

OS AA01

Statement of details of parent law and other  
information for an overseas company



Companies House

100036160

☒ What this form is for  
You may use this form to  
accompany your accounts  
disclosed under parent law.

☐ What this form is NOT for  
You cannot use this form for  
an alteration of name  
with accounting requirements.

SATURDAY



A10

\*A7ZFETDK\*

16/02/2019

#112

COMPANIES HOUSE

**Part 1** Corporate company name

Corporate name of  
overseas company ①

CAMBRIA AFRICA PLC

UK establishment  
number

B R 0 1 5 0 5 8

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state.

**Part 2** Statement of details of parent law and other  
information for an overseas company

**A1** Legislation

Please give the legislation under which the accounts have been prepared and,  
if applicable, the legislation under which the accounts have been audited.

Legislation ②

ISLE OF MAN

② This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts.

**A2** Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3.

Name of organisation  
or body ③

IFRS AS ADOPTED BY THE EU

③ Please insert the name of the  
appropriate accounting organisation  
or body.

**A3** Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

☐ No. Go to Section A5.

☒ Yes. Go to Section A4.

**OS AA01**

Statement of details of parent law and other information for an overseas company

**A4****Audited accounts**

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐ **No.** Go to **Part 3 'Signature'**.☒ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.**1** Please insert the name of the appropriate accounting organisation or body.Name of organisation or body **1**

IFRS AND APB'S

**A5****Unaudited accounts**

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

☐ **No.**☒ **Yes.****Part 3****Signature**

Signature

I am signing this form on behalf of the overseas company.

Signature

X



X

This form may be signed by:  
Director, Secretary, Permanent representative.

# OS AA01

Statement of details of parent law and other information for an overseas company



## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **HENDRIK LOUW**

Company name **SUEZ CAPITAL (PTY) LTD**

Address **245 MARAIS STREET**

**BROOKLYN**

Post town **PRETORIA**

County/Region

Postcode **0 1 8 1**

Country **SOUTH AFRICA**

DX

Telephone **+27 82 805 2145**



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**Please make sure you have remembered the following:**

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



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139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post).

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## Further information

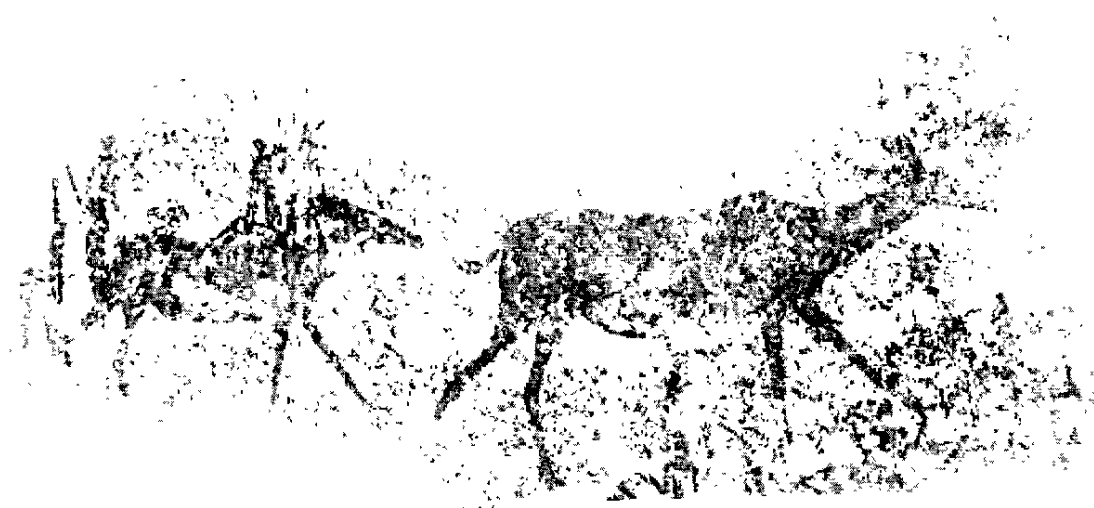
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Cambria Africa Plc  
Annual report  
2017



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Cambria Africa plc is a long term, active investment company, building a portfolio of investments primarily in Zimbabwe. The Company does not have a particular sectoral focus.

Its key objective is building a portfolio of companies that are well-positioned to benefit from Zimbabwe's economic growth and from formalization and modernization of Zimbabwe's economy. Moreover, Cambria seeks investments that have current sector leadership in Zimbabwe or, in Cambria's view; will be able to achieve this.

It has been listed on the AIM market of the London Stock Exchange since 2007. Until February 2012 the Company was known as LonZim plc.

## Results for the year

The Results and their comparatives have been restated to treat the closure of Payserv Zambia as discontinued operations. Therefore, Payserv Zambia's losses of \$218,000 in FY 2016 and \$153,000 in FY 2017 have been excluded from continuing operations. This has resulted in reporting increased earnings for FY 2016 and FY 2017 from continuing operations.

Paynet Zimbabwe fully utilised its tax-loss carry-forward during FY 2016 and for the first time since dollarisation in FY 2009 the Company has paid significant corporate taxes. As a result, after tax profits were significantly impacted by a 66% increase in Group consolidated tax expenses from \$397,000 in FY 2016 to \$660,000 in FY 2017.

### **FY 2017 results highlights:**

- EBITDA from continuing operations nearly doubled, increasing by 97% to \$1,245,000 from \$632,000 in FY 2016. This increase included legal costs of \$957,000 – comprising of the Consilium settlement of \$223,000 and associated legal fees of \$734,000 (FY 2016: \$816,000).
- Excluding legal costs, EBITDA increased by 52% or \$750,000 to \$2.20 million from \$1.45 million in 2016. All known legal costs associated with the Consilium Dispute have been accrued in FY 2017 leaving little or no carryover of associated legal costs to FY 2018.
- Following on from a significant rationalisation and reduction in 2016 which slashed non-legal central costs by 86% from \$2 million to \$280,000, Cambria's central costs (excluding legal costs) have stabilised at \$311,000.
- Profit before Tax (PBT) increased by \$856,000 to \$716,000 from a loss of \$140,000 in FY 2016.
- Profit after Tax (PAT) found itself in positive territory reaching \$56,000 – a \$593,000 increase in profitability compared to a loss of \$537,000 in FY 2016. This increase in after-tax profitability was achieved despite a 66% (\$263,000) increase in taxes to \$660,000 from \$397,000 in FY 2016
- Borrowings, which include capitalised interest, fell by \$1.02 million (23%) to \$3.41 million from \$4.43 million in FY 2016
- Net finance costs were accordingly reduced by \$285,000 (44%) to \$356,000 from \$641,000 in FY 2016. This was primarily a result of the VAL Loan Conversion and pay down of the CABS loan by Paynet Zimbabwe.

## Results for the year

- Payserv Africa, Cambria's largest subsidiary by revenue and profit, achieved
  - 20% increase in revenues to \$6.37 million,
  - 35% increase in Consolidated EBITDA to \$2.65 million,
  - 51% increase in profit before tax to \$2.43 million,
  - 61% increase in profit after tax and after minority interests of \$1.52 million
- Millchem, following the closure of its unprofitable subsidiaries in Malawi and Zambia, achieved
  - Positive cash flows from operations,
  - Significant reductions in overheads,
  - EBITDA loss paired by 39% to \$143,000 from a loss of \$234,000 in 2016.

### Trading update:

The unaudited FY 2018 management accounts for the 4 months ended 31 December 2017 continue to exceed expectations compared to the same period in FY 2017:

#### *Payserv:*

- 18% increase in revenues to \$2.54 million
- 71% increase in cash flow to \$706,000 from \$413,000
- 23% increase in EBITDA to \$1,052,000 from \$855,000

#### *Millchem has begun to trade profitably after years of losses:*

- \$650,000 in revenues - a reduction of 45% to achieve a more profitable product mix
- 30% gross profit margin – a nearly two-fold increase from 16% gross profit margin
- \$130,000 turnaround in EBITDA to \$90,000 from a loss of \$40,000
- \$123,000 reduction (53%) in administrative expenses from \$230,000 to \$107,000
- \$131,000 turnaround in Profit After Tax to \$84,000 from a loss of \$47,000

### Subsequent events:

Subsequent to the end of the financial year notable events include:

#### *Settlement of Consilium Dispute in October 2017.*

- Both parties agreed to settle all claims against each other;
- Cambria paid Consilium \$223,000;
- The security for costs previously lodged was released back to Cambria.

#### *Appointment of Sibert Dube as Payserv Zimbabwe CEO.*

Mr. Dube identified the following areas of growth for Cambria's largest subsidiary by revenue and profit.

- Entry into the consumer market where its market share is minimal compared to its commanding position (90% market share) in the corporate trade and salary payments;
- Providing facilitation services to major players for distribution of inward international remittances;
- Capitalising on distributed ledger and other leading technologies to enhance its service;
- Expanding Tradanet's payroll-based loan processing to also include insurance sales and loan origination.

### Prospects:

The Company believes that the resignation of President Robert Mugabe and the inauguration of President Emmerson Mnangagwa, will result in a favourable business and investment climate. President Mnangagwa has announced new business-friendly policies which are intended to attract investment, protect investment, and bring with it international balance of payments support. These developments support Cambria's focus on Zimbabwe as providing the best investment opportunities and returns in the region

### Changes to the board:

*The board remains unchanged.*

### About Cambria Africa Plc:

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

## Introduction:

FY 2017 and subsequent systematic and non-systematic events have ushered in a new dawn for Zimbabwe and Cambria.

Since I took over as CEO in August 2015, I have extricated the group companies from loss-making regional operations in Malawi and Zambia. I have repeatedly expressed my conviction that *"Zimbabwe provides the best regional opportunity for successful investment and growth in the short to medium term."* The performance of Payserv and Millichem are testimony to the soundness of our investment philosophy.

- EBITDA from continuing operations have nearly doubled to \$1.24 million while PBT increased by \$856,000 to \$716,000 from a prior year loss of \$140,000.
- Despite an increase of 66% in taxes, Cambria achieved an after tax profit of \$56,000 – a \$593,000 increase in profitability compared to a loss of \$537,000 in FY 2016.
- Cambria settled with Consilium and accrued the cost of that settlement and associated legal fees in FY 2017. There should be little or no associated costs from this litigation in FY 2018 which should commensurately flow a savings of approximately \$900,000 to Cambria's bottom line.
- Excluding legal costs, after slashing central costs by 80% in FY 2016 from \$2 million to \$280,000, these costs have stabilized at that level, increasing modestly in FY 2017 to \$311,000.
- Debt levels, interest expense, shareholder equity, cash flows, have all improved and have continued to improve subsequent to end of FY 2017.

## Divisional Review

### Payserv Africa

The Payserv Africa continued to achieve record revenues and profits in FY 2017.

#### PAYSERV AFRICA DIVISIONAL RESULTS

	Restated		
US \$ '000'S	2017	2016	Growth
<b>Revenues</b>	<b>6,370</b>	<b>5,319</b>	<b>20%</b>
Gross profit	5,958	5,028	18%
Gross margin	94%	95%	(2%)
Overheads	(3,310)	(3,066)	8%
<b>EBITDA</b>	<b>2,648</b>	<b>1,962</b>	<b>35%</b>
Profit before interest and tax	2,499	1,855	35%
Interest	(71)	(250)	72%
Profit before tax	2,428	1,605	51%
Minority interest in PBT	(340)	(348)	(2%)
<b>PBT (excluding minority interests)</b>	<b>2,088</b>	<b>1,257</b>	<b>66%</b>



# Chief Executive Officer's Statement

## Paynet Zimbabwe

Paynet Zimbabwe is actively present in, transacting with and contributing to, the profitability of all financial institutions in Zimbabwe.

Whilst 80% of Paynet Zimbabwe's revenue growth in FY 2017 was from existing corporate clients, where Paynet has an estimated market share of 90 - 95%, significant growth opportunities remain from new initiatives. These include:

- Leveraging our technology and position of trust with financial institutions into the consumer market where Paynet's market share is minimal;
- Exploring distributed ledger technologies to enhance transaction security and reduce transaction costs;
- Developing non-transactional EDI products for the Insurance and Securities Industries;
- Establishing our foothold as a last-mile service provider to multiple international remittance operations by improving their distribution channels and value addition;
- Establishing stronger cost controls on Paynet overheads to maximize the impact of increases in transaction volume and minimize the impact of possible reversals in transaction volume as a result of competition, economic downturns, or a cut in public sector employment;
- Increasing revenues by rationalising transaction pricing which remains among the lowest in the industry, despite the commanding market position in our sector.

## Payserv Zambia (discontinued)

In line with the closure of Millicem's unprofitable subsidiaries in Zambia and Malawi in FY 2016, Payserv Africa closed its unprofitable Payserv Zambia subsidiary in FY 2017. After years of losses and unsuccessful bids for contracts and the reversal of successful bids by various actors, the Board decided if Zambia cannot sustain a cash flow positive operation it must be discontinued.

This decision was consistent with Cambria's announced strategy to focus on Zimbabwe and signaled the end of Cambria's costly strategy of regional expansion where the Company had little if any strategic or competitive advantage. (Continued...)

In line with International Financial Reporting Standards Payserv Zambia's performance in FY 2016 and FY 2017 are reflected separately as a "discontinued operation" and excluded from the balance of Payserv's & Cambria's continuing operations. This resulted in showing a profit from continuing operations in FY 2017 and narrowing Cambria's losses from continuing operations in FY 2016.

## Autopay Zimbabwe

Autopay has not achieved its full potential in the market. Nevertheless, even handicapped by a lack of marketing and innovation, the division has maintained profitability. Payserv will be preparing segment reporting in the future to better identify the earning contribution of group company divisions.

Despite standing on Paywell's robust payroll software, Autopay has been plagued by declining private sector employment and increasing numbers of contract workers paid through wallets. The segments of Autopay consist of 1) full service Payroll Bureau; 2) Software and licensing to major corporates and 3) On-line SME payroll process.

Autopay is in the process of realigning its strategy to increase its penetration into the SME market where it is poorly represented, leveraging its integral relations with Paynet's payment services and Tradanet's loan services, and the possible acquisition and development of its supporting software architecture.

## Tradanet

Until her resignation on 8 March 2017, Frances Pickering, representing the minority shareholder of Tradanet with a 49% interest, was the Managing Director of Tradanet, which is Paynet's majority-held subsidiary. When Mrs. Pickering resigned as Managing Director and subsequently as a Director of Tradanet, Cambria and Paynet took operational control of Tradanet. I was appointed as the Managing Director in March 2017 and nominated Manfred Chaniwa, a veteran of the financial industry, to replace the outgoing general manager in July 2017. Tradanet's performance improvements have since accelerated.

There has been a recovery of loan volumes issued from the lows experienced mainly as a result of the termination of the Credit Partners program in April 2015. Since the reinstatement of Credit Partners in February 2017 and the introduction of other new products, particularly Flexicredit, loan volumes have recovered from \$119 million in 2016 to \$138 million in 2017. The recovery in volumes can be attributed 73% to Flexicredit, 12% to CPS and 10% to Retail Credit. Credit partner's loans currently represent just 20% of their peak of \$30 million in 2014.

## Chief Executive Officer's Statement

Further improvements in loan volumes are expected as the Credit Partner program recovers from its current level of \$6,283,000 per annum.

Tradantet also expects to increase its revenues through other new products it has received or is seeking approval from CABS:

- Flexicredit Hybrid – a product directed at employees of larger publicly held corporates which can be evaluated by reliance on publicly disclosed information;
- Insurance Premium Financing;
- Automobile ownership financing.

## Millchem Zimbabwe

Following the resignations of Millchem's Managing Director and Operations Manager, as Cambria's CEO, I took an active and direct role in controlling the operations of Millchem and deployed the services of Ambrose Consulting to oversee day-to-day activities and imports and manufacturing.

### MILLCHEM HOLDINGS DIVISIONAL RESULTS

US \$ '000'S	2017	2016	Growth
<b>Revenues</b>	<b>2,228</b>	<b>3,193</b>	<b>(30%)</b>
Gross profit	407	525	(22%)
Gross margin	18%	16%	11%
Overheads	(550)	(758)	(27%)
<b>EBITDA</b>	<b>(143)</b>	<b>(233)</b>	<b>38%</b>
<b>Loss before tax</b>	<b>(169)</b>	<b>(264)</b>	<b>36%</b>

For the first time in four years, Millchem has recorded an after tax profit in the first four months of FY 2018 ending 31 December 2017. This result was helped in no small part by the cooperation of our bankers who provided the needed remittances to import raw materials. The results for the first four months of FY 2018 support a sustained recovery of Millchem:

- \$650,000 in revenues reduced by 45% to achieve a more profitable product mix,
- 30% gross profit margin – a nearly 2 fold increase from 16% gross profit margin,
- \$128,000 turnaround in EBITDA to \$90,000 from a loss of \$40,000,
- \$131,000 turnaround in Profit After Tax to \$84,000 from a loss of \$230,000,
- \$123,000 reduction (53%) in administrative expenses from \$230,000 to \$112,000.

## Consilium Dispute

The Consilium Dispute was settled in October 2017 subsequent to the financial year-end. However, all the settlement and legal costs directly associated with the dispute were accounted for in FY 2017. As this was a full and final settlement, Cambria will not be incurring any further costs in relation to this matter in FY 2018. With the distraction of a major legal dispute and associated expenses behind us, we can direct our exclusive focus on investing in the "new Zimbabwe" by exploring organic and acquisitive opportunities

# Chief Executive Officer's Statement

## Board of Directors and Compensation

Cambria's Directors and Payserv's Executives have supported my role as CEO providing direction and management support without compensation since my appointment in August 2015. As the ultimate beneficiary of over 65% of Cambria shares, I continue to serve without compensation. It is my intention that in FY 2018 we should begin compensating those who have dedicated themselves with extraordinary conviction to Cambria. Proposals for the use of Cambria shares as compensation are being considered and will be presented in the near future.

I expect to continue serving the Company without compensation in FY 2018.

## Inauguration of President Emmerson Dambudzo Mnangagwa

The most significant and material development for shareholders of Cambria subsequent to the end of FY 2017, was the inauguration of Zimbabwe's new President, Emmerson Dambudzo Mnangagwa, on 21 November 2017 following the resignation of former President Robert Mugabe.

President Mnangagwa has announced new business-friendly policies which are intended to attract investment, protect investment, and bring with it international balance of payments support. It vindicates management's focus on Zimbabwe as providing the best investment opportunities and returns in the region.

During the lead up to the change in government and following the change, I was interviewed by [CNBC Europe](#), [Al Jazeera](#), and [CNBC Online](#). In these interviews I expressed my confidence and optimism in Zimbabwe's future, and made the following salient points:

- Positive changes will come but they will not be overnight;
- Investors are well-advised to have patience and give the new government time to visualize and implement sound economic policies;
- *Indigenisation laws would be rationalised* - These laws required indigenisation of 51% of ownership in most industries and they significantly hindered investment. The President of Zimbabwe has since announced that this policy will only apply to natural resource based investments;

- *Zimbabwe should seek to join the Southern African Customs Union (SACU) and the Common Monetary Area (CMA) which includes its largest trading partner, South Africa, to bring about investor confidence and align its economy and competitive advantages with its largest neighbor while earning customs tariff revenue in a convertible currency;*
- *Tourism and agricultural are the most promising sectors for Greenfield foreign investment given President Mnangagwa's policy initiatives.*

If Zimbabwe meets the standards of a free, fair, and transparent election in July, significant international balance of payments support will be forthcoming.

We believe that the new dispensation will provide a growing market for our current investments and investment opportunities which we are uniquely positioned to identify and act on. Cambria will soon be announcing an Open Offer to shareholders to capitalise on opportunities for expanding our current business units in Zimbabwe and the acquisition of new businesses. An Open Offer will give shareholders the right to match any debt-equity swaps or new subscriptions on the same terms and conditions in proportion to their shareholding. It will also allow shareholders of record to apply for unallocated shares over and above their own allocation.

SAMIR SHASHA  
CHIEF EXECUTIVE OFFICER  
26 FEBRUARY 2018

# Directors

## Paul Turner, 71

### NON-EXECUTIVE CHAIRMAN

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

## Samir Shasha, 57

### CHIEF EXECUTIVE OFFICER

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

## Josephine Petra Watenphul, 37

### NON-EXECUTIVE DIRECTOR

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

## Dipak Champaklal Pandya, 59

### NON-EXECUTIVE DIRECTOR

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

## Changes to the Board

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

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

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

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

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

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

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

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

# Directors' Report

FOR THE YEAR ENDED 31 AUGUST 2017

The Directors of Cambria Africa Plc (the "Company") and its subsidiaries (together the "Group") submit their report, together with the audited financial statements for the year ended 31 August 2017.

## Principal activities

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

## Investing policy

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

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

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

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

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

undertaken by the Company's appointed specialist financial and legal advisors.

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

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

## Results

The Group made a consolidated loss after tax, discontinued operations and minorities of \$97,000 (2016: loss of \$744,000) during the year and this has been set against reserves.

## Business review and development

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

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

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

The Group monitors cash flow as one of its primary key performance indicators. Given current global financial conditions, as well as current developments in Zimbabwe, the Directors are carefully monitoring cash resources within the Group and have instigated a number of initiatives to ensure funding will be available to meet obligations as they fall due and for planned projects and ongoing working capital support for its investments.

## Business review and development (continued)

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

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

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

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

## Share capital

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

## Post statement of financial position events

Details of significant events since the reporting date are contained in note 35 to the financial statements.

## Corporate Governance

### COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

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

### BOARD OF DIRECTORS

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

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

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

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

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

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

# Directors' Report

For the year ended 31 August 2017

## Corporate Governance (continued)

### INTERNAL CONTROLS

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

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

### COMMITTEES

The Board has established the following committees:

#### AUDIT COMMITTEE

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

#### REMUNERATION COMMITTEE

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

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

### NOMINATION COMMITTEE

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

## Substantial shareholdings

The Directors have been advised of the following shareholdings at 16 February 2018 of holding 3 per cent or more of the Company's issued share capital:

	NUMBER OF SHARES	PERCENT- AGE OF THE ISSUED CAPITAL
Ventures Africa Ltd*	232,000,000	66.5%
Consilium Investment Management LLC	20,859,296	5.9%
Russell Investments Ltd	14,252,663	4.0%

\* Ventures Africa Limited is beneficially owned by S Shasha, a director and the CEO of the Company

## Directors

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

## Directors' share interests

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

DIRECTORS	AT	AT
	31.08.17	31.08.16
	NO. OF	NO. OF
	SHARES	SHARES
Samir Shasha*	232,000,000	107,000,000
Josephine Watenphul	-	-
Dipak Pandya	-	-
Paul Turner	-	-
Total	232,000,000	107,000,000

\* Held indirectly through Ventures Africa Limited

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

## Anti-Corruption and Bribery Policy

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

## Share price performance

Between 1 September 2016 and 31 August 2017 the share price varied between a closing high of 1.75p and a low of 0.60p (2016 high of 1.64p and low of 0.35p). At 31 August 2017 the closing market price of the shares at close of business was 1.10p (2016: 0.63p). On 31 January 2018 the mid price of the shares was marked at 1.13p.

## Auditors

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

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

ON BEHALF OF THE BOARD.

PAUL TURNER

CHAIRMAN

26 FEBRUARY 2018



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

## Opinion

We have audited the financial statements of Cambria Africa Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with the terms of our engagement letter dated 9th January 2018. 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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2017, and of the group's loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical

responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

## Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page 9], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

## Report of the Independent Auditors

*For the year ended 31 August 2017*

### Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BAKER TILLY ISLE OF MAN LLC  
CHARTERED ACCOUNTANTS  
P O BOX 95  
2A LORD STREET  
DOUGLAS  
ISLE OF MAN  
IM99 1HP  
26 FEBRUARY 2018

# Consolidated Income Statement

For the year ended 31 August 2017

		2017	*Restated 2016
		TOTAL	TOTAL
	NOTE	US\$'000	US\$'000
Revenue	5	8,598	8,512
Cost of sales	6	(2,233)	(2,958)
<b>Gross profit</b>		<b>6,365</b>	<b>5,554</b>
Operating costs	6	(5,307)	(5,056)
Other income		23	(2)
Net profits on disposal of investments and impairment of assets		(9)	5
<b>Operating profit</b>		<b>1,072</b>	<b>501</b>
Finance income	8	15	16
Finance costs	8	(371)	(657)
<b>Net finance costs</b>		<b>(356)</b>	<b>(641)</b>
<b>Profit/(loss) before tax</b>		<b>716</b>	<b>(140)</b>
Income tax	9	(660)	(397)
<b>Profit/(loss) for the period from continuing operations</b>		<b>56</b>	<b>(537)</b>
<b>Discontinued operations</b>			
Loss for the year from discontinued operations, net of tax	5/10	(153)	(207)
<b>Loss for the year</b>		<b>(97)</b>	<b>(744)</b>
<b>Attributable to:</b>			
Owners of the company		(349)	(1 010)
Non-controlling Interests		252	266
<b>Loss for the year</b>		<b>(97)</b>	<b>(744)</b>
<b>Loss per share - all operations</b>			
Basic and diluted loss per share (Cents)	11	(0.12c)	(0.49c)
<b>Loss per share - continuing operations</b>			
Basic and diluted loss per share (Cents)	11	(0.07c)	(0.39c)
<b>Loss per share - discontinued operations</b>			
Basic and diluted loss per share (Cents)	11	(0.05c)	(0.10c)

The notes on pages 23 to 60 are an integral part of these consolidated financial statements

\*Amounts have been restated due to the discontinued operations of Payserv Zambia Limited (See note 2)

## Consolidated Statement of Comprehensive Income

For the year ended 31 August 2017

\*Restated

	2017	2016
	US\$'000	US\$'000
<b>Loss for the year</b>	<b>(97)</b>	<b>(744)</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to income statement.</i>		
Foreign currency translation differences for overseas operations	1	9
<b>Total comprehensive loss for the year</b>	<b>(96)</b>	<b>(735)</b>
<b>Attributable to:</b>		
Owners of the company	(348)	(1 001)
Non-controlling interest	252	266
<b>Total comprehensive loss for the year</b>	<b>(96)</b>	<b>(735)</b>

The notes on pages 23 to 60 are an integral part of these consolidated financial statements

\*Amounts have been restated due to the discontinued operations of Payserv Zambia Limited. (See note 2)

# Consolidated Statement of Changes in Equity

*For the year ended 31 August 2017*

	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY									TOTAL EQUITY US\$'000
	SHARE CAPITAL US\$'000	SHARE PREMIUM US\$'000	RE- VALUA- TION RESERVE US\$'000	FOREIGN EXCHANGE RESERVE US\$'000	SHARE BASED PAYMENT RESERVE US\$'000	RETAINED EARNINGS US\$'000	NDR US\$'000	TOTAL US\$'000	NON-CON- TROLLING INTERESTS US\$'000	
<b>Balance at 1 September 2016</b>	<b>34</b>	<b>83,950</b>	<b>438</b>	<b>(10,628)</b>	<b>43</b>	<b>(76,247)</b>	<b>1,900</b>	<b>(510)</b>	<b>(4)</b>	<b>(514)</b>
(Loss)/profit for the year	-	-	-	-	-	(349)	-	(349)	252	(97)
Foreign currency translation differences for overseas operations - continuing & discontinued	-	-	-	1	-	-	-	1	-	1
<b>Total comprehensive profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(349)</b>	<b>-</b>	<b>(348)</b>	<b>252</b>	<b>(96)</b>
<b>Contributions by and distributions to owners of the Company recognised directly in equity</b>										
Issue of ordinary shares	17	1,736	-	-	-	(5)	5	1,753	-	1,753
Expiry of share options	-	-	-	-	(43)	43	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(149)	(149)
<b>Total contributions by and distributions to owners of the Company</b>	<b>17</b>	<b>1,736</b>	<b>-</b>	<b>-</b>	<b>(43)</b>	<b>38</b>	<b>5</b>	<b>1,753</b>	<b>(149)</b>	<b>1,604</b>
<b>Balance at 31 August 2017</b>	<b>51</b>	<b>85,686</b>	<b>438</b>	<b>(10,627)</b>	<b>-</b>	<b>(76,558)</b>	<b>1,905</b>	<b>895</b>	<b>99</b>	<b>994</b>

The notes on pages 23 to 60 are an integral part of these consolidated financial statements

# Consolidated Statement of Changes in Equity

For the year ended 31 August 2017

\*Restated

	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY								NON-CON- TROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	RE- VALUA- TION RESERVE	FOREIGN EXCHANGE RESERVE	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	NDR	TOTAL		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 September 2015</b>	<b>34</b>	<b>83,950</b>	<b>438</b>	<b>(10,532)</b>	<b>86</b>	<b>(75,385)</b>	<b>1,900</b>	<b>491</b>	<b>65</b>	<b>556</b>
(Loss)/profit for the year	-	-	-	-	-	(1,010)	-	(1,010)	266	(744)
Foreign currency translation differences for overseas operations	-	-	-	9	-	-	-	9	-	9
<b>Total comprehensive profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>(1,010)</b>	<b>-</b>	<b>(1,001)</b>	<b>266</b>	<b>(735)</b>
<b>Contributions by and distributions to owners of the Company recognised directly in equity</b>										
Disposal of subsidiary	-	-	-	(105)	-	105	-	-	-	-
Expiry of share options	-	-	-	-	(43)	43	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(335)	(335)
<b>Total contributions by and distributions to owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(105)</b>	<b>(43)</b>	<b>148</b>	<b>-</b>	<b>-</b>	<b>(335)</b>	<b>(335)</b>
<b>Balance at 31 August 2016</b>	<b>34</b>	<b>83,950</b>	<b>438</b>	<b>(10,628)</b>	<b>43</b>	<b>(76,247)</b>	<b>1,900</b>	<b>(510)</b>	<b>(4)</b>	<b>(514)</b>

The notes on pages 23 to 60 are an integral part of these consolidated financial statements

\*Amounts have been restated due to the discontinued operations of Payserv Zambia Limited (See note 2)

# Consolidated and Company Statement of Financial Position

*As at 31 August 2017*

				<i>*Restated</i>	
	NOTES	GROUP 2017	COMPANY 2017	GROUP 2016	COMPANY 2016
		US\$'000	US\$'000	US\$'000	US\$'000
<b>Assets</b>					
Property, plant and equipment	12	2,727	-	2,591	-
Goodwill	13	717	-	717	-
Intangible assets	14	27	-	39	-
Investment in subsidiaries	15	-	-	-	-
<b>Total non-current assets</b>		<b>3,471</b>	<b>-</b>	<b>3,347</b>	<b>-</b>
Inventories	16	233	-	407	-
Financial assets at fair value through profit or loss	17	86	-	40	-
Trade and other receivables	18	1,730	4,322	1,297	6,374
Cash and cash equivalents	19	1,045	143	698	-
Discontinued operation	5,10	29	-	20	-
<b>Total current assets</b>		<b>3,123</b>	<b>4,465</b>	<b>2,462</b>	<b>6,374</b>
<b>Total assets</b>		<b>6,594</b>	<b>4,465</b>	<b>5,809</b>	<b>6,374</b>
<b>Equity</b>					
Issued share capital	21	51	51	34	34
Share premium account	21	85,686	85,686	83,950	83,950
Revaluation reserve	20	438	-	438	-
Share based payment reserve	20,22	-	-	43	43
Foreign exchange reserve	20	(10,627)	(13,186)	(10,628)	(13,186)
Non distributable reserves	20	1,905	-	1,900	-
Retained losses		(76,558)	(73,243)	(76,247)	(71,765)
<b>Equity attributable to owners of company</b>		<b>895</b>	<b>(692)</b>	<b>(510)</b>	<b>(924)</b>
Non-controlling interests		99	-	(4)	-
<b>Total equity</b>		<b>994</b>	<b>(692)</b>	<b>(514)</b>	<b>(924)</b>
<b>Liabilities</b>					
Loans and borrowing	23	1,849	1,565	2,965	2,929
Provisions	24	186	-	193	-
Deferred tax liabilities	25	184	-	152	-
<b>Total non-current liabilities</b>		<b>2,219</b>	<b>1,565</b>	<b>3,310</b>	<b>2,929</b>
Current tax liabilities	27	397	-	308	-
Loans and borrowings	23,26	1,556	926	1,469	1,469
Trade and other payables	27	1,374	2,666	1,210	2,900
Discontinued operation	5,10	54	-	26	-
<b>Total current liabilities</b>		<b>3,381</b>	<b>3,592</b>	<b>3,013</b>	<b>4,369</b>
<b>Total liabilities</b>		<b>5,600</b>	<b>5,157</b>	<b>6,323</b>	<b>7,298</b>
<b>Total equity and liabilities</b>		<b>6,594</b>	<b>4,465</b>	<b>5,809</b>	<b>6,374</b>

These financial statements were approved by the Board of Directors and authorised for issue on 26 February 2018. They were signed on their behalf by:

**MR S SHASHA**  
**EXECUTIVE DIRECTOR**

The notes on pages 23 to 60 are an integral part of these consolidated financial statements

\*Amounts have been restated due to the discontinued operations of Payserv Zambia Limited (See note 2)



# Consolidated Statement of Cash Flows

For the year ended 31 August 2017

	NOTES	GROUP 2017 US\$'000	*Restated GROUP 2016 US\$'000
<b>Cash generated from operations*</b>	<b>28</b>	<b>960</b>	<b>3,944</b>
Taxation paid		(539)	(313)
<b>Cash generated from operating activities</b>		<b>421</b>	<b>3,631</b>
<b>Cash flows from investing activities</b>			
Proceeds on disposal of property, plant and equipment		21	20
Purchase of property, plant and equipment		(291)	(170)
Proceeds on disposal of subsidiary		-	60
Other investing activities		(2)	(39)
Interest received		15	16
<b>Net cash used in investing activities</b>		<b>(257)</b>	<b>(113)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to non-controlling interests		(149)	(335)
Interest paid		(85)	(267)
Proceeds from issue of share capital		1,753	-
Loans repaid	23/26	(2,660)	(7,146)
Proceeds from drawdown of loans	23/26	1,344	4,277
<b>Net cash generated/(utilised) by financing activities</b>		<b>203</b>	<b>(3,471)</b>
<b>Net increase in cash and cash equivalents</b>		<b>367</b>	<b>47</b>
Cash and cash equivalents at 1 September		701	645
Foreign exchange		1	9
<b>Net cash and cash equivalents at 31 August</b>	<b>19</b>	<b>1,069</b>	<b>701</b>
<i>Cash and cash equivalents as above comprise the following:</i>			
Cash and cash equivalents attributable to continuing operations		1,045	698
Cash and cash equivalents attributable to discontinued operations		24	3
<b>Net cash and cash equivalents at 31 August</b>	<b>19</b>	<b>1,069</b>	<b>701</b>

\* All amounts include both continuing and discontinued operations. Cash flows from discontinued operations are set out in note 10, the effect of which were cash utilised of \$55 in 2017 and \$235 in 2016

The notes on pages 23 to 60 are an integral part of these consolidated financial statements.

\*Amounts have been restated due to the discontinued operations of Payserv Zambia Limited (See note 2)

## 1. Reporting entity

Cambria Africa Plc (the “Company”) is a public limited company listed on the Alternative Investment Market (AIM) and incorporated in the Isle of Man under the Companies Act 2006. The consolidated financial statements of the Group for the year ended 31 August 2017 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

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

The financial statements were authorised for issue by the Directors on 26 February 2018.

## 2. Basis of preparation

### STATEMENT OF COMPLIANCE

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

### RESTATEMENT OF COMPARATIVE NUMBERS

During the period, the Group reclassified the operations of the wholly owned subsidiary Payserv Zambia Limited as a discontinued operation. The board is of the opinion that this business is not going to be successful or profitable and should be discontinued. Accordingly the information for the prior period has been restated such that comparative information given in respect of discontinued and continuing operations is consistent in each period.

### ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

#### STANDARDS ADOPTED IN THE CURRENT PERIOD

In the current year, the Group has adopted revised Standards, Amendments and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that were relevant to its operations. The accounting policies adopted are consistent with those of the previous year. New and revised Standards and Interpretations adopted are summarised next:

# Notes to the Financial Statements

## For the year ended 31 August 2017

STANDARD/IN- TERPRETATION		EU EFFECTIVE DATE
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments resulting from September 2014 Annual Improvements to IFRSs)	1 January 2016
IFRS 7	Financial Instruments Disclosures (Amendments resulting from September 2014 Annual Improvements to IFRSs)	1 January 2016
IFRS 10	Consolidated Financial Statements (Amendments regarding the application of the consolidation exception)	1 January 2016
IFRS 11	Joint Arrangements (Amendments regarding the accounting for acquisitions of an interest in a joint operation)	1 January 2016
IFRS 12	Disclosure of Interests in Other Entities (Amendments regarding the application of the consolidation exception)	1 January 2016
IFRS 14	Regulatory Deferral Accounts (Original issue)	1 January 2016
IAS 1	Presentation of Financial Statements (Amendments resulting from the disclosure initiative)	1 January 2016
IAS 16	Property, Plant and Equipment (Amendments bringing bearer plants into the scope of IAS 16)	1 January 2016
IAS 19	Employee Benefits (Amendments resulting from September 2014 Annual Improvements to IFRSs)	1 January 2016
IAS 27	Separate Financial Statements (Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements)	1 January 2016
IAS 28	Investments in Associates and Joint Ventures (Amendments resulting from May 2008 Annual Improvements to IFRSs)	1 January 2016
IAS 34	Interim Financial Reporting (Amendments resulting from September 2014 Annual Improvements to IFRSs)	1 January 2016
IAS 38	Intangible Assets (Amendments regarding the clarification of acceptable methods of depreciation and amortisation)	1 January 2016
IAS 41	Agriculture (Amendments bringing bearer plants into the scope of IAS 16)	1 January 2016

## NEW AND AMENDED STANDARDS EFFECTIVE FOR FUTURE PERIODS

The following standards and interpretations were in issue but not yet effective and were not applied in these financial statements.

STANDARD/IN- TERPRETATION		EU EFFECTIVE DATE
IFRS 2	Share-based Payment (Amendments to clarify the classification and measurement of share-based payment transactions)	1 January 2018
IFRS 3	Business Combinations (Amendments resulting from Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest))	1 January 2019
IFRS 4	Insurance Contracts (Amendments regarding the interaction of IFRS 4 and IFRS 9)	1 January 2018
IFRS 7	Financial Instruments Disclosures (Amendments resulting from September 2014 Annual Improvements to IFRSs)	1 January 2019
IFRS 9	Financial Instruments (Amendments regarding prepayment features with negative compensation and modifications of financial liabilities)	1 January 2019
IFRS 11	Joint Arrangements (Amendments resulting from Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest))	1 January 2019
IFRS 12	Disclosure of Interests in Other Entities (Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying scope))	1 January 2017
IFRS 15	Revenue from Contracts with Customers (Original issue)	1 January 2018
IFRS 16	Leases (Original issue)	1 January 2019
IFRS 17	Insurance Contracts (Original issue)	1 January 2021
IAS 7	Statement of Cash Flows (Amendments as result of the Disclosure initiative)	1 January 2017
IAS 12	Income Taxes (Amendments resulting from Annual Improvements 2015–2017 Cycle (income tax consequences of dividends))	1 January 2017
IAS 23	Borrowing Costs (Amendments resulting from Annual Improvements 2015–2017 Cycle (borrowing costs eligible for capitalisation))	1 January 2019
IAS 28	Investments in Associates and Joint Ventures Joint Ventures (Amendments resulting from May 2008 Annual Improvements to IFRSs)	1 January 2018
IAS 39	Financial Instruments: Recognition and Measurement (Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception)	1 January 2019
IAS 40	Investment Property (Amendments to clarify transfers of property to, or from, investment property)	1 January 2018

## 2. Basis of preparation (continued)

### BASIS OF MEASUREMENT

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

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

### FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in United States Dollars, which is the Group's presentational currency and the Company's functional currency and all amounts have been rounded to the nearest dollar.

### USE OF ESTIMATES AND JUDGEMENTS

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

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

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

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

### USE OF ESTIMATES AND JUDGEMENTS

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

### GOING CONCERN

The Group's business activities and financial performance are set out in the Chief Executive's Review on pages 5 to 8. In addition, note 29 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

The Board has considered the cash flow forecasts for the ensuing 12 months including the maturity profile of its contractual debt obligations. The financial position of the Group has improved significantly as a result of the settlement of the Consilium litigation. Furthermore, as a result of the VAL Loan Conversion and positive cashflows, external group debt was reduced to \$3.41 million from \$4.43 million at the end of the previous financial year.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

# Notes to the Financial Statements

## For the year ended 31 August 2017

### 3. Significant accounting policies

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

#### (A) BASIS OF CONSOLIDATION

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

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

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

#### BUSINESS COMBINATIONS

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

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

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

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

#### (B) INTANGIBLE ASSETS

##### GOODWILL

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

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

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

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

##### OTHER INTANGIBLE ASSETS

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

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

### 3. Significant accounting policies (continued)

#### (B) INTANGIBLE ASSETS (CONTINUED)

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

Software licences	3 years
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#### (C) FOREIGN CURRENCIES

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

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

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

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

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

Exchange differences arising on the retranslation of non-monetary items earned at fair value are included within the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-mon-

etary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

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

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

#### (D) TAXATION

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

##### CURRENT TAXATION

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

##### DEFERRED TAXATION

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

# Notes to the Financial Statements

For the year ended 31 August 2017

## 3. Significant accounting policies (continued)

### (D) TAXATION (CONTINUED)

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

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

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

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

### (E) INVESTMENTS IN SUBSIDIARIES

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

### (F) OTHER INVESTMENTS

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

### (G) PROPERTY, PLANT AND EQUIPMENT

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

Any revaluation increase arising on the revaluation of such assets is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset

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

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

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

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

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

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

### (H) IMPAIRMENT OF ASSETS EXCLUDING GOODWILL

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

### 3. Significant accounting policies (continued)

#### (H) IMPAIRMENT OF ASSETS EXCLUDING GOODWILL (CONTINUED)

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

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

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

#### (I) FINANCIAL INSTRUMENTS

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

##### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts

that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

##### TRADE RECEIVABLES

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

##### TRADE PAYABLES

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

##### FINANCIAL LIABILITIES

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

##### CAPITAL MANAGEMENT

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

##### BANK BORROWINGS

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

##### EQUITY INSTRUMENTS

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



## Notes to the Financial Statements

*For the year ended 31 August 2017*

### 3. Significant accounting policies (continued)

#### (J) INVENTORIES

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

#### (K) SHARE BASED PAYMENTS

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

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

#### (L) INTEREST-BEARING BORROWINGS

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

#### (M) PROVISIONS

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

#### (N) REVENUE RECOGNITION

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

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

#### (O) LEASES

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

#### FINANCE LEASES

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

#### OPERATING LEASES

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

### 3. Significant accounting policies (continued)

#### (P) EARNINGS/(LOSS) PER SHARE

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

#### (Q) SEGMENT REPORTING

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

#### (R) ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

##### ASSETS HELD FOR SALE

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

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

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

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

#### DISCONTINUED OPERATIONS

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

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

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

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

### 4. Determination of fair values

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

#### INVENTORIES

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

#### EQUITY AND DEBT SECURITIES

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

# Notes to the Financial Statements

## For the year ended 31 August 2017

### EQUITY AND DEBT SECURITIES (CONTINUED)

fair values of held-to-maturity investments are determined for disclosure purposes only.

### TRADE AND OTHER RECEIVABLES

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

### PROPERTY, PLANT AND EQUIPMENT

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

### INVESTMENT PROPERTY

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

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents. Due to the unique nature of a number of properties within the Group's portfolio, external valuations are obtained, however the Directors also review the valuations and may determine the need for impair-

ment for the financial statements given their own knowledge of the properties and in particular where there has been interest from third parties in purchasing the properties, the Directors may refer to amounts offered for purchase.

## 5. Segment reporting

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

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

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

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

### GEOGRAPHICAL SEGMENTS

Outsource and IT services, and industrial chemicals, now operate solely in Zimbabwe. Separate geographical analysis is therefore not presented.

### BUSINESS SEGMENTS

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

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

In addition, the following segment is reported separately as a discontinued operation in respect of the 2017 financial year: Payserv Zambia Limited, previously in the Outsource and IT Services segment.

# Notes to the Financial Statements

For the year ended 31 August 2017

## 5. Segment reporting

### CONTINUING OPERATIONS

FOR THE YEAR ENDED 31 AUGUST 2017	INDUSTRIAL CHEMICALS	OUTSOURCE AND IT SERVICES	HEAD OFFICE	TOTAL
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	2,228	6,373	-	8,601
Inter-segment revenue	-	(3)	-	(3)
<b>Revenue from external customers</b>	<b>2,228</b>	<b>6,370</b>	<b>-</b>	<b>8,598</b>
Cost of sales to external customers	(1,821)	(412)	-	(2,233)
<b>Gross profit</b>	<b>407</b>	<b>5,958</b>	<b>-</b>	<b>6,365</b>
Operating costs	(618)	(3,333)	(1,198)	(5,149)
Other operating income	-	23	-	23
Impairment of assets	61	-	(70)	(9)
Depreciation	(17)	(128)	-	(145)
Amortisation	-	(13)	-	(13)
<b>Operating profit/(loss) for the year</b>	<b>(167)</b>	<b>2,507</b>	<b>(1,268)</b>	<b>1,072</b>
Finance income	3	12	-	15
Finance expense	(2)	(83)	(286)	(371)
Income tax expense	-	(660)	-	(660)
<b>Profit/(loss) for the year</b>	<b>(166)</b>	<b>1,776</b>	<b>(1,554)</b>	<b>56</b>
<b>EBITDA *</b>	<b>(150)</b>	<b>2,648</b>	<b>(1,268)</b>	<b>1,230</b>

### CONTINUING OPERATIONS

FOR THE YEAR ENDED 31 AUGUST 2016	INDUSTRIAL CHEMICALS	OUTSOURCE AND IT SERVICES	HEAD OFFICE	<i>Restated</i> TOTAL
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	3,193	5,323	-	8,516
Inter-segment revenue	-	(4)	-	(4)
<b>Revenue from external customers</b>	<b>3,193</b>	<b>5,319</b>	<b>-</b>	<b>8,512</b>
Cost of sales to external customers	(2,668)	(291)	-	(2,959)
<b>Gross profit</b>	<b>525</b>	<b>5,028</b>	<b>-</b>	<b>5,553</b>
Operating costs	(766)	(3,064)	(1,096)	(4,926)
Other operating income	-	(2)	-	(2)
Impairment of assets	-	-	5	5
Depreciation	(22)	(105)	-	(127)
Amortisation	(1)	(1)	-	(2)
<b>Operating (loss)/profit for the year</b>	<b>(264)</b>	<b>1,856</b>	<b>(1,091)</b>	<b>(501)</b>
Finance income	1	15	-	16
Finance expense	(2)	(265)	(390)	(657)
Income tax expense	-	(397)	-	(397)
<b>(Loss)/profit for the year</b>	<b>(265)</b>	<b>1,209</b>	<b>(1,481)</b>	<b>(537)</b>
<b>EBITDA *</b>	<b>(234)</b>	<b>1,962</b>	<b>(1,091)</b>	<b>638</b>

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

# Notes to the Financial Statements

For the year ended 31 August 2017

## 5. Segment reporting (continued)

### DISCONTINUED OPERATIONS

FOR THE YEAR ENDED 31 AUGUST 2017	OUTSOURCE AND IT SERVICES US\$'000	TOTAL US\$'000
Revenue	47	47
Inter segment revenue	-	-
<b>Revenue from external customers</b>	<b>47</b>	<b>47</b>
Cost of sales to external customers	-	-
<b>Gross profit</b>	<b>47</b>	<b>47</b>
Operating costs	(198)	(198)
Depreciation	(2)	(2)
Amortisation	-	-
<b>Operating loss</b>	<b>(153)</b>	<b>(153)</b>
Finance income	-	-
Finance expense	-	-
Income tax credit/(expense)	-	-
<b>Loss for the year</b>	<b>(153)</b>	<b>(153)</b>
<b>EBITDA*</b>	<b>(151)</b>	<b>(151)</b>

### CONTINUING OPERATIONS (AS PREVIOUSLY STATED)

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

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

## 5. Segment reporting (continued)

### CONTINUING OPERATIONS - SEGMENT ASSETS & LIABILITIES

FOR THE YEAR ENDED 31 AUGUST 2017	INDUSTRIAL CHEMICALS	OUTSOURCE AND IT SERVICES	HEAD OFFICE	TOTAL
	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	776	2,788	3,001	6,565
Segment liabilities	127	2,050	3,369	5,546
Capital expenditure	1	289	-	290

FOR THE YEAR ENDED 31 AUGUST 2016	INDUSTRIAL CHEMICALS	OUTSOURCE AND IT SERVICES	HEAD OFFICE	TOTAL
	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	1,181	2,102	2,506	5,789
Segment liabilities	306	971	5,020	6,297
Capital expenditure	17	153	-	170

*\*Restated*

### CONTINUING OPERATIONS - SEGMENT ASSETS & LIABILITIES (AS PREVIOUSLY STATED)

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

### ASSETS AND LIABILITIES HELD FOR SALE

FOR THE YEAR ENDED 31 AUGUST 2017	OUTSOURCE AND IT SERVICES	TOTAL
	US\$'000	US\$'000
Property, plant and equipment	2	2
Trade and other receivables	3	3
Cash and cash equivalents	24	24
<b>Total assets held for sale</b>	<b>29</b>	<b>29</b>
Trade and other payables	50	50
Provisions	4	4
Deferred tax liabilities	-	-
<b>Total liabilities held for sale</b>	<b>54</b>	<b>54</b>
<b>Net assets of disposal group held for sale</b>	<b>(25)</b>	<b>(25)</b>

No amounts were included in Assets and Liabilities held for sale in the prior year before the reclassification of the Payserv Zambia Limited business as a discontinued operation in the current year, requiring the restatement above

## Notes to the Financial Statements

For the year ended 31 August 2017

### 6. Group net operating costs

	2017 US\$'000	Restated 2016 US\$'000
Cost of sales	2,233	2,958
Administrative expenses	5,307	5,056
<b>Net operating costs</b>	<b>7,541</b>	<b>8,014</b>

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

	NOTE	2017 US\$'000	Restated 2016 US\$'000
Operating costs include, inter alia			
Depreciation of property, plant and equipment		145	125
Depreciation of property plant and equipment in cost of sales		7	7
Amortisation		13	2
Operating lease rentals:			
Land and buildings		166	191
Personnel expenses	7	2,528	2,418
Gain on investments and subsidiaries disposed of		-	-
<b>Auditors remuneration</b>			
<i>Fees Payable to the Group Auditors for:</i>			
Current year audit of the Group's financial statements		82	98
Prior year audit of the Group's financial statements		-	-
<b>Total audit fees</b>		<b>82</b>	<b>98</b>

### 7. Personnel expenses

The aggregate remuneration comprised (including Executive Directors):

	2017 US\$'000	Restated 2016 US\$'000
Wages and salaries	2,366	2,264
Compulsory social security contributions	162	154
<b>Total personnel expenses</b>	<b>2,528</b>	<b>2,418</b>

#### PENSION FUNDS

The group provides for pensions on the retirement of employees by means of the Zimbabwean National Social Security Authority (NSSA) fund and the Cambria Staff Pension Fund.

## 7. Personnel expenses (Continued)

Contributions for the year were as follows:

2017	Company US\$'000	Employees US\$'000	Total US\$'000
NSSA	19	19	38
Cambria Staff Pension Fund	85	85	170

### Of which: Remuneration of Group Executive Directors and Key Personnel

Directors' emoluments (see note 34)

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

	2017 Number	2016 Number
Outsource and IT services	74	60
Industrial chemicals	16	24
Head Office	3	3
<b>Total</b>	<b>93</b>	<b>87</b>

## 8. Net finance costs

	2017 US\$'000	2016 US\$'000
Recognised in income statement:		
Bank interest receivable	15	16
Loan interest receivable	-	-
<b>Finance income</b>	<b>15</b>	<b>16</b>
Bank interest payable	-	-
Loan interest payable	(371)	(657)
<b>Finance costs</b>	<b>(371)</b>	<b>(657)</b>
<b>Net finance costs</b>	<b>(356)</b>	<b>(641)</b>

## 9. Taxation

	2017 US\$'000	2016 US\$'000
Income tax recognised in the income statement		
<b>Current tax expense</b>		
Current period	628	421
<b>Deferred tax credit</b>		
Origination and reversal of temporary differences	32	(24)
<b>Total income tax charge in income statement</b>	<b>660</b>	<b>397</b>



# Notes to the Financial Statements

For the year ended 31 August 2017

## 9. Taxation (continued)

### RECONCILIATION OF EFFECTIVE TAX RATE

	2017 US\$'000	2016 US\$'000
Profit/(loss) before tax	716	(140)
Income tax using the Zimbabwean corporation tax rate 25.75% (2016: 25.75%)	184	(36)
Net losses where no group relief is available	476	433
<b>Total income tax charge in income statement</b>	<b>660</b>	<b>397</b>

### DEFERRED TAX

	2017 US\$'000	2016 US\$'000
Relating to temporary tax differences in subsidiaries	32	(24)
<b>Total</b>	<b>32</b>	<b>(24)</b>

Corporation tax is calculated as 25.75% (2016: 25.75%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

## 10. Disposals and discontinued operations

The following entities were classified as held for disposal in the previous (2016) financial year:

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

The following entities were reclassified as held for disposal in the period under review, 2017 financial year. As discussed in note 2 and note 5, the comparatives for the period ended 31 August 2016 are accordingly restated.

- Payserv Zambia Limited, a subsidiary of Payserv Africa Limited.

The financial effect of these discontinued operations on the profit or loss and financial position is shown in the operating segment disclosures in note 5 in respect of the 2016 financial year.

### CASH FLOWS FROM DISCONTINUED OPERATIONS

	2017 US\$'000	2016 US\$'000
Net cash (used in)/generated by operating activities	(55)	3,240
Net cash used in investing activities	(1)	(1)
Net cash generated from financing activities	77	231
<b>Net cash flows for the year</b>	<b>21</b>	<b>3,470</b>
 Cash and cash equivalents held for sale	 24	 3

## 10. Disposals and discontinued operations (continued)

### ASSETS AND LIABILITIES OF OPERATIONS DISCONTINUED DURING THE CURRENT YEAR:

	OUTSOURCE AND IT SERVICES 2017 US\$'000	OUTSOURCE AND IT SERVICES 2016 US\$'000
Property, plant and equipment	2	3
Trade and other receivables	3	14
<b>Total assets of discontinued subsidiary</b>	<b>5</b>	<b>17</b>
Trade and other payables	50	12
Provisions	4	14
<b>Total liabilities of discontinued subsidiary</b>	<b>54</b>	<b>26</b>
Cash and cash equivalents	24	3

## 11. Loss per share

The calculation of basic and diluted loss per share at 31 August 2017 has been based on the loss attributable to ordinary shareholders for continuing and discontinued operations at the weighted average of ordinary shares outstanding during the period as detailed in the table below:

### LOSS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

	2017 EARNINGS PER SHARE US\$'CENTS	2017 US\$'000	<i>Restated</i> 2016 EARNINGS PER SHARE US\$'CENTS	<i>*Restated</i> 2016 US\$'000
(Loss) for the purposes of basic loss and dilutive per share being net loss attributable to equity holders of the parent*	(0.12)	(349)	(0.49)	(1,010)
- continuing operations	(0.07)	(196)	(0.39)	(792)
- discontinued operations	(0.05)	(153)	(0.10)	(207)

### WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

	NOTE	2017 000'S	2016 000'S
Weighted average number of ordinary shares for the purposes of basic and dilutive loss per share for all calculations*		281,275	207,920
Actual number of shares outstanding at the end of the period	21	348,839	207,920

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

# Notes to the Financial Statements

For the year ended 31 August 2017

## 12. Property, plant and equipment

2017 GROUP	FREEHOLD LAND & BUILDINGS US\$'000	PLANT & MACHINERY US\$'000	MOTOR VEHICLES US\$'000	FURNITURE FIXTURES & FITTINGS US\$'000	TOTAL US\$'000
<b>Cost or valuation</b>					
At 1 September 2016	2,317	76	526	1,032	3,951
Additions in year	-	1	247	43	291
Disposals in year	-	-	(87)	-	(87)
<b>Balance at 31 August 2017</b>	<b>2,317</b>	<b>77</b>	<b>686</b>	<b>1,075</b>	<b>4,155</b>
<b>Accumulated depreciation</b>					
At 1 September 2016	(34)	(55)	(371)	(900)	(1,360)
Disposals in year	-	-	85	-	85
Depreciation charge for the year	-	(6)	(106)	(41)	(153)
<b>Balance at 31 August 2017</b>	<b>(34)</b>	<b>(61)</b>	<b>(392)</b>	<b>(941)</b>	<b>(1,428)</b>
<b>Carrying amounts</b>					
At 31 August 2017	2,283	16	294	134	2,727
At 31 August 2016	2,283	21	155	132	2,591
					<i>Restated</i>
2016 GROUP	FREEHOLD LAND & BUILDINGS US\$'000	PLANT & MACHINERY US\$'000	MOTOR VEHICLES US\$'000	FURNITURE FIXTURES & FITTINGS US\$'000	TOTAL US\$'000
<b>Cost or valuation</b>					
At 1 September 2015	2,317	76	580	978	3,951
Additions in year	-	1	105	64	170
Disposals in year	-	(1)	(159)	(10)	(170)
<b>Balance at 31 August 2016</b>	<b>2,317</b>	<b>76</b>	<b>526</b>	<b>1,032</b>	<b>3,951</b>
<b>Accumulated depreciation</b>					
At 1 September 2015	(34)	(49)	(412)	(868)	(1,363)
Disposals in year	-	-	129	4	133
Depreciation charge for the year	-	(6)	(88)	(36)	(130)
<b>Balance at 31 August 2016</b>	<b>(34)</b>	<b>(55)</b>	<b>(371)</b>	<b>(900)</b>	<b>(1,360)</b>
<b>Carrying amounts</b>					
At 31 August 2016	2,283	21	155	132	2,591
At 31 August 2015	2,283	27	168	110	2,588
2017 COMPANY	FREEHOLD LAND & BUILDINGS US\$'000	PLANT & MACHINERY US\$'000	MOTOR VEHICLES US\$'000	FURNITURE FIXTURES & FITTINGS US\$'000	TOTAL US\$'000
<b>Cost or valuation</b>					
At 1 September 2016	-	-	-	10	10
Additions in year	-	-	-	-	-
Disposals in year	-	-	-	-	-
<b>Balance at 31 August 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>
<b>Accumulated depreciation</b>					
At 1 September 2016	-	-	-	(10)	(10)
Additions in year	-	-	-	-	-
Disposals in year	-	-	-	-	-

## 12. Property, plant and equipment (continued)

2017 COMPANY	FREEHOLD LAND & BUILDINGS US\$'000	PLANT & MACHINERY US\$'000	MOTOR VEHICLES US\$'000	FURNITURE FIXTURES & FITTINGS US\$'000	TOTAL US\$'000
Depreciation charge for the year	-	-	-	-	-
<b>Balance at 31 August 2017</b>	-	-	-	(10)	(10)
<b>Carrying amounts</b>					
At 31 August 2017	-	-	-	-	-
At 31 August 2016	-	-	-	-	-

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

## Valuations

### LE HAR (PRIVATE) LIMITED VALUATION – PROPERTY

An external, professional and independent valuer with appropriate and recognised qualifications, T.W.R.E. Zimbabwe (Pvt) Limited ("TWRE") carried out a valuation of the freehold land and buildings as at 31 August 2013 with reference to observed market evidence. TWRE performed a desktop update of their valuation as at 31 August 2017. The directors having considered the TWRE updated report, consider this value to still be an accurate reflection of the fair value at 31 August 2017 being US\$2.3 million (2016: US\$2.3 million). The Directors consider the fair value at the reporting date to not be materially different from the carrying value.

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## Notes to the Financial Statements

*For the year ended 31 August 2017*

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## 13. Goodwill

As at 31 August 2017, the consolidated statement of financial position included goodwill of US\$717,000 (2016: US\$717,000). Goodwill is allocated to the Group's cash-generating units ("CGUs"), or groups of cash-generating units, that are expected to benefit from the synergies of the business combination that gave rise to the goodwill as follows:

CASH GENERATING UNIT (CGU)	ORIGINAL COST	COST AT 1 SEPTEMBER 2016	CARRYING VALUE AT 1 SEPTEMBER 2016	ACCELERATED WRITE-OFF	CARRYING VALUE AT 31 AUGUST 2017
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Payserv Africa Limited (formerly Paynet Limited)	717	717	717	-	717
<b>Total</b>	<b>717</b>	<b>717</b>	<b>717</b>	<b>-</b>	<b>717</b>

## ESTIMATES AND JUDGEMENTS

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

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

## IMPAIRMENT LOSS

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

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

## Notes to the Financial Statements

For the year ended 31 August 2017

### 14. Intangible assets

	ORIGINAL COST US\$'000	NET BOOK VALUE AT 1 SEPTEMBER 2016 US\$'000	ADDITIONS	DISPOSALS	AMORTISATION US\$'000	CLOSING BALANCE AT 31 AUGUST 2017 US\$'000
Payserv software licences	1,538	39	2	-	(14)	27
<b>Total</b>	<b>1,538</b>	<b>39</b>	<b>2</b>	<b>-</b>	<b>(14)</b>	<b>27</b>

#### AMORTISATION

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

The amortisation periods for intangible assets are:

Software licences	3 years
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### 15. Investments in subsidiaries and associates

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

#### CONTINUING OPERATIONS

	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2017	2016
African Solutions Limited	Mauritius	100%	100%
Autopay (Pvt) Limited	Zimbabwe	100%	100%
Gardoserve (Pvt) Limited	Zimbabwe	100%	100%
Le Har (Pvt) Limited	Zimbabwe	100%	100%
LonZim Enterprises Limited	United Kingdom	100%	100%
LonZim Holdings Limited +	Isle of Man	100%	100%
Millchem Africa Limited	Isle of Man	100%	100%
Millchem Holdings Limited	Isle of Man	100%	100%
MillChem (Lilongwe) Limited	Malawi	100%	100%
MSA Chemicals (Pty) Limited	South Africa	100%	100%
MSA Sourcing BV	Netherlands	100%	100%
Para Meter Computers (Pvt) Limited	Zimbabwe	100%	100%
Paynet Zimbabwe (Pvt) Limited	Zimbabwe	100%	100%
Payserv (Pvt) Limited	Zimbabwe	100%	100%
Payserv Africa Limited (previously Paynet Limited)	Mauritius	100%	100%
Payserv Zimbabwe (Pvt) Limited	Zimbabwe	100%	100%
Payserv Zambia Limited	Zambia	100%	100%
Tradanet (Pvt) Limited	Zimbabwe	51%	51%
Yellowwood Projects (Pvt) Limited	Zimbabwe	100%	100%

+ Held directly by Cambria Africa Plc

## 15. Investments in subsidiaries and associates (continued)

### NON-CONTROLLING INTERESTS ("NCI")

Ottonby Trading (Pvt) Ltd (address: Northridge Park, Northend Close, Harare, Zimbabwe) holds a 49% interest in Tradanet (Pvt) Ltd.

Tradanets salient financial information is as follows:-

	2017	2016
	US\$'000	US\$'000
Profit attributable to NCI	252	266
Dividends paid to NCI	(149)	(335)
Accumulated NCI at year end	99	(4)
Non-current assets	74	44
Current assets	390	208
Non-current liabilities	2	1
Current liabilities	261	261
Cash flow from operations	462	549
Cash utilised in investing activities	(51)	(8)
Cash utilised in financing activities (including dividends)	(316)	(674)
Cash and cash equivalents	273	178

## 16. Inventory

	GROUP 2017	GROUP 2016
	US\$'000	US\$'000
Raw materials and consumables	25	192
Goods in transit	37	5
Finished goods	171	210
<b>Total</b>	<b>233</b>	<b>407</b>



# Notes to the Financial Statements

For the year ended 31 August 2017

## 17. Financial assets at fair value through profit or loss

	GROUP 2017 US\$'000	GROUP 2016 US\$'000
Quoted investments portfolio	86	40
<b>Total</b>	<b>86</b>	<b>40</b>

	GROUP 2017 US\$'000	GROUP 2016 US\$'000
<b>QUOTED INVESTMENTS PORTFOLIO:</b>		
Balance at 1 September	40	50
Acquired during the year	-	-
Disposed during the year	-	-
Gain/(loss) on fair valuation during the year	46	(10)
<b>Gain at end of the year</b>	<b>86</b>	<b>40</b>

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

## 18. Trade and other receivables

	GROUP 2017 US\$'000	COMPANY 2017 US\$'000	*Restated GROUP 2016 US\$'000	COMPANY 2016 US\$'000
Amounts owed by Group undertakings	-	3,763	-	6,168
Trade receivables	824	-	884	-
Other receivables	674	559	339	206
Prepayments and accrued income	232	-	74	-
<b>Total</b>	<b>1,730</b>	<b>4,322</b>	<b>1,297</b>	<b>6,374</b>

No interest is charged on receivables.

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

### CREDIT RISK

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

## 19. Cash and cash equivalents

	GROUP 2017 US\$'000	COMPANY 2017 US\$'000	Restated GROUP 2016 US\$'000	COMPANY 2016 US\$'000
Bank balances	1,045	143	698	-
Bank overdrafts	-	-	-	-
<b>Net cash and cash equivalents</b>	<b>1,045</b>	<b>143</b>	<b>698</b>	<b>-</b>
Net cash included in held for sale	24	-	3	-
<b>Total cash and cash equivalents in statement of financial position</b>	<b>1,069</b>	<b>143</b>	<b>701</b>	<b>-</b>

## 20. Capital and reserves

### REVALUATION RESERVE

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

### FOREIGN EXCHANGE RESERVE

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

### SHARE BASED PAYMENT RESERVE

The share based payment reserve comprises of the charges arising from the calculation of the share based payment posted to the income statement in 2011 and 2012, and released on expiration of options never exercised in 2013, 2016 and finally in the current year.

### NON DISTRIBUTABLE RESERVE

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

# Notes to the Financial Statements

For the year ended 31 August 2017

## 21. Share capital & share premium

	ORDINARY SHARES 2017			ORDINARY SHARES 2016		
	NUMBER	SHARE CAPITAL US\$'000	SHARE PREMIUM US\$'000	NUMBER	SHARE CAPITAL US\$'000	SHARE PREMIUM US\$'000
<b>Issued and fully paid</b>						
At 1 September	207,920,406	34	83,950	207,920,406	34	83,950
Issued in period	140,918,606	17	1,736	-	-	-
<b>At 31 August</b>	<b>348,839,012</b>	<b>51</b>	<b>85,686</b>	<b>207,920,406</b>	<b>34</b>	<b>83,950</b>

All shares issued are classed as Ordinary Shares with a par value of 0.01 pence each and are all ranked equally. There are no other classes of shares in issue. No warrants were granted during the current financial year and no warrants are outstanding.

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

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

### SHARE PREMIUM

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

22 February 2017	140,918,606 ordinary shares at a price of 1.0p per share (US\$ 1,736,223)
17 April 2015	107,000,000 ordinary shares at a price of 0.85p per share (US\$1,337,000)
6 March 2014	4,133,333 ordinary shares at a price of 7.5p per share (US\$508,000).
4 March 2014	28,272,806 ordinary shares at a price of 7.5p per share (US\$3,475,000 of which US\$ 719,000 related to settlement of expenses and liabilities).
1 October 2012	8,615,115 ordinary shares at a price of 10p per share (US\$1,400,000).
16 September 2011	3,988,439 ordinary shares at a price of 23p per share (US\$1,448,000).
10 December 2010	17,813,944 ordinary shares at a price of 28p per share net of issue costs of £143,000 (US\$7,646,000).
9 December 2009	4,255,525 ordinary shares at a price of 27.5p per share net of issue costs of £58,000 (US\$1,820,000).
14 July 2009	Cost of purchasing and cancelling 4,374,000 shares at 30.5p per share (US\$2,174,000).
11 December 2007	36,450,000 ordinary shares at a price of 100p per share net of issue costs of £2,753,000 (US\$68,659,000).

## 22. Share options

All share options issued in prior years have now expired and were not exercised. The prior year details are included below for information purposes only. The following share options over ordinary shares had been granted over the last 5 years under an Un-approved Share Option scheme.

NAME	DATE OF GRANT	NUMBER OF SHARE OPTIONS GRANTED	EXERCISE PRICE	PERIOD DURING WHICH EXERCISABLE	MARKET PRICE PER SHARE AT DATE OF GRANT
Edzo Wisman	10 03 2011	500,000	30p	01.07 2011 – 30 06 2016	21 75p
Edzo Wisman	10.03.2011	500,000	30p	01 07 2012 – 30 06 2017	21 75p
<b>Total</b>		<b>1,000,000</b>			

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

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

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

	DATE OF GRANT 10 MARCH 2011	DATE OF GRANT 10 MARCH 2011
Number of shares	500,000	500,000
Share price at vesting date (Date of Grant)	21 75p	21 75p
Exercise price	30p	30p
Expected volatility	30 2%	30 2%
Expected life	5 4 years	6 4 years
Expected dividends	0 00%	0 00%
Risk-free interest rate	5 00%	5 00%

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

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

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

	WEIGHTED AVERAGE EXERCISE PRICE PENCE	NUMBER OF OPTIONS
Outstanding and exercisable at 31 August 2016	30	500,000
<b>Outstanding and exercisable at 31 August 2017</b>	-	-

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

## Notes to the Financial Statements

For the year ended 31 August 2017

### 23. Loans and borrowings - long term

	GROUP 2017 US\$'000	COMPANY 2017 US\$'000	GROUP 2016 US\$'000	COMPANY 2016 US\$'000
VAL Loan	1,565	1,565	2,929	2,929
CABS Loan - long term portion	205	-	-	-
Other trade payables	77	-	36	-
<b>Total</b>	<b>1,849</b>	<b>1,565</b>	<b>2,965</b>	<b>2,929</b>

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

During the financial year, the Company announced the VAL Loan Conversion in terms of which VAL converted £1.25 million (approximately \$1.55 million) of the VAL Loan into 125 million ordinary shares at 1.00p per share. The result of the VAL Loan Conversion is incorporated into the figures above.

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

### 24. Provisions

	GROUP 2017 US\$'000	COMPANY 2017 US\$'000	*Restated GROUP 2016 US\$'000	COMPANY 2016 US\$'000
Provisions	186	-	193	-
<b>Total</b>	<b>186</b>	<b>-</b>	<b>193</b>	<b>-</b>

Provisions at 31 August 2017, are in respect of the maximum Leave Pay and Retirement Gratuity which may become payable by individual companies to employees on termination of their employment.

### 25. Deferred tax liability

#### RECOGNISED DEFERRED LIABILITY

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

GROUP	2017		2016	
	ACCELERATED TAX DEPRECIATION US\$'000	TOTAL US\$'000	ACCELERATED TAX DEPRECIATION US\$'000	TOTAL US\$'000
At 1 September	152	152	177	177
Recognised directly in reserves	-	-	-	-
Other movements	32	32	(25)	(25)
<b>At 31 August</b>	<b>184</b>	<b>184</b>	<b>152</b>	<b>152</b>

Deferred tax assets off set against deferred tax liabilities in the period were US\$ nil (2016:US\$ nil).

## Notes to the Financial Statements

For the year ended 31 August 2017

### 26. Loans and borrowings - short term

	GROUP 2017 US\$'000	COMPANY 2017 US\$'000	GROUP 2016 US\$'000	COMPANY 2016 US\$'000
VAL Bridging Loan	926	926	1,469	1,469
CABS Loan - short term portion	630	-	-	-
<b>Total</b>	<b>1,556</b>	<b>926</b>	<b>1,469</b>	<b>1,469</b>

The Company previously announced on 18 October 2016 that Payserv's wholly owned subsidiary, Paynet Zimbabwe (Pvt) Limited ("Paynet"), successfully concluded a \$1.2 million loan facility agreement with Central Africa Building Society ("CABS Loan"). The CABS Loan currently bears interest at 9% per annum (previously 11%), an annual renewal fee of 1%, and is subject to an establishment fee of 2%. The loan is repayable over 24 months. As security, a mortgage has been registered in favour of CABS over one of two properties owned by Le Har (Pvt) Ltd, a wholly owned subsidiary of the Company. The remaining property remains unencumbered.

The CABS Loan was used by Paynet to repay in part its license fees and loan obligations to Payserv Africa. Payserv in turn used the funds to settle the remaining portion of the VAL Bridging Facility via Cambria.

### 27. Trade and other payables

	GROUP 2017 US\$'000	COMPANY 2017 US\$'000	*Restated GROUP 2016 US\$'000	COMPANY 2016 US\$'000
Trade payables	807	730	693	472
Non trade payables and accrued expenses	567	1,936	517	2,428
<b>Total</b>	<b>1,374</b>	<b>2,666</b>	<b>1,210</b>	<b>2,900</b>
Current tax liability	397	-	308	-
<b>Total</b>	<b>1,771</b>	<b>2,666</b>	<b>1,518</b>	<b>2,900</b>

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

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

## Notes to the Financial Statements

For the year ended 31 August 2017

### 28. Notes to the statement of cash flows

	GROUP 2017 US\$'000	*Restated GROUP 2016 US\$'000
<b>Loss for the year</b>	<b>(97)</b>	<b>(744)</b>
<i>Adjusted for *:</i>		
Amortisation of intangible assets	14	2
Depreciation of property, plant and equipment	154	132
Loss/(Profit) on sale of property, plant and equipment	(19)	4
Valuation adjustments to inventories, receivables and other assets	(46)	1
Finance income	(15)	(16)
Finance costs	371	657
(Decrease)/increase in provisions	(16)	25
Income tax charge	660	396
<b>Operating cash flows before movements in working capital</b>	<b>1,006</b>	<b>457</b>
Decrease in inventories	174	305
(Increase)/decrease in trade and other receivables	(421)	4,623
Increase/(decrease) in trade and other payables	201	(1,441)
<b>Cash generated from operations</b>	<b>960</b>	<b>3,944</b>

\* All amounts include both continuing and discontinued operations

### 29. Financial instruments

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

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

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

#### RISK MANAGEMENT FRAMEWORK

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

## 29. Financial instruments (continued)

### CREDIT RISK MANAGEMENT

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

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

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

### EXPOSURE TO CREDIT RISK

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

	NOTE	GROUP 2017 US\$'000	COMPANY 2017 US\$'000	GROUP 2016 US\$'000	COMPANY 2016 US\$'000
Cash and cash equivalents	19	1,069	143	701	-
Trade and other receivables	18	1,730	559	1,297	206
Amounts owed by group undertakings	18	-	3,809	-	6,168
Other investments	17	86	-	40	-
<b>Total</b>		<b>2,885</b>	<b>4,511</b>	<b>2,038</b>	<b>6,374</b>

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

	GROUP 2017 US\$'000	COMPANY 2017 US\$'000	GROUP 2016 US\$'000	COMPANY 2016 US\$'000
United Kingdom	702	702	206	206
Southern Africa	2,183	3,809	1,832	4,585
Mauritius	-	-	-	1,583
Europe	-	-	-	-
<b>Total</b>	<b>2,885</b>	<b>4,511</b>	<b>2,038</b>	<b>6,374</b>



## Notes to the Financial Statements

For the year ended 31 August 2017

### 29. Financial instruments (continued)

The maximum exposure to credit risk for trade and other receivables (excluding trade creditors which are linked to listed investments per contract with the supplier - see note 17 US\$86,000 (2016: US\$40,000)) at the reporting date by type of counterparty was:

	GROUP 2017 US\$'000	COMPANY 2017 US\$'000	GROUP 2016 US\$'000	COMPANY 2016 US\$'000
Trade customers and other receivables	1,730	559	1,297	206
Amounts owed by Group undertakings	-	3,763	-	6,168
<b>Total</b>	<b>1,730</b>	<b>4,322</b>	<b>1,297</b>	<b>6,374</b>

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

	GROUP		
	GROSS 2017 US\$'000	IMPAIRMENT 2017 US\$'000	TOTAL 2017 US\$'000
Neither past nor impaired	692	-	692
Past due 1-30 days	132	-	132
Past due 31-60 days	19	(7)	12
Past due 61-90 days	20	(20)	-
Past due 91-days +	126	(126)	-
Other receivables	894	-	894
<b>Total</b>	<b>1,883</b>	<b>(153)</b>	<b>1,730</b>

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

### LIQUIDITY RISK MANAGEMENT

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

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

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

## 29. Financial instruments (continued)

### LIQUIDITY RISK MANAGEMENT (CONTINUED)

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

GROUP	CONTRACTUAL CASH FLOWS 2017			CONTRACTUAL CASH FLOWS 2016		
	CARRYING AMOUNT US\$'000	1 YEAR OR LESS US\$'000	2 TO < 5 YEARS US\$'000	CARRYING AMOUNT US\$'000	1 YEAR OR LESS US\$'000	2 TO < 5 YEARS US\$'000
Trade and other payables	1,374	1,374	-	1,210	1,210	-
Loans and borrowings	3,405	1,697	1,930	4,434	1,645	3,163
<b>Total</b>	<b>4,779</b>	<b>3,071</b>	<b>1,930</b>	<b>5,644</b>	<b>2,855</b>	<b>3,163</b>

COMPANY	CONTRACTUAL CASH FLOWS 2017			CONTRACTUAL CASH FLOWS 2016		
	CARRYING AMOUNT US\$'000	1 YEAR OR LESS US\$'000	2 TO < 5 YEARS US\$'000	CARRYING AMOUNT US\$'000	1 YEAR OR LESS US\$'000	2 TO < 5 YEARS US\$'000
Trade and other payables	2,666	2,666	-	2,900	2,900	-
Loans and borrowings	2,491	1,009	1,706	4,398	1,645	3,163
<b>Total</b>	<b>5,142</b>	<b>3,660</b>	<b>1,706</b>	<b>7,298</b>	<b>4,545</b>	<b>3,163</b>

### FOREIGN CURRENCY RISK MANAGEMENT

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

	REPORTING DATE		REPORTING DATE	
	AVERAGE RATE 2017	SPOT RATE 2017	AVERAGE RATE 2016	SPOT RATE 2016
Pounds Sterling (GBP)	0.79	0.77	0.70	0.76
Euro (EUR)	0.91	0.84	0.90	0.90
Zambian Kwacha (ZMW)	13.39	13.01	14.79	14.67
South African Rand (ZAR)	9.48	9.05	10.85	9.52
Malawian Kwacha (MWK)	718.94	719.33	666.36	721.75

# Notes to the Financial Statements

For the year ended 31 August 2017

## 29. Financial instruments (continued)

The Group does not account for any fixed rate financial assets or liabilities at fair value through profit or loss. At the reporting date the interest rate profile of the Group's interest bearing financial instruments was as follows :

CARRYING VALUE	2017 US\$'000	2016 US\$'000
<b>FIXED RATE INSTRUMENTS</b>		
Financial assets	-	-
Financial liabilities	(3,326)	(4,398)
<b>Total</b>	<b>(3,326)</b>	<b>(4,398)</b>
<b>VARIABLE RATE INSTRUMENTS</b>		
Financial assets	1,069	701
Financial liabilities	-	-
<b>Total</b>	<b>1,069</b>	<b>701</b>

## SENSITIVITY ANALYSIS

In managing foreign currency risks the Group aims to reduce the impact of short and long-term fluctuations on the Group's earnings. A 10 percent strengthening/weakening of the listed currencies against the USD at 31 August 2017 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. This analysis is performed on the same basis for 2015 and assumes that all other variables remain the same.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date and their sensitivity is as follows:

	EXPOSURE IN FINANCIAL STATEMENT POSITION US\$'000	STRENGTHENING PROFIT OR LOSS US\$'000	WEAKENING PROFIT OR LOSS US\$'000
<b>31 AUGUST 2017</b>			
Pounds Sterling (GBP)	(382)	27	(27)
Euro (EUR)	(23)	2	(2)
South African Rand (ZAR)	(1)	-	-
Zambian Kwacha (ZMW)	(27)	-	-
<b>31 AUGUST 2016</b>			
Pounds Sterling (GBP)	(281)	19	(19)
Euro (EUR)	(20)	2	(2)
South African Rand (ZAR)	(120)	1	(1)
Zambian Kwacha (ZMW)	9	-	-
Malawian Kwacha (MWA)	12	-	-

## INTEREST RATE RISK MANAGEMENT

The Company does not believe it faces any risk from its interest rate exposure. The rates of interest it is exposed to are not expected to change over the tenure of its borrowings.

Currently the Company has only two lenders, Central African Building Society (CABS) Zimbabwe and Ventures Africa Limited (VAL) which holds 66.5% of the Company's equity. As a percent of total borrowings, 75% is represented by VAL and 25% from CABS with a weighted average interest cost of 8.24%.

## 29. Financial instruments (continued)

As a related party, VAL has established interest rates at levels which its funding was used to displaced former lenders and maintained parity with rates which the Company has been able to obtain funding at in Zimbabwe. However, VAL does not charge the Company establishment fees or anniversary fees. VAL has actively converted debt to equity to assist the company in reducing its interest rate exposure and has announced its intention for further debt to equity conversions.

The rate of interest on the CABS loan is currently 9% which as a result of increased domestic liquidity has fallen from 11% in FY 2016. The Company expects this loan to be fully repaid by November 2018.

### CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, retained earnings and non-controlling interests of the Group. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding non-redeemable preference shares and non-controlling interests. The Board of Directors also monitors the level of dividends to ordinary shareholders.

Currently management is discussing alternatives for extending the Group's share option programme beyond key management and other senior employees. No decisions have been made.

The Board seeks to maintain a balance between higher returns that might be possible with high levels of borrowings and the advantages and security afforded by a sound capital position.

### FAIR VALUES

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

GROUP	HIERARCHY	CARRYING AMOUNT	FAIR VALUE
		2017 US\$'000	2017 US\$'000
Cash and cash equivalents	Level 3	1,045	1,045
Trade and other receivables	Level 3	1,730	1,730
Quoted investment portfolio	Level 1	86	86
Trade and other payables	Level 3	(1,374)	(1,374)
Loans and borrowings	Level 3	(3,405)	(3,405)
<b>Total</b>		<b>(1,918)</b>	<b>(1,918)</b>

GROUP		CARRYING AMOUNT	*Restated FAIR VALUE
		2016 US\$'000	2016 US\$'000
Cash and cash equivalents	Level 3	698	698
Trade and other receivables	Level 3	1,297	1,297
Quoted investment portfolio	Level 1	40	40
Trade and other payables	Level 3	(1,210)	(1,210)
Loans and borrowings	Level 3	(4,434)	(4,434)
<b>Total</b>		<b>(3,609)</b>	<b>(3,609)</b>

## Notes to the Financial Statements

For the year ended 31 August 2017

### 29. Financial instruments (continued)

COMPANY		CARRYING AMOUNT 2017 US\$'000	FAIR VALUE 2017 US\$'000
Cash and cash equivalents	Level 3	143	143
Trade and other receivables	Level 3	4,322	4,322
Trade and other payables	Level 3	(2,666)	(2,666)
Loans and borrowings	Level 3	(2,491)	(2,491)
<b>Total</b>		<b>(692)</b>	<b>(692)</b>

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

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

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

#### ESTIMATION OF FAIR VALUES

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

##### CASH AND CASH EQUIVALENTS

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

##### LOANS AND BORROWINGS

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

##### TRADE RECEIVABLES AND PAYABLES

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

##### QUOTED INVESTMENT PORTFOLIO

Fair value has been derived from quoted prices.

## 30. Operating leases

### LEASES AS LESSEE

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

<i>Operating lease commitments</i>	<i>US\$'000</i>
Payable in next 12 months	68
Payable in 1 to 5 years	5
Payable thereafter (> 5 years)	-
<b>Total</b>	<b>73</b>

During the year ended 31 August 2017, US\$166,000 (2016: US\$191,000) was recognised as an expense in the income statement in respect of operating leases. Operating lease payments represents rentals payable by the Group for certain of its properties. Leases are negotiated for a minimum term of 1 year and rentals are fixed for the period.

## 31. Statement of comprehensive income of Cambria Africa Plc

There is no requirement under the Isle of Man Companies Act 2006 to present a company only statement of comprehensive income. The loss for the year to 31 August 2017 was US\$1.52 million (2016: US\$1.54 million).

## 32. Capital commitments

The capital commitments at 31 August 2017 totalled US\$nil (2016: US\$nil).

## 33. Contingent liabilities

On 21 October 2014, the Group, pursuant to its disposal of Lonzim Hotels Limited, provided warranties relating to matters fairly disclosed to the Purchaser in terms of the relevant sale and purchase agreement and the related disclosure letter and/or due diligence data. General warranties remained in force and effect until 31 August 2015 and Title warranties remained in force and effect until 21 October 2016. The liability of the Group in respect of the aggregate of all Title warranties shall not exceed \$2 000, and in respect of the aggregate of all General warranties, shall not exceed \$350 thousand. The Group will have no liability in respect of General warranty claims in aggregate

less than \$100 thousand and General warranty claims shall not be less than \$25 thousand for a single claim. To the date of the report, no formal warranty claim has been lodged.

## 34. Related parties

### IDENTITY OF RELATED PARTIES

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

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

### GROUP AND COMPANY

At 31 August 2017, no amounts were due to Directors in respect of Directors fees, nor had any been paid in the year under review.

VAL is the controlling shareholder of Cambria with a 66.5% interest as at 31 August 2017. Mr Samir Shasha is the ultimate beneficial owner of VAL and the CEO and Director of Cambria. VAL has provided loan funding to Cambria in the form of the VAL Loan and the VAL Bridging Facility as set out in notes 23 and 26 respectively. Interest accrued during the period amounted to US\$180,000 in respect of the VAL Loan and \$106,000 in respect of the VAL Bridging Facility.

### TRANSACTIONS WITH SUBSIDIARY ENTITIES WITHIN THE GROUP

Paynet Zimbabwe (Private) Limited ("Paynet"), a 100% subsidiary of the Group and provides services including payroll processing, software licensing, training and utility and property sublets to fellow subsidiaries which amounted to US\$3,000 (2016: US\$3,000). All charges were at market value and arms length rates.

### TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

## Notes to the Financial Statements

For the year ended 31 August 2017

### 34. Related parties (continued)

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

	TOTAL 2017 US\$000	TOTAL 2016 US\$000
S Shasha	-	-
P Turner	-	-
JP Watenphul	-	-
DC Pandya	-	-
<b>Total</b>	-	-

### 35. Events after the reporting date

#### Settlement of the Consilium dispute

On 4 October 2017, the Company executed a settlement deed with Consilium, the terms of which provide that:-

Cambria and Consilium agree to settle all claims against each other;

Cambria will pay Consilium US\$223,000 and each party grants the other and their respective directors and associated parties releases from claims relating to the matters that were in dispute;

The money deposited at the Courts Funds Office by Cambria as security for costs in the sum of GBP381,342 shall, subject to an agreed amount being paid to Consilium by way of contribution to the settlement amount, be released in full back to Cambria;

To protect the interests of Cambria and its shareholders situations not related to Consilium or the present dispute have been excluded from the scope of the releases granted by Cambria.

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**PRINCIPAL GROUP BANKERS**

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## Shareholder Information

*For the year ended 31 August 2017*

### Analysis of ordinary shareholdings as at 16 February 2018

Note: the shareholding analysis has been performed on 16 February 2018 incorporating changes since the year end of 31 August 2017

	NUMBER OF HOLDERS	% OF TOTAL HOLDERS	NUMBER OF SHARES	% OF TOTAL SHARES
<b>Category of shareholder</b>				
Private shareholder	84	41.6%	19 958 998	5.7%
Banks, nominees and other corporate bodies	118	58.4%	332 614 770	94.3%
<b>Total</b>	<b>202</b>	<b>100.0%</b>	<b>352 573 768</b>	<b>100.0%</b>
<b>Shareholding range</b>				
1 – 5,000	62	30.7%	145 516	0.0%
5,001 – 50,000	48	23.8%	968 951	0.3%
50,001 – 500,000	49	24.3%	9 484 537	2.7%
500,001 – 5,000,000	36	17.8%	56 821 896	16.1%
5,000,001 – 50,000,000	6	2.9%	53 152 868	15.1%
50,000,001 – 250,000,000	1	0.5%	232 000 000	65.8%
<b>Total</b>	<b>202</b>	<b>100.0%</b>	<b>352 573 768</b>	<b>100.0%</b>

### REGISTRARS

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

### UNSOLICITED MAIL

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

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