245	75,245	—	—	—

At 31 December 2015 and at 31 December 2014 there were no trade receivables that were considered to be impaired.

25. Financial instruments – Risk management – continued

Liquidity risk

The Group defines liquidity risk as the failure to have sufficient financial resources to meet its day to day capital and cashflow requirements.

The Group's liquidity risk management strategy includes (a) projecting cashflows from operations, (b) maintaining sufficient cash and (c) accessing a diverse number of uncommitted bi-lateral trade finance facilities.

The Group's liquidity is monitored daily within agreed procedures designed to ensure that the Group has sufficient liquidity to fully meet its obligations, including physical metal purchases and margin requirements at LME clearers and at third party brokers.

Excess liquidity is invested in cash deposits with financial institutions, typically, on an overnight basis. As at 31 December 2015, the Group had cash and cash equivalents of $9,822,792 (2014: $9,661,027).

Ambrian Metals Limited had as at 31 December 2015, bi-lateral bank facilities with ten (2014: eleven) banks totaling US$365,000,000 (2014: $425,000,000) under which the Group had access to cash borrowings and trade finance facilities. At 31 December 2015, $218,926,880 of these facilities, were drawn down (2014: $315,064,536). The Group's policy is to maintain strong relationships with a number of alternative major providers of trade finance. The Group's metals trading business is dependent upon the continued availability of these banking facilities. The withdrawal or a material reduction of these facilities would have a materially adverse effect on the Group. The future growth of the metals trading business depends upon the availability of appropriate bank facilities and trade finance to fund them.

Cimentos da Beira had as at 31 December 2015, two senior term loans and a convertible loan with the Industrial Development Corporation ("IDC") totaling US$23,000,000. In addition, the company had three bank facilities totaling $8,560,000 under which the Group had access to cash. The Group's cement business is dependent upon the continued availability of these banking facilities. The withdrawal or a material reduction of these facilities would have a materially adverse effect on the Group.

The table below summarises the maturity profile of the Group's financial liabilities and derivatives at 31 December based on contractual undiscounted payments.

At 31 December 2015	*Up to 6 months US $ 000's*	*Between 6 and 12 months US $ 000's*	*Between 1 and 2 years US $ 000's*	*Between 2 and 5 years US $ 000's*	*Over 5 years US $ 000's*
Trade and other payables	18,604	—	—	—	—
Accruals and deferred income	45,945	—	—	—	—
Long-term borrowings	1,038	2,076	4,153	17,223	—
Short-term trade finance	222,105	—	—	—	—
Short-term liabilities under sale and repurchase agreements	43,745	—	—	—	—
Financial liabilities at fair value through profit or loss	2,675	—	—	—	—
	334,112	2,076	4,153	17,223	—

25. Financial instruments – Risk management – continued

At 31 December 2014	Up to 6 months US $ 000's	Between 6 and 12 months US $ 000's	Between 1 and 2 years US $ 000's	Between 2 and 5 years US $ 000's	Over 5 years US $ 000's
Trade and other payables	12,904	—	—	—	—
Accruals and deferred income	37,012	—	—	—	—
Short-term trade finance	315,065	—	—	—	—
Short-term liabilities under sale and repurchase agreements	45,701	—	—	—	—
Financial liabilities at fair value through profit or loss	—	—	—	—	—
	410,682	—	—	—	—

Capital management

The primary objective of the Group's capital management is to ensure that it has sufficient capital to support its businesses and maximise shareholder value. Details of the Group's capital is disclosed in the Group's consolidated statement of changes in equity at 31 December 2015 above. The Company's equity is disclosed on the Company's statement of financial position at 31 December 2015 below.

For the purpose of capital management, capital is defined as share capital, share premium account, treasury shares and retained earnings.

To maintain or adjust the Group capital structure, the Group may return capital to shareholders or issue new shares.

The Group enters into short-term borrowings to finance trading activity and cement operations. The Group enters into long-term borrowings to finance property, plant and equipment for the cement operations.

26. Accounting estimates and judgements

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are considered below.

Fair value of financial instruments

The Group determines the fair value of financial instruments that are not quoted, based on estimates using present values or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. Where market prices are not readily available, fair value is either based on estimates obtained from independent experts or quoted market prices of comparable instruments. In that regard, the derived fair value estimates cannot be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Details of financial assets held at fair value through profit or loss are provided in note 10.

26. Accounting estimates and judgements – *continued*

All amounts presented in respect of unlisted securities have been determined with reference to financial information available at the time of the original investment updated to reflect all relevant changes to that information at the reporting date. This determination requires significant judgement in determining changes to fair value since the last valuation date. In making this judgement the Board evaluates, among other factors, changes in the business outlook affecting a particular investment, performance of the underlying business against original projections and valuations of similar quoted companies.

Business combination – Identifying the acquirer

As a result of the business combination detailed in note 28, the Group exercised judgment in identifying the acquirer. The Group considered the following factors:

- in a business combination effected primarily by exchanging equity interests, the acquirer is usually the entity that issues its equity interests;
- the relative voting rights in the combined entity after the business combination;
- the existence of a large minority voting interest in the combined entity if no other owner or organized group of owners has a significant voting interest;
- the composition of the governing body of the combined entity; and
- the composition of the senior management of the combined entity.

The Group considered these factors and determined that Ambrian Group was the acquirer and Consolidated General Minerals plc was the acquiree.

Deferred tax asset

The Group determines the recoverability of deferred tax assets based on an assessment of the future financial performance of the business and the ability to offset or recover this under the tax legislation of the jurisdictions that the Group operates in. The extent to which estimates about future performance of the business or tax legislation are different from current assessments may impact the ultimate realisation of this asset. The deferred tax in the current year is based on the fair value uplift arising from the merger, at the Mozambican tax rate of 32%, and deferred tax losses carried forward, at the UK tax rate of 18%.

Depreciation rates

Refer to note 2.9 for the applicable depreciation rates. Estimated useful economic lives of property, plant and equipment are based on management's judgement and experience. When management identifies that actual useful lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Due to the significance of capital investment to the Group, variations between actual and estimated useful lives could impact operating results both positively and negatively. Asset lives and residual values are reviewed annually and historically changes to remaining estimates of useful lives have not been material.

Inventory valuation

Refer to note 2.12 for the accounting policy on Inventory. Net realisable value is the estimate of the selling price of inventories in the ordinary course of business, less the costs of completion and applicable variable selling expenses. Management is required to exercise considerable judgement in the determination of this estimate.

26. Accounting estimates and judgements – *continued*

Convertible loan notes valuation

Refer to note 2.16 and note 14 for the accounting policy on convertible loan notes. The Group has entered into a series of significant convertible loan notes. These transactions, some of which are with significant shareholders, required judgment in terms of the appropriate accounting treatment. In applying judgment and estimation in determining the fair value of liability and derivative components of the loan notes, it was considered that the host component of the loan notes was a debt instrument and the convertible portion had an embedded foreign exchange derivative. The embedded foreign exchange derivative was valued first with the residual portion considered the debt component. As there are market observable inputs (e.g. share price, volatility and risk free rates) and there is a defined contractual term, the Convertible Loan notes are considered level 2 for IFRS 13 disclosure purposes. A Black and Scholes model was used to value the conversion feature and the embedded derivative.

27. Non-controlling interest

The non-controlling interest ("NCI") disclosed in the consolidated statement of comprehensive income and consolidated statement of financial position at 31 December 2015 is represented by:

Names of entity with NCI	*Cimentos da Beira*
Principal place of business of subsidiary	Beira, Mozambique
Proportion of ownership held by NCI	20%
Proportion of voting rights held by NCI	0%
Profit/(loss) attributed to NCI in US $ 000's	252
Accumulated NCI value in US $ 000's	7,197
Dividends paid to NCI	—

The 20% economic interest in Cimentos da Beira ("CdB"), is held by the Industrial Development Corporation of South Africa Limited ("IDC") by means of a convertible loan agreement whereby the IDC has an option to subscribe for 20% of the issued share capital of CdB.

Refer to the Segmental analysis, note 3, for the breakdown of assets and liabilities relating to CdB.

A 20% minority interest in Ambrian Resources AG is held by shareholders other than Ambrian plc.

28. Business combination of Consolidated General Minerals (Schweiz) AG

On 17 February 2015, Ambrian announced that it had entered into a conditional agreement relating to the merger of Ambrian's Swiss subsidiary, Ambrian Metals Limited, with CGM Schweiz (which owns a newly constructed cement manufacturing plant in the port of Beira, Mozambique), pursuant to a 'merger by absorption' process governed by Swiss law and a subsequent acquisition by Ambrian plc of the shareholding of Consolidated General Minerals Plc (now in liquidation) ("CGM") in the resulting Swiss merged entity, together with all the indebtedness of the CGM Schweiz Group owed to CGM.

On 6 March 2015 the deal was approved by a majority shareholding of both entities, and by 27 March 2015 the deal was declared unconditional with all conditions precedent having been met. This is considered the acquisition date. On the same day two directors of CGM were appointed to the board of Ambrian plc, Robert Adair (now Chairman) and Jean-Pierre Conrad (now Chief Executive Officer).

28. Business combination of Consolidated General Minerals (Schweiz) AG – *continued*

The merger serves a strategic purpose in diversifying Ambrian's revenue stream. The Group now has an operating asset, and has further exposure to the fast growing and developing market of Mozambique. Further it helps increase Ambrian's shareholder base, and consequent prospects of additional liquidity in share trading and improving the Group's profile with institutional investors.

We previously announced the details of the transaction with CGM and the combination of our businesses. This is the first reporting period for which we report on the combined businesses including the cement plant in Mozambique, owned by CdB. The directors have considered how this transaction should be accounted for and having reviewed the criteria, have determined that it should be accounted for as a business combination.

Details of the fair value of identifiable assets and liabilities acquired (excluding the holding in Ambrian plc previously held by CGM), and purchase consideration is as follows:

	Book value at 31 March 2015 US $ 000's	*Fair value uplift at 31 March 2015 US $ 000's*	*Fair value at 31 March 2015 US $ 000's*
Property, plant and equipment	40,132	26,174	66,306
Land	768	—	768
Trade and other receivables	2,659	—	2,659
Cash and cash equivalents	424	—	424
Loan and overdraft facilities	(25,151)	—	(25,151)
Trade and other payables	(1,938)	—	(1,938)
Deferred tax liability	—	(7,582)	(7,582)
Non-controlling interest	—	(6,944)	(6,944)
Total net assets	16,894	11,648	28,542

	No. of Convertible Securities	*At 31 March 2015 US $ 000's*
Fair value of consideration payable		
Initial Convertible Securities (converted)	165,020,739	28,521
Second Tranche Deferred Convertible Securities	9,707,102	1,678
Total consideration	174,727,841	30,199
Less Investment acquired in Ambrian plc previously held by CGM		(1,657)
		28,542

The value applied to the equity to be issued is based on Ambrian plc's closing price (11.62 pence) and USD closing exchange rate (USD/GBP 1.4874) on the day the transaction completed (27 March 2015).

Details of the Convertible Securities in relation to the merger

The 165,020,739 Initial Convertible Securities of £0.01 each in Ambrian plc were issued on 8 May 2015, as anticipated and upon their immediate subsequent distribution to CGM shareholders, automatically converted into 165,020,739 Ordinary Shares in Ambrian plc.

28. Business combination of Consolidated General Minerals (Schweiz) AG – ***continued***

The 19,414,205 First Tranche Deferred Convertible Securities of £0.01 each in Ambrian plc were also issued on 8 May 2015 but (notwithstanding their immediate subsequent distribution to CGM shareholders) were not converted into Ordinary Shares in Ambrian plc, as the condition for such conversion (mechanical completion of the Beira cement plant) was not satisfied by the long stop date for satisfaction of that condition (15 May 2015) – and so automatically on that date converted into 19,414,205 special deferred shares of £0.01 each in Ambrian plc.

The 9,707,102 Second Tranche Deferred Convertible Securities of £0.01 each in Ambrian plc were also issued on 8 May 2015 and, in accordance with their terms, will as a result of their immediate distribution to CGM Shareholders convert into 9,707,102 Ordinary Shares in Ambrian plc conditional upon the final dissolution of CGM.

Details of the Non-treasury shares in relation to the merger

As a result of the merger, Ambrian plc now holds $4,980,000 of shares in itself comprising $1,657,000 through shares held directly by CGM (as noted above) and $3,323,000 through Ambrian plc's holding in CGM plc which was acquired through the issue of Ambrian plc shares. These shares are held as non-treasury shares and are required by law to be sold or cancelled in the future.

Refer to note 3 for the profit contributed by the cement operations segment since acquisition.

Ambrian plc

Company Balance Sheet
at 31 December 2015

Company Number 3172986	Note	As at 31 December 2015 US $ 000's	As at 31 December 2014 US $ 000's
Non-current assets			
Investment in subsidiaries	3	21,978	21,941
		21,978	21,941
Current assets			
Investments	4	—	3,075
Trade and other receivables	5	36,047	5,591
Cash and cash equivalents		60	153
Total Assets		58,085	30,760
Current liabilities			
Trade and other payables	6	(5,262)	(7,424)
Financial liabilities at fair value through profit and loss	7	(2,675)	—
		(7,937)	(7,424)
Net current assets		50,148	23,336
Non-current liabilities			
Convertible loan notes	13	(880)	—
Total net assets		49,268	23,336
CAPITAL AND RESERVES			
Share capital	8	4,222	17,665
Share premium		18,044	18,044
Capital redemption reserve		15,898	—
Merger relief reserve		24,770	—
Treasury shares		(1,986)	(1,986)
Other reserves		(3,323)	—
Retained earnings		(9,970)	(9,030)
Employee benefit trust		(10,870)	(11,446)
Share-based payments reserve		8,052	8,052
Shares to be issued		1,477	—
Exchange Reserve		2,954	2,037
Shareholders' funds		49,268	23,336

These financial statements were approved and authorised by the Board of Directors on 7 June 2016.

Robert fm Adair   JMColes

R F Adair   **J M Coles**
Chairman   *Finance Director*

The accounting policies and notes set out on pages 65 to 70 form an integral part of these parent Company financial statements.

Company statement of changes in equity for the year ended 31 December 2015

	Share capital US $ 000's	Share premium account US $ 000's	Capital redemption reserve US $ 000's	Merger relief reserve US $ 000's	Treasury shares US $ 000's	Other reserve US $ 000's	Retained earnings US $ 000's	Employee benefit trust US $ 000's	Share based payments reserve US $ 000's	Shares to be issued US $ 000's	Exchange reserve US $ 000's	Total US $ 000's
Balance at 31 December 2013	17,665	18,044	—	—	(1,986)	—	(9,517)	(11,446)	8,052	—	3,658	24,470
Movement in exchange reserves	—	—	—	—	—	—	—	—	—	—	(1,621)	(1,621)
Loss for the financial year	—	—	—	—	—	—	487	—	—	—	—	487
Balance at 31 December 2014	**17,665**	**18,044**	—	—	**(1,986)**	—	**(9,030)**	**(11,446)**	**8,052**	—	**2,037**	**23,336**
Shares issued during the year	2,455	—	—	26,066	—	—	—	—	—	—	—	28,521
Share issue costs	—	—	—	(1,296)	—	—	—	—	—	—	—	(1,296)
Shares to be issued	—	—	—	—	—	—	—	—	—	1,477	—	1,477
Shares held as non-treasury shares as a result of the merger	—	—	—	—	—	(3,409)	—	—	—	—	—	(3,409)
Redemption of Deferred 9p shares	(15,898)	—	15,898	—	—	—	—	—	—	—	—	—
Share award	—	—	—	—	—	86	—	—	—	—	—	86
Exercise money received from Employee benefit trust	—	—	—	—	—	—	—	576	—	—	—	576
Movement in exchange reserves	—	—	—	—	—	—	—	—	—	—	917	917
Loss for the financial year	—	—	—	—	—	—	(940)	—	—	—	—	(940)
Balance at 31 December 2015	**4,222**	**18,044**	**15,898**	**24,770**	**(1,986)**	**(3,323)**	**(9,970)**	**(10,870)**	**8,052**	**1,477**	**2,954**	**49,268**

The accounting policies and notes set out on pages 65 to 70 form an integral part of these parent Company financial statements.

Ambrian plc

Company statement of cash flows
for the year ended 31 December 2015

	Year to 31 December 2015 US $ 000's	*Year to 31 December 2014 US $ 000's*
(Loss)/profit for the year before taxation	(932)	487
Adjustments for:		
Share-based payment expense	72	—
Depreciation charges	—	6
Loss on disposal of property, plant and equipment	—	49
Foreign exchange losses/(gains)	898	(1,047)
Realised gain on financial assets designated at fair value	(676)	—
Unrealised gain on financial liabilities designated at fair value	(428)	—
Unrealised gain on financial assets designated at fair value	—	(783)
(Increase)/decrease in trade and other receivables	(265)	2,115
(Decrease)/increase in trade and other payables	(2,162)	573
Cash (used)/generated in operations	(3,493)	1,400
Taxation paid	—	—
Net cash flow (used)/generated in operating activities	(3,493)	1,400
Investing activities		
Increase in investment in subsidiary	—	(3,046)
Disposal of property, plant and equipment	—	14
Net cash used in investing activities	—	(3,032)
Financing activities		
Share issue costs	(1,296)	—
Proceeds from issue of convertible loan notes	4,121	—
Proceeds received from the exercise of options in Employee Benefit Trust	576	—
Net cash generated from financing activities	3,401	—
Net (decrease) in cash and cash equivalents	(92)	(1,632)
Cash and cash equivalents at the beginning of the year	153	1,765
Effect of foreign exchange rate differences on cash and cash equivalents	(1)	20
Cash and cash equivalents at the end of the year	60	153

The accounting policies and notes set out on pages 65 to 70 form an integral part of these parent Company financial statements.

1. Accounting policies

The parent Company financial statements of Ambrian plc have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. These financial statements are the first financial statements prepared under FRS 102. There are no key adjustments on the first-time adoption of FRS 102.

In preparing the separate financial statements of the parent company, advantage has been taken of the exemption under Section 408 of the Companies Act 2006 not to present its individual profit and loss account and related notes.

The Company has elected to apply the provisions of IFRS 39 'Financial instruments: Recognition and measurement' (as adopted in the EU) in line with 11.3 of FRS 102.

1.1 *Accounting convention*

The financial statements are prepared under the historical cost convention.

1.2 *Foreign currencies*

The financial statements have been presented in US Dollars which is the functional currency of the Company's principal trading subsidiaries, Ambrian Metals Limited and Cimentos Da Beira Limitada.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.

1.3 *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on all timing differences when the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

1.4 *Pensions*

The Company contributes to the private pension scheme of two Directors. The assets of the scheme are held separately from that of the Company. Contributions are charged in the accounts as incurred.

1.5 *Share-based payment transactions*

All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2006 are recognised in the financial statements.

The fair values of employees' services rewarded using share-based payments are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

1. Accounting policies – *continued*

All equity-settled share-based payments are recognised as an expense in the profit and loss account with a corresponding credit to share-based payment reserves.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

1.6 *Employee benefit trust*

The assets and liabilities of the Employee Benefit Trust (EBT) have been included in the Company's accounts. Any assets held by the EBT cease to be recognised on the consolidated statement of financial position when the assets vest unconditionally in identified beneficiaries. The costs of purchasing own shares held by the EBT are shown as a deduction against shareholders' funds. The proceeds from the sale of own shares held increase shareholders' funds. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the profit and loss account.

1.7 *Treasury shares*

The costs of purchasing treasury shares are shown as a deduction against shareholders' funds. The proceeds from the sale of own shares held increase shareholders' funds. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the profit and loss account.

1.8 *Investments*

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Current asset investments were stated at the lower of cost and net realisable value.

1.9 *Financial instruments*

Details of the financial instruments accounting policies are given in note 2.4 to the consolidated financial statements.

2. Company profit

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The Company's loss after tax was $940,000 (2014: profit after tax of $487,000).

3. Investments held as current assets

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Shares in subsidiary undertakings		
Cost		
At 1 January	21,941	20,081
Effects of foreign currency translation	37	1,860
At 31 December 2015	21,978	21,941
Net book value		
At 31 December 2015	21,978	21,941

Details of the investments in subsidiary undertakings held by the Company at the year end are as follows:

Name of Company	*Country of operation*	*Country of incorporation*	*Holding*	*Proportion of shares and voting rights held*	*Nature of business*
Ambrian Metals Limited	UK	Switzerland	Ordinary shares	100%	Physical metals merchant
Ambrian Trading (Shanghai) Limited	China	China	Ordinary shares	100%	Physical metals merchant
Ambrian (Singapore) Pte Limited	Singapore	Singapore	Ordinary Shares	100%	Physical metals merchant
Ambrian Trading (Taiwan) Limited	Taiwan	Taiwan	Ordinary Shares	100%	Physical metals merchant
Ambrian Resources AG	Switzerland	Switzerland	Ordinary shares	80%	Consultancy
Ambrian Nominees Limited	UK	UK	Ordinary shares	100%	Nominee
Ambrian Principal Investments Limited	Jersey	Jersey	Ordinary shares	100%	Managed fund
CGM (UAE) FZE	UAE	UAE	Ordinary Shares	100% (2014: 0%)	Holding company
CGM Distribution FZE	UAE	UAE	Ordinary Shares	100% (2014: 0%)	Holding company
Cimentos Da Beira Limitada	Mozambique	Mozambique	Ordinary shares	100% (2014: 0%)	Cement Operation
Cimentos Da Beira Distribution Limitada	Mozambique	Mozambique	Ordinary shares	100% (2014: 0%)	Cement distribution
Cimentos Da Beira Warehouse Limitada	Mozambique	Mozambique	Ordinary shares	100% (2014: 0%)	Cement warehousing

3. Investments held as current assets – *continud*

As detailed in note 28 to the consolidated financial statements, Ambrian Metals Limited and CGM Schweiz merged during the year. This resulted in the additional subsidiary undertakings disclosed above.

4. Investments

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Unlisted	—	3,075
	—	3,075

5. Trade and other receivables

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Amounts falling due within one year		
Amounts owed by subsidiary undertakings	35,972	4,077
Other taxes and social security	58	134
Prepayments and accrued income	17	1,380
	36,047	5,591

Amounts owed by subsidiary undertakings are shown after provisions of $nil (2014: $nil). Amounts owed by subsidiary undertakings comprise of interest free receivables of $32,972,000 (2014: $1,077,000) and interest bearing receivables of $3,000,000 (2014: $3,000,000). Interest is charged at 8.5% above 6 month USD Libor on the interest bearing receivables.

6. Trade and other payables

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Amounts payable within one year		
Other creditors	110	6
Other taxation and social security creditors	25	24
Accruals and deferred income	161	1,398
Corporation tax	14	—
Amounts owed to subsidiary undertakings	4,952	5,996
	5,262	7,424

7. Financial liabilities at fair value through profit or loss

	As at 31 December 2015 US $ 000's	*As at 31 December 2014 US $ 000's*
Financial assets at fair value through profit and loss – convertible loan derivatives	(2,675)	—

Financial liabilities at fair value through profit or loss represent convertible loan derivatives in respect of warrants and an embedded derivative in relation to the convertible loan notes in Ambrian plc which are denominated in Pounds Sterling. Refer to note 14 to the consolidated financial statements for further details.

8. Share Capital and Share Premium

As part of the process of the merger as described in note 28 to the consolidated financial statements, Ambrian plc changed the par value of its ordinary shares from 10 pence to 1 pence.

Details of the share capital and share premium are given in note 17 to the consolidated financial statements.

9. Share options

The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to the Directors and other persons. Full details of the share options currently in existence are set out in note 18 to the consolidated financial statements.

10. Capital commitments

There were no capital commitments as at 31 December 2015 or at 31 December 2014.

11. Contingent liabilities

There were no contingent liabilities as at 31 December 2015 or at 31 December 2014.

12. Guarantees and other financial commitments

The Company has granted a $10,000,000 guarantee (2014: $10,000,000) to a consortium of banks that provide trade finance facilities to Ambrian Metals Limited. Details of the guarantees that the Company has granted to the banks that provide facilities to Cimentos da Beira are given in note 14 to the consolidated financial statements.

13. Transactions with related parties

Details of transactions with Directors and Directors' remuneration are given in note 5 to the consolidated financial statements.

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with its wholly owned subsidiaries.

There were no other related party transactions other than those disclosed in note 24 of the Group consolidated financial statements.

14. Convertible loan notes

Details of the convertible loan notes are given in note 6 and 14 to the consolidated financial statements.

15. Financial instruments – Risk management

Details of the Company's risk management are given in note 25 to the consolidated financial statements.

	2015 *US $ 000's*	*2014* *US $ 000's*
Financial assets		
Financial assets at amortised cost	35,972	4,077
Financial liabilities		
Financial liabilities at fair value through profit or loss	(3,555)	—
Financial liabilities at amortised cost	(5,223)	(7,400)

Financials assets measured at amortised cost comprise cash and trade and other receivables.

Financial liabilities at fair value through profit or loss relate to the debt portion of the Convertible loan notes issued by the Company during the year. Financial liabilities at amortised costs pertain to trade and other payables at year end.

Ambrian plc

Directors

AMBRIAN PLC

Robert F Adair

Non-executive Chairman *(appointed 27 March 2015)*

After graduating in geology from Oxford University, Robert qualified as a Chartered Accountant. He is until June 2016 the Chairman of Petroceltic International plc and was until recently Deputy Chairman of Urban & Civic plc and a number of other companies.

Jean-Pierre Conrad

Chief Executive Officer *(appointed 27 March 2015)*

Jean-Pierre started his career in the banking industry in Switzerland. In 1994 he joined Marc Rich which became Glencore International thereafter, responsible for corporate finance activities in the metals and minerals trading division in Switzerland. He was appointed chief financial officer of Xstrata in 1997 which transformed from an investment vehicle to a diversified natural resource group during his period in office. Since leaving Xstrata at the end of 2001, he has pursued private ventures including in the natural resource sector. He is a director of MG Finance SA, a private asset management company in Switzerland.

John M Coles

Finance Director

John has over 25 years' experience in investment banking and asset management. After qualifying as a chartered accountant, he worked with Robert Fleming & Co. Limited in private equity, investment banking and stockbroking. Prior to joining the Group, John was Deputy Managing Director of JP Morgan Fleming Asset Management in France. John holds an honours degree in business and economics from Trinity College, Dublin, and is a member of the Institute of Chartered Accountants in England and Wales.

Nicolas F Rouveyre

Non-executive Director

Nicolas has worked in the minerals industry all of his professional life, starting his career with Transamine in Bolivia and Peru. Thereafter, he spent over 20 years with the Marc Rich Group and then with the Glencore International Group, where he was a senior partner and responsible for the zinc, lead, silver and gold trading department. He was instrumental in acquiring a significant portfolio of integrated zinc and lead operations worldwide which assisted Glencore to become the largest global player in these markets.

Charles S Davies

Non-executive Director *(appointed 16 October 2015)*

Charles founded and built The Link Asset & Securities Co Ltd into a world leading interdealer brokerage firm and sold it to ICAP plc in 2008. Since 2012, Charles has focused on building Edgebold DMCC which is involved in construction, real estate, ship supply services and transport services in Mozambique.

Martin Abbott

Non-executive Director *(appointed 9 October 2015)*

Martin served as the Chief Executive Officer of the London Metal Exchange from 2006 until 2013, leading the company through its successful US$2.2 billion takeover by Hong Kong Stock Exchanges & Clearing Group. He has also served as Editor-In-Chief of Metal Bulletin Plc, a London-listed publishing and events company, between 2001 and 2006 prior to its £221 million acquisition by Euromoney.