Celsys limited

(A public company incorporated in the Republic of Zimbabwe under company registration number 1191/96)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, please consult you stockbroker, bank manager, legal advisor, accountant or other professional advisor immediately

Action Required:

1. If you have disposed of your ordinary shares in Celsys, this Scheme Document should be handed to the purchaser of such shares or the stockbroker, banker or other agent through whom the disposal was effected.
2. Celsys shareholders are entitled to attend the Scheme Meeting for shareholders to vote on the Scheme which will be held at Royal Harare Golf Club, Harare, Zimbabwe at 1000hrs on Monday 28 May 2012. If you are unable to attend the Scheme Meeting or at any adjournement thereof, and wish to be represented thereat, please complete and return the attached Form of Proxy in accordance with the instructions contained therein to Celsys' Transfer Secretary, being Corpserve Registrars (Private) Limited, 2nd Foor, ZB Centre, Cnr. Kwame Nkrumah/First Street, Harare so as to be received not later than 1000 hrs on Thursday 24 May 2012.
3. If a form of proxy for the Scheme Meeting and the Scheme of Arrangement ("the Scheme") is not received by the Transfer Secretary by the appropriate time set above, in exceptional circumstances and at the Chairman's discretion, it may be handed to the Chairman of the Meeting not less than 30 minutes before the commencement of the Meeting.
4. All Celsys shareholders are entitled to attend or to be represented by Counsel at the Court hearing for the sanctioning of the Scheme at 1000hrs or as soon thereafter as Counsel may be heard on Wednesday 6 June 2012 in the High Court of Zimbabwe, Mapondera Building, Samora Machel Avenue, Harare
5. The Document contains details of the Scheme which, if implemented, will result in the cancellation of the listing of Celsys shares on the Zimbabwe Stock Exchange ("ZSE") Main Board and the listing of Cambria Africa Plc shares by way of introduction on the ZSE.

SCHEME DOCUMENT TO SHAREHOLDERS

CONTAINING EXPLANATORY STATEMENTS RELATING TO APPROVALS SOUGHT:

(I) A PROPOSED SCHEME OF ARRANGEMENT UNDER SECTION 191 OF THE COMPANIES ACT [CHAPTER 24:03] AS AMENDED, IN TERMS OF WHICH MINORITY SHAREHOLDERS WILL BE MADE AN OFFER IN EXCHANGE FOR SHARES ISSUED BY CAMBRIA AFRICA PLC;

(II) FORM OF PROXY; AND

(III) ELECTION FORM

Financial Advisors

IMARA INVESTING IN AFRICA
Corporate Finance

Imara Corporate Finance Zimbabwe (Private) Limited

Sponsoring Broker

IMARA INVESTING IN AFRICA
Securities

Imara Edwards Securities (Private) Limited
MEMBERS OF THE ZIMBABWE STOCK EXCHANGE

Legal Advisors

GILL, GODLONTON & GERRANS
LEGAL PRACTITIONERS

Gill, Godlonton & Gerrans

Auditors and Independent Reporting Accountants

KPMG cutting through complexity

KPMG Chartered Accountants (Zimbabwe)

Share Transfer Secretaries in Zimbabwe

Corpserve

Corpserve Registrars (Private) Limited

Independent Financial Advisors

BDO

BDO Zimbabwe Chartered Accountants

Bankers

FBC Holdings Limited
strength • diversity • service

FBC Bank Limited

DEFINITIONS

The following definitions apply throughout this Scheme Document, unless otherwise stated or the context requires otherwise. In this Scheme Document, unless otherwise indicated, the words or phrases in the left hand column bear the meaning stipulated in the second column. Words in the singular shall include the plural and vice versa, words importing natural persons shall include juristic persons (whether corporate or incorporate and vice versa) and words in the masculine shall import both the feminine and neuter.

"AIM"	The Alternative Investment Market, a sub-board of the LSE;
"ATM"	Automated Teller Machine;
"Auditors" or "Independent Reporting Accountants"	KPMG Chartered Accountants (Zimbabwe) the Independent Auditors of the Company and Independent Reporting Accountants;
"BDO Zimbabwe" or "the Independent Financial Advisors"	BDO Zimbabwe Chartered Accountants, the Independent Financial Advisors to the non-executive directors of Celsys;
"Business Day"	Monday to Friday inclusive, but excluding any such day which is a public holiday in Zimbabwe;
"Cambria"	Cambria Africa Plc, a public company incorporated in the Isle of Man under the Companies Act of 2006 and listed on AIM;
"Celsys" or "the Company"	Celsys Limited, a public company incorporated in Zimbabwe under the Companies Act and listed on the ZSE;
"CES"	Complete Enterprise Solutions, a subsidiary of Cambria;
"Companies Act"	The Companies Act [Chapter 24:03] of Zimbabwe, as amended;
"Conditions Precedent"	The conditions precedent to the Scheme, as detailed in paragraph 6 of the Explanatory Statement;
"Corpserve" or "Transfer Secretary"	the transfer secretaries of Celsys, being Corpserve Registrars (Private) Limited;
"Court Order"	Depending on the context, either an order of the Court ordering the convening and holding of the Scheme Meeting made by the Court pursuant to Section 191(1) of the Companies Act or an order of the Court sanctioning the Scheme after approval of the Scheme at the Scheme Meeting made by the Court in terms of Section 192(1) of the Companies Act;
"Court" or "the High Court"	The High Court of Zimbabwe, which is located at Mapondera Building, Samora Machel Avenue, Harare, Zimbabwe;
"Directors"	The members of the board of directors of Celsys;
"Documents of Title"	Any one or more of the following in relation to the Scheme Shares: share certificates, certified transfer deeds, balance receipts or any other documents of title to Celsys shares acceptable to the ZSE; share certificates together with properly completed transfer forms signed or purporting to be signed on or before the Scheme Record Date and proof to the satisfaction of the Transfer Secretaryies that any relevant stamp duty or marketable securities tax has been paid; or if share certificates or the like have been lost or destroyed, documentation evidencing such fact to the satisfaction of the Transfer Secretaryies together with a suitable indemnity acceptable to Celsys or Cambria; and any other documents relating to the ownership of the Scheme Shares which are acceptable to the ZSE;
"EBIDTA"	Earnings Before Interest, Depreciation, Taxation and Amortisation;
"EBIT"	Earnings Before Interest and Tax;
"Effective Date"	The Date when the Scheme takes effect;
"Election Form"	The form of election accompanying this Scheme Document;
"EPS"	Earnings per share;
"Exchange Control Regulations"	The regulations made under the Exchange Control Act [Chapter 22:05] including in

	particular, without limitation, the Exchange Control (General) Regulations, Statutory Instrument 109 of 1996, as amended;
"Explanatory Statement"	The explanatory statement in terms of Section 192(1) of the Companies Act, in relation to the Scheme, commencing on page 1 of this Scheme Document;
"Financial Advisers"	The advisers to the Company, Imara Corporate Finance Zimbabwe (Private) Limited a company incorporated in Zimbabwe;
"FMNA"	ForgetMeNot Africa Limited, a subsidiary of Cambria;
"GBP" or "£"	Great British Pound, the legal tender of the United Kingdom in which certain monetary amounts in this Scheme Document are expressed;
"GGG" or "the Legal Advisors"	Gill, Godlonton and Gerrans, the Legal Advisors to Celsys;
"IAS"	International Accounting Standards;
"IFRS"	International Financial Reporting Standards;
"Last Practicable Date"	The last practicable date for the purpose of finalisation of the Scheme Document, being 29 February 2012;
"LSE"	London Stock Exchange Plc;
"Main Board"	The main board category for listing shares on the ZSE;
"Management"	The management of the operating divisions of Celsys;
"Non-resident Shareholder or "Non-resident"	A Celsys shareholder with non-resident status in terms of the Exchange Control Regulations;
"POS"	Point of Sale;
"Proxy Form"	The form of proxy accompanying this Scheme Document;
"RBZ"	The Reserve Bank of Zimbabwe;
"Registrar"	The Registrar of Companies appointed in terms of the Companies Act;
"Scheme Meeting"	The meeting of the Scheme Members convened in terms of Section 191(1) of the Companies Act, pursuant to the Court Order, to be held at 1000hrs on Monday 28 May 2012, at Royal Harare Golf Club at which the Scheme Members will consider and vote on the Scheme;
"Scheme Members"	Shareholders of Celsys recorded in the register as such on the Scheme Record Date, and who are entitled to attend and vote at the Scheme Meeting;
"Scheme Notice" or "Notice"	The notice which was published in accordance with the Companies Act and the ZSE Listing Requirements on Monday 7 May 2012 , advising Celsys shareholders of the Scheme Meeting to approve the Scheme;
"Scheme Participants"	Shareholders of Celsys recorded in the register on the Scheme Record Date and who are thus entitled to participate in the Scheme and to receive the Scheme Consideration;
"Scheme Record Date"	Thursday 24 May 2012, being the date on which a holder of Celsys shares, must be registered as such (by close of business) in order to participate in the Scheme;
"Sponsoring Brokers"	Imara Edwards Securities (Private) Limited, a company incorporated in Zimbabwe under the Companies Act, a licensed stockbroker in terms of the Zimbabwe Securities Act of 2004 (Chapter 24:25) and Sponsoring Brokers to Celsys in regard to the Scheme;
"the Listing Requirements"	the Listing Requirements of the ZSE, as amended;
"the Proposed Transaction"	Collectively, the Scheme of Arrangement, in terms of Section 191 of the Companies Act, between Celsys and its shareholders;
"the Scheme Consideration"	The consideration each Scheme Participant is entitled to in terms of the Scheme, being the entitlement specified as such in paragraph 5 of the Explanatory

	Statement of the Scheme;
"the Scheme Document"	All documents contained in this bound document, including the Explanatory Statement incorporating the Scheme, the Order of Court Notice of Scheme Meeting, the appendices, the form of proxy, the form of surrender, election and acceptance and the pre-listing statement of Cambria;
"the Scheme"	the Scheme of Arrangement, in terms of Section 191 of the Companies Act, proposed by Cambria between Celsys and its shareholders;
"US$"	United States Dollar, the legal tender of the United States of America in which certain monetary amounts in this Scheme Document are expressed;
"ZAR"	South African Rand, the legal tender of the Republic of South Africa in which certain monetary amounts in this Scheme Document are expressed;
"Zimbabwe"	The Republic of Zimbabwe;
"ZIMRA"	The Zimbabwe Revenue Authority;
"ZSE Listing Requirements"	The Listings Requirements of the ZSE; and,
"ZSE"	The Zimbabwe Stock Exchange constituted in terms of the Securities Act (Chapter 24:25) of 2004.

CORPORATE INFORMATION

Directors:

Paul Turner	Non-Executive Chairman
Adam Lemon	Chief Executive Officer
Chido Maunze	Chief Financial Officer
Itai Mazaiwana	Non-Executive Director
Ian Perkins	Non-Executive Director
Edzo Wisman	Non-Executive Director

Business Address and Registered Office:

Celsys Limited
58 – 60 Craster Road
Southerton
Harare
Zimbabwe

(P.O. Box 1943, Harare, Zimbabwe)

Financial Advisers:

Imara Corporate Finance Zimbabwe (Private) Limited
Block Two, Tendeseka Office Park
Samora Machel Avenue
Eastlea
Harare
Zimbabwe

(P.O. Box 1475, Harare, Zimbabwe)

Sponsoring Brokers:

Imara Edwards Securities (Private) Limited
Block Two, Tendeseka Office Park
Samora Machel Avenue
Eastlea
Harare
Zimbabwe

(P.O. Box 1475, Harare, Zimbabwe)

Auditors and Independent Reporting Accountants:

KPMG Chartered Accountants (Zimbabwe)
Old Mutual Gardens
100 The Chase (West)
Emerald Hill
Harare
Zimbabwe

(P.O. Box 6, Harare, Zimbabwe)

Share Transfer Secretaries in Zimbabwe:

Corpserve Registrars (Private) Limited
2nd Floor ZB Centre
Corner 1st Street/Kwame Nkurumah Avenue
Harare

(P.O. Box 2208, Harare, Zimbabwe)

Legal Advisors in Zimbabwe:

Gill, Godlonton and Gerrans
7th Floor, Beverly Court
100 Nelson Mandela Avenue
Harare

(P.O. Box 8, Harare, Zimbabwe)

Independent Financial Advisor:

BDO Zimbabwe Chartered Accountants
Kudenga House
3 Baines Avenue
Harare
Zimbabwe

(P.O. Box 334, Harare, Zimbabwe)

Bankers:

FBC Bank Limited
FBC Centre
45 Nelson Mandela Avenue
Harare
Zimbabwe

(P.O. Box 1277, Harare, Zimbabwe)

Company Secretary:

Chido Maunze
58 – 60 Craster Road
Southerton
Harare
Zimbabwe

(P.O. Box 1943, Harare, Zimbabwe)

CONTENTS

EXPECTED TRANSACTION TIMETABLE

	2012
Last Practicable Date	29 February
Scheme Record Date for purposes of being entitled to vote in the Scheme Meeting	24 May
Last Date for lodging forms or Proxy relating to the Scheme Meeting (by 1000hrs)	24 May
Scheme Meeting of Celsys shareholders (at 1000hrs)	28 May
Publication of the Results of the Scheme Meeting	1 June
File Section 191 Application with High Court	30 May
Expected date of Court hearing to sanction the Scheme	6 June
Expected date of registration by the Registrar of Companies of the Order sanctioning the Scheme	8 June
The proposed Effective Date of the Scheme	8 June
Expected date of de-listing of Celsys shares on the ZSE, if the Scheme becomes operative	21 June
Expected date of listing of Cambria shares on the ZSE, dealings in ordinary shares commence	22 June
Dispatch of share certificates	22 June

NOTES:

The above dates are subject to change and any amendments will be published in the Zimbabwean press. All times indicated above and elsewhere in this Scheme Document are Zimbabwean local times.

If you have any questions on any aspects of this Scheme Document, please contact your stockbroker, accountant, banker, legal practitioner or other professional advisor, or Sean Gammon at Imara, Block Two, Tendeseka Office Park, Samora Machel Avenue, Harare, Zimbabwe; Telephone number +263 4 701320; Fax +263 4 701319; E-mail: sean.gammon@imara.co.

SUMMARY

THIS SUMMARY MUST BE READ AS AN INTRODUCTION TO THIS SCHEME DOCUMENT AND ANY DECISION TO INVEST IN THE ORDINARY SHARES SHOULD BE BASED ON A CONSIDERING OF THE SCHEME DOCUMENT AS A WHOLE.

Salient Details

This summary presents the salient information in relation to a proposed Scheme of Arrangement in terms of Section 191 of the Companies Act. In accordance with the Scheme, Cambria has proposed a Scheme of Arrangement in terms of Section 191 of the Companies Act, between Celsys and its shareholders. The objective of the Scheme is to constitute Celsys as a wholly owned subsidiary of Cambria by offering Celsys shareholders either cash or Cambria shares for those Celsys shares held. Following the successful completion of the Scheme, the listing of Celsys on the ZSE will be terminated and the introduction of Cambria to the ZSE as a secondary listing to AIM will commence.

The Celsys board and management are supportive of the Scheme and believe that it offers Celsys shareholders the opportunity to either realise their investment in Celsys or diversify their investment in Zimbabwe through the issue of Cambria shares.

Cambria currently holds 60.0% of the issued share capital of Celsys.

RATIONALE FOR THE SCHEME

The Directors of Celsys are of the opinion that the Company requires a significant capital injection; estimated to be in excess of US$5 million in the medium-to-long term. The funding is required for Celsys to continue with its expansion plans as well as to consolidate its market position and thereby earn commensurate returns for shareholders. The initial expansion plans were primarily funded by Cambria through a shareholder loan of approximately US$4.5 milllion which remains payable to date.

Given the local capital market conditions and historical trends, Cambria, a major shareholder in Celsys, is of the view that any equity-based funding will result in the unfair dilution of the minority shareholders. In addition, minority shareholders may not want to have additional exposure and risks associated with any debt funding structure. Similarly to minority shareholders, Cambria is not prepared to accept the increased risks associated with providing meaningful additional debt to the company in its current ownership form.

Accordingly, to reduce the potential dilution of minorities and the risks associated with current and future debt structure, Cambria is proposing a Scheme of Arrangement. The Scheme is expected to allow the minorities to realise the value of their Celsys investment by becoming part of an enlarged diversified company, reduce their debt associated risks in Celsys and enjoy attendant benefits.

THE SCHEME

Subject to the Scheme being implemented, Cambria will acquire all of the Scheme Shares and Scheme Participants will, at their election, be entitled to receive the following alternative consideration in respect of their shareholding in Celsys on the Scheme Record Date:

(a) For 686 Celsys Shares, 1 Cambria Share; or,

(b) For 1 Celsys Share, 0.03 US Cents in cash.

The offer ratio of 686 Celsys shares for 1 Cambria Share represents a 15.0% premium to the share price on 29 February 2012, being the Last Practicable Date.

The alternative considerations offered provide shareholders with the opportunity to elect as to whether they will receive the Scheme Consideration in cash or Cambria shares, which election will depend on the personal circumstances of the shareholder.

The cash option of the Scheme Consideration will be paid to Scheme Members in accordance with the provisions of paragraph 5 of the Chairman's letter. Trading in Cambria shares will be subjected to Exchange Control Regulations as described in paragraph 19 of the Chairman's letter.

In the event that Scheme Members fail to make an election to the form of the Scheme Consideration they wish to receive, they will be issued Cambria shares and their shares will be held in trust pending the Surrender of Documents of title and notification of appropriate election.

Any fractional shares arising from the application of the share exchange ratio pursuant to the implementation of the Scheme will be rounded up to the nearest share.

The Scheme is conditional, inter alia, upon the following:

(1) approval of the Scheme by a majority representing not less than three-fourths of the votes exercisable by the Scheme Members present and voting either in person or by proxy at the Scheme Meeting;

(2) the Scheme being sanctioned by the Court; and,

(3) Celsys and Cambria receiving all necessary regulatory approvals for the Scheme.

The fulfilment of the Conditions Precedent together with the granting of the requisite approval by the members of Celsys and the approval of the Scheme by the High Court shall result in the Scheme becoming binding upon all members of Celsys.

This Scheme Document should accordingly be read in its entirety for a full appreciation of the rationale for, and the implications of the Scheme, as well as with regard to determining the action required by Celsys shareholders with respect to the corporate actions outlined in this Scheme Document.

DIVIDEND STATEMENT

No dividend will be paid for the period from 1 September 2010 to 31 August 2011 and up to the close of business on the record date. Since both Cambria and Celsys did not declare dividends in respect of the financial year ended 31 August 2011, accordingly, if the Scheme becomes operative no separate dividend will be declared in respect of the financial year end 31 August 2011, to current Celsys shareholders who swap their shares for Cambria shares pursuant to this Scheme.

PRO FORMA FINANCIAL EFFECTS OF THE IMPLEMENTATION OF THE SCHEME

The following table and accompanying notes set out in the unaudited pro-forma financial effects of the Scheme on a Celsys shareholder as well as some material ZSE share price comparative information.

It should be noted that the unaudited pro-forma financial effects set out below are presented for illustrative purposes only, and because of their nature, may not give a fair reflection of Cambria's financial position or the effect on future earnings after the implementation of the Scheme

	Celsys Before (£)	**Cambria After (£)**	**Change (£)**
Earnings per share	(0.0344)	(0.1235)	(0.1579)
Net Asset value per share	(0.0009)	0.5564	0.5573
Share price	0.0001875	0.1775	0.1773125
Number of shares in issue	1,599,645,849	55,079,351	n/a

NOTES:

a) Extracted from the financial statements of Celsys for the twelve months ended 31 August 2011 and the financial statements of Cambria for the twelve months ended 31 August 2011.

b) After represents the pro-rata interest in Cambria per Celsys share after the Scheme, being 1 Cambria share per 686 Celsys shares.

c) "After" earnings per share have been determined assuming the Scheme was implemented on 31 August 2011 and all Scheme Members elected for the share consideration option.

d) "After" net asset value per share has been determined assuming the Scheme was implemented on 31 August 2011 and all Scheme Members elected for the share consideration option.

e) The share price in the "Before" column is the price of a Celsys share on the ZSE at the close of business on 29 February 2012, being the agreed Last Practicable Date before publication of this Scheme Document. The value in the "After" column is based on the Cambria share price on the last practicable date before publication of this Scheme Document adjusted by the share swap ratio.

f) Celsys financial reporting is in US$ whereas Cambria's financial reporting is in GBP. Where applicable US$ have been converted to GBP.

g) The figures above assume 100% takeup of the share offer, and an issue of 933,882 Cambria shares.

ACTION TO BE TAKEN BY SHAREHOLDERS

If a Celsys shareholder has disposed of all their shares in Celsys, then this Scheme Document should be handed to the purchaser of such shares or the stockbroker, banker or other agent through whom the disposal was effected.

A Celsys shareholder, who is not resident in Zimbabwe, or who has a registered address outside Zimbabwe, must satisfy himself as to the full observance of the laws of any relevant territory regarding the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other formalities and paying any transfer or other taxes due in such territory. Any shareholder, who is in any doubt as to his position, should consult his professional advisor.

In order to be implemented, the Scheme is required to be approved by a majority in number representing not less than three-fourths of the votes exercisable by Scheme Members present and voting either in person or by proxy at the Scheme Meeting. A Scheme Member, who is unable to attend the Scheme Meeting and wishes to be represented thereat, should complete and return the proxy form, which is attached to and forms part of this Document, in accordance with the instructions contained therein, so as to be received by not later than 1000hrs on Thursday 24 May 2012.

A Scheme Participant must surrender his Documents of Title in respect of all his Scheme Shares, in accordance with the instructions contained in the attached share surrender form, in order to claim the Scheme Consideration. Subject to the Scheme becoming operative, Documents of Title will cease to be of any value and shall no longer be good for delivery, other than for surrender purposes, from the Effective Date. A Scheme Member who wishes to surrender his Documents of Title in anticipation of the Scheme becoming operative may complete the surrender form, which is attached hereto and forms part of this Document, and return it together with the relevant Documents of Title to the Transfer Secretary.

Documents of Title surrendered by Scheme Members prior to the Effective Date, in anticipation of the Scheme becoming operative, will be held in trust by the Transfer Secretary pending the Scheme becoming operative. In the event of the Scheme not becoming operative for any reason whatsoever, the Transfe r Secretary will, within five business days of the date upon which it becomes known that the Scheme will not become operative, return the Documents of Title to the Scheme Members concerned, by registered post.

Any Scheme Member, who has surrendered his Documents of Title in advance of the Effective Date, will not be in a position to deal in his shares on the ZSE between the date of surrender and the Effective Date.

It is anticipated that a Court hearing will be held at 1000hrs, or as soon thereafter as Counsel may be heard, on Wednesday 6 June 2012 for the Court to be requested to sanction the Scheme if the Scheme has been approved by the requisite majority at the Scheme Meeting. All Scheme Members are entitled to attend the court hearing (which is located at the High Court, Mapondera Building, Samora Machel Avenue, Harare) in person, or, to be represented by Counsel, and to be heard concerning any objections they may have in respect of the application to be made for the sanctioning of the Scheme.

OPINIONS AND RECOMMENDATIONS

The board of directors of Celsys has considered the terms of the Scheme and is of the unanimous opinion that they are fair and reasonable to Scheme Members. Accordingly, the directors of Celsys recommend that Scheme Members vote in favour of the Scheme.

BDO Zimbabwe, who has been appointed as the independent financial advisor to the non-executive directors of Celsys, has considered the terms and conditions of the Scheme and is of the opinion that they are fair and reasonable to the Scheme Members. BDO Zimbabwe has advised the board of directors of Celsys of their view by way of a letter, copy of which is set out as Annexure 7.

DELISTING OF CELSYS FROM THE ZSE AND LISTING OF CAMBRIA ON THE ZSE

The ZSE has, subject to the fulfilment of the Conditions Precedent, granted approval for the termination of the listing of Celsys shares, which termination is expected to take place at the close of business on 21 June 2012. Following the successful conclusion of the Scheme and the delisting of Celsys and the fulfilment of the Conditions Precedent, the ZSE has granted approval for the listing of Cambria on the ZSE, which is expected to occur on or about 22 June 2012.

Documents Available for Inspection

The public may inspect the documents set out in paragraph 22 of this Scheme Document during normal business hours from Monday 14 May – Monday 28 May, from the following offices:

Sponsoring Brokers:
Imara Edwards Securities (Private) Limited
Block Two, Tendeseka Office Park
Samora Machel Avenue
Eastlea
Harare
Zimbabwe

Financial Advisers:
Imara Corporate Finance Zimbabwe (Private) Limited
Block Two, Tendeseka Office Park
Samora Machel Avenue
Eastlea
Harare
Zimbabwe

Share Transfer Secretaries in Zimbabwe:
Corpserve Registrars (Private) Limited
2nd Floor ZB Centre
Corner 1st Street/Kwame Nkurumah Avenue
Harare
Zimbabwe

PART 1: CHAIRMAN'S LETTER AND EXPLANATORY STATEMENT TO SHAREHOLDERS

Celsys limited

(A public company incorporated in the Republic of Zimbabwe under company registration number 1191/96)

Directors: P. Turner (Non-Executive Chairman), A. Lemon*, C. Maunze*, I. Perkins, I. Mazaiwana, E. Wisman

*Executive

Address: 58-60 Craster Road, Southerton, Harare, Zimbabwe

Dear Celsys Shareholder,

1. THE PROPOSED SCHEME OF ARRANGEMENT IN TERMS OF SECTION 191 OF THE COMPANIES ACT (CHAPTER 24:03) BETWEEN CELSYS AND ITS SHAREHOLDERS

1.1 On Monday 7 May 2012 Celsys issued a press statement, which advised shareholders of a Scheme of Arrangement of Section 191 of the Companies Act between Celsys and its shareholders, the effect of which, if implemented, would result in Cambria becoming the sole shareholder of Celsys. Subsequently Celsys would be de-listed from the ZSE, with Cambria listing on the ZSE as a secondary listing.

1.2 In terms of the Scheme, Scheme Participants will receive, as consideration in respect of their shareholding in Celsys on the Scheme Record Date; the Scheme Consideration of 1 new shares in Cambria for every 686 shares held in Celsys.

1.3 Alternatively on election, Scheme Participants will have the option of receiving a cash settlement of 0.03 US Cents for each Celsys share.

1.4 In the event that the Scheme Participants fail to make an election as to the form of Scheme Consideration they wish to receive, they will be issued Cambria shares and their shares will be held in trust pending the surrender of their share certificates reflecting their shareholding in Celsys.

2. Rationale for the Scheme

The Directors of Celsys are of the opinion that the Company requires a significant capital injection; estimated to be in excess of US$5 million in the medium-to-long term. The funding is required for Celsys to continue with its expansion plans as well as to consolidate its market position and thereby earn commensurate returns for shareholders. The initial expansion plans were primarily funded by Cambria through a shareholder loan of approximately US$4.5 milllion which remains payable to date.

Given the local capital market conditions and historical trends, Cambria, a major shareholder in Celsys, is of the view that any equity-based funding will result in the unfair dilution of the minority shareholders. In addition, minority shareholders may not want to have additional exposure and risks associated with any debt funding structure. Similarly to minority shareholders, Cambria is not prepared to accept the increased risks associated with providing meaningful additional debt to the company in current ownership form.

Accordingly, to reduce the potential dilution of minorities and the risks associated with current and future debt structure, Cambria is proposing a Scheme of Arrangement. The Scheme is expected to allow the minorities to realise the value of their Celsys investment by becoming part of an enlarged diversified company, reduce their debt associated risks in Celsys and enjoy attendant benefits.

Cambria's listing on the AIM provides it with the profile that allows access to the international capital markets to raise funding. With Celsys as a wholly owned subsidiary, Cambria will have the ability to appropriately put in place structured capitalisation options which will have no dilutive effect. Additionally, Cambria will be able to deploy directly and in a seamless manner funds obtained for the benefit of Celsys.

Celsys shareholders will retain an interest in the business of Celsys indirectly through Cambria. In the event of the successful implementation of the Scheme, Celsys shareholders will be able to enjoy numerous benefits which include:

- Immediate increase in net asset value per share as part of Cambria;
- Improved possibility of retaining the listing on the ZSE, should the proposed minimum market capitalisation requirements for listed companies of US$1 million be enacted;

- Investment in a company which had a market capitalisation of approximately US$16.5 million on the AIM compared to Celsys' ZSE market capitalisation of approximately US$0.5 million at 29 February 2012;
- Ability to enhance the value of their equity holding through a diversified company; with other investments in tourism, chemical distribution, business process outsourcing, real estate and technology;
- The capital uplift provided by the hybrid structure of Cambria, of being a conglomerate and a private equity firm. Like a private equity firm, Cambria aggressively seeks investments in companies that are poised to exploit the growth in specific sectors and has hands-on management delivering that growth. Like a conglomerate, Cambria pursues synergistic value from each of its investments for the benefit of its shareholders;
- Cost savings from having centralised services units, such as shared human resources, treasury management, procurement functions and listing costs.The costs savings will allow resources to be utilised in a manner that enhances the company and shareholder value in the long term;
- Being part of a company that has better prospects of paying dividends in the future which has not been possible for Celsys shareholders given the company's loss making position and significant capital needs; and
- Being part of a dual listed company that enjoys the benefit of having access to international funds that can be efficiently deployed to tap into the identified growth opportunities in the local market for the ultimate benefit of shareholders.

3. Description of Scheme

3.1 In terms of the Scheme, Scheme Participants will, at their election, be entitled to receive one of the following alternative considerations in respect of their shareholding in Celsys:

3.1.1 for 1 Celsys share, the equivalent of 0.03 US cents in cash; or

3.1.2 For 686 Celsys shares, the equivalent of 1 Cambria share, rounded to the nearest whole share.

3.2 The alternative considerations offered provide shareholders with the opportunity to elect as to whether they will receive the Scheme Consideration, in cash or Cambria shares, which election will depend on the personal circumstances of the shareholder. The election must take place within 7 days of the Effective Date.

3.3 The cash option of the Scheme consideration will be paid to Scheme Participants in accordance with the provisions of paragraph 5.1 below. Trading in the new Cambria shares will be subject to Exchange Control Regulations as described in paragraph 19 below.

3.4 In the event that Scheme Participants fail to make an election as to the form of Scheme Consideration they wish to receive, they will receive the Scheme Consideration specified in paragraph 3.1.2 above, being the issue of 1 Cambria share for 686 Celsys shares held. The issued Cambria shares will be held in trust pending the Surrender of Documents of title and notification of appropriate election.

3.5 Shareholders who own less than 686 Celsys shares will be entitled to receive 1 Cambria share.

4. Mechanics of the Scheme

4.1 In terms of section 191(2) of the Companies Act, the Scheme requires the approval at the Scheme Meeting, of a majority in number representing not less than three-fourths, in value, of the votes exercisable by the Scheme Members present and voting either in person or by duly authorised agent or by proxy at the Scheme Meeting. Subject to paragraph 4.2 below, Scheme Members, their duly authorised agents or their proxies will be entitled to speak and to vote at the Scheme Meeting.

4.2 Subject to the Scheme being approved by the requisite majority at the Scheme Meeting, application will be made to the Court, for the Court, to sanction the Scheme.

A Court hearing will be held at 1000hrs on Wednesday 6 June 2012 or as soon thereafter as Counsel may be heard, in the High Court, Mapondera Building, Samora Machel Avenue, Harare. Scheme Members will be entitled to attend Court on the day on which the application will be made to make representations concerning the sanctioning of the Scheme. Members are entitled to be represented by their duly appointed legal representatives.

4.3 A certified copy of the Court Order sanctioning the Scheme, together with a copy of the Scheme attached thereto, shall be deemed to be the contract required to be filed with the Registrar as constituting the right of Scheme Participants (whose Scheme Shares are deemed to have been disposed in terms of the Scheme) to receive the Scheme Consideration. The Scheme shall become binding upon every Scheme Member and Celsys on filing a certified copy of Court Order and the Scheme with the Registrar as aforesaid.

4.4 Upon the Scheme becoming unconditional in accordance with its terms, the termination of the listing of Celsys shall be sought in accordance with paragraph 1.10E of the Listing Requirements of the ZSE. In addition Cambria intends to undertake a secondary listing of its shares on the ZSE.

4.5 Immediately post the implementation of the Scheme, the current composition of the Celsys Directors will remain unchanged.

5. Settlement of the Scheme Consideration

Subject to the Scheme becoming operative, each Celsys shareholder shall have the following options

5.1 Cash option

5.1.1 Scheme Participants who do not wish to exchange their Celsys shares for Cambria shares have the option to dispose of their shares in Celsys for cash. Such option must be exercised in writing to Celsys within 7 days of the Effective Date. The price at which such shares will be purchased is 0.03 US Cents for every share in Celsys. In terms of the existing legislation, shareholders who elect for the cash option will have one percent (1.0%) of proceeds withheld as Capital Gains Tax.

5.2 Settlement

Upon the Scheme becoming unconditional, where Scheme Participants shall:

5.2.1 be deemed to have disposed of their Scheme Shares to Cambria and Cambria shall be deemed to have acquired ownership of the Scheme Shares with effect from the Record Date;

5.2.2 be deemed to have authorised Celsys to cause the Scheme Shares, deemed to have been disposed by the Scheme Participant, to be registered in the name of Cambria or its nominees on, or at any time after, the Record Date;

5.2.3 be entitled to receive from Cambria the Scheme Consideration in return for the Scheme Shares deemed to have been disposed of Scheme Participant to Cambria;

5.2.4 be deemed to have authorised Celsys to collect from Cambria the Scheme Consideration for distribution to that Scheme Participant; and

5.2.5 be deemed to have authorised Celsys to procure that the Transfer Secretary receives from the Scheme Participant, the Documents of Title relating to that Scheme Participant's Scheme Shares.

5.2.6 Cash or share certificates for the Scheme Consideration will be paid or posted, 5 business days after the Effective Date, to the Scheme Participant entitled thereto. The share certificates will be posted to the address of the Scheme Participant appearing in the share register of Celsys on the Scheme Record Date, or in accordance with any instruction to the contrary then in force.

5.2.7 Where on or subsequent to the Effective Date, a person who was not a registered holder of Scheme Shares at the Record Date tenders to the Transfer Office Documents of Title together with a form of transfer purporting to have been executed by or on behalf of the registered holder of such shares; and provided that the Scheme Consideration shall not already have been posted to the registered holder, such transfer shall be accepted by Celsys or Cambria as if it were a valid transfer to such person of the Scheme Shares concerned. The Scheme Consideration will be posted to such person in accordance with the provisions of this paragraph, subject to proof satisfactory to Celsys and Cambria as to the payment of stamp duty or tax payable.

5.2.8 Should the Scheme Participant not have surrendered the relevant Documents of Title to the Scheme Shares by the Effective Date, then the Scheme Consideration shall be deemed to have been received and held in trust by Celsys, on behalf of that Scheme Participant, pending surrender by that Scheme Participant of his Documents of Title in respect of his holding of Scheme Shares.

5.2.9 Payment by Cambria to Celsys, or to the Transfer Secretary as agent for and on behalf of Celsys, of the Scheme Consideration, shall be the sole and exclusive manner of discharge by Cambria of its obligations in terms of the Scheme.

5.2.10 A Scheme Participant who is not resident in Zimbabwe, or who has a registered address outside Zimbabwe, must satisfy himself as to the full observance of the laws of any relevant territory regarding the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other formalities and paying any transfer or other taxes due in such territory.

5.3 Fractional shares

5.3.1 Any fractional shares arising from the application of the share exchange ratio pursuant to the implementation of the Scheme will be rounded up to the nearest share.

5.4 No set-off of Scheme consideration

5.4.1 The settlement of the Scheme Consideration will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other related right to which Celsys may be entitled.

6. Conditions Precedent

The Scheme shall become operative on the second business day after the Effective Date upon fulfilment of the following conditions:

6.1 The approval by the High Court of Zimbabwe and by the members of Celsys of a Scheme of Arrangement in respect of Celsys in terms of which Celsys will become a wholly owned subsidiary of Cambria and its members will receive shares in Cambria in return for the shares presently held by them in Celsys or alternatively will receive payment in cash.

6.2 The obtaining of exchange control approval from the RBZ.

6.3 The approval by the members of Celsys in accordance with Section 191 of the Companies Act of the Scheme detailed herein and the High Court of Zimbabwe granting an order in terms of Section 191(2) of the Companies Act and that order being lodged with the Registrar of Companies for registration in terms of Section 193 of the Companies Act.

6.4 The obtaining of all such other necessary regulatory approvals as may be required.

7. Instruction and authorities

7.1 Celsys shall be entitled and will have the authority on behalf of each Scheme Participant to authorise any person nominated by Celsys to sign all documents required to carry the Scheme into effect.

7.2 Each mandate and instruction relating to the Scheme Shares on the Scheme Record Date will be deemed, unless and until duly revoked in writing, to be a mandate and instruction to Celsys in respect of any right accruing in respect of the Scheme Consideration.

8. Notice of Scheme Meeting and Proxy Form

8.1 The notice convening the Scheme Meeting, which is to be held at 1000hrs on Monday 28 May 2012 at Royal Harare Golf Club is attached to and forms part of this Scheme Document. Scheme Members, who are unable to attend the Scheme Meeting and wish to be represented thereat, should complete the attached Proxy Form in accordance with the instructions contained therein.

8.2 Proxy Forms for the Scheme Meeting must be lodged with or posted to the Transfer Secretary in accordance with the instructions contained therein, to be received by no later than 1000hrs on Thursday 24 May 2012. If a Proxy Form for the Scheme is not received by the Transfer Secretary by the appropriate time set out above, it may be handed to the chairperson of the Scheme Meeting not less than 30 minutes before the commencement of the Scheme Meeting.

9. Undertakings by the Directors

9.1 The Directors undertake that upon the Scheme becoming operative they will give effect to the terms and conditions of the Scheme in so far as they apply to Celsys, sign and procure the signing of all documents and will carry out and procure the carrying out of all acts which are necessary to give effect to the Scheme.

10. General

10.1 The Directors may agree or consent:

10.1.1 before or at the Scheme Meeting, to any amendment, variation or modification of the Scheme; and

10.1.2 After the Scheme Meeting, to any amendment, variation or modification of the Scheme, which the Court may approve or impose provided that no such amendment, variation or modification made after the Scheme Meeting, may have the effect of diminishing the rights, which will accrue to a Scheme Member in terms of the Scheme.

10.2 A certificate signed by any Director stating that all the conditions of the Scheme have been fulfilled and that the Scheme has become operative shall be binding on Celsys, Cambria and the Scheme Members.

10.3 Documents of Title in respect of the Scheme Shares shall cease to be of any value with effect from close of business on the Effective Date, upon the Scheme becoming operative.

11. Material Changes and Commissions

11.1 Save as discussed in this Scheme Document, between 29 February 2012 and 30 April 2012, there have been no material adverse changes in Celsys' financial position, and no commissions, brokerages or other special terms have been granted by Celsys in connection with the issue or sale of its share capital.

12. Significant Contracts

12.1 Celsys has not entered into any significant contracts, other than in the normal course of business since the last general meeting of members.

13. Costs

13.1 The costs of the Scheme will be borne by Celsys, including fees payable to BDO Zimbabwe, in respect of their independent advice on the Scheme to the non-executive directors of Celsys.

14. Taxation

14.1 In terms of existing legislation Celsys is obliged to deduct one percent (1%) capital gains tax and remit this to ZIMRA in respect of the Celsys shares being swapped with Cambria shares in respect of all individual, trust and non-resident shareholders. Celsys will pay capital gains tax for shareholders who elect to receive shares. However individual, trust and non-resident shareholders who elect for the cash option will have one percent (1%) of proceeds withheld.

15. Consents

15.1 Imara, Corpserve, KPMG, Gill, Godlonton & Gerrans, BDO Zimbabwe, Celsys and Cambria have given, and have not withdrawn, their consents to the issue of this Scheme Document with the inclusion of their names and reports in the forms and contexts in which they appear.

16. Independent Directors' opinions and voting recommendations

16.1 BDO Zimbabwe which was appointed to provide independent advice to the Directors of Celsys, has considered the terms and conditions of the Proposed Transaction and is of the opinion that the terms and conditions thereof are fair and reasonable in the circumstances and in the best interest of Celsys and its Shareholders.

16.2 The Independent Directors consider the Proposed Transaction to be fair and reasonable in so far as Celsys Shareholders are concerned and to be in the best interests of Celsys.

17. Delisting of Celsys from the ZSE

17.1 Subject to the fulfilment of the Conditions Precedent applicable to the Scheme, application will be made to the ZSE for the termination of the listings of the Celsys shares on the ZSE, which termination is expected to take place with effect from 21 June 2012, or such later date as may be agreed and published in the press.

18. Listing of Cambria on the ZSE

18.1 Following the successful implementation of the Offer and the delisting of Celsys from the ZSE, Cambria will apply for a secondary listing on the ZSE through an introduction. Those Celsys shareholders who elect to exchange their Celsys shares for Cambria shares will then hold shares which are listed and traded on the ZSE. Shareholders will receive communication and documentation regarding the listing on the ZSE when appropriate.

19. Exchange Control Regulations and Taxation Considerations

19.1 An application for Exchange Control Approval for the Scheme has been made to the Reserve Bank of Zimbabwe.

19.2 Ownership and transfer of Celsys shares registered in the name of non-residents of Zimbabwe are subject to Exchange Control Regulations. As such, payment of cash as the Scheme Consideration, to all non-Zimbabwean resident Scheme Participants will be made to the authorised dealers nominated by each such Scheme Participant for that purpose and in accordance with the in terms of the regulations and/or rulings of the RBZ, depending on whether the shares concerned are listed on the ZSE, to the authorised dealers nominated by each such Scheme Participant for that purpose. Such payment will finally discharge the obligation to effect payment of the option of the Scheme Consideration, for the Celsys shares. The RBZ requires that the Cambria shares listed on the ZSE be endorsed for trade in Zimbabwe only, save with the consent of the RBZ.

19.3 If no authorised dealer is so nominated, the Scheme Consideration will be held in trust, at the risk of the shareholder, by Celsys until claimed. No interest will accrue or be paid on any Scheme Consideration so held in trust.

19.4 It will be incumbent upon the Scheme Participants concerned to instruct their nominated authorised dealer, or failing such nomination, Celsys, as to the disposal of the relevant proceeds.

20. Share Capital

20.1 The authorised share capital of Celsys is US$20,000 divided into 2,000,000,000 ordinary shares of US $ 0.00001 each.

20.2 The issued share capital of Celsys at the last practicable date was US$15,996 divided into 1,599,645,849 ordinary shares of US$ 0.00001 each.

20.3 All the issued ordinary shares in the share capital of Celsys are of one class, rank *pari passu* in all respect and are listed on the ZSE.

21. Scheme Documents

21.1 The Scheme of Arrangement in terms of Section 191 of the Companies Act [Chapter 24:03] lodged with the High Court is attached as Annexure 14 of the Scheme Document.

22. Documents available for inspection

22.1 Copies of the following documents will be available for inspection at the registered office of Celsys during normal business hours on any Business Day up to and including the date of the Scheme Meeting.

- the Memorandum and Articles of Association of Celsys;
- copies of this signed Scheme Document;
- a copy of the Court Order convening the Scheme Meeting;

- the audited financial statements of Celsys for the past three financial years ended 31 August 2009, 2010 and 2011;
- the audited financial statements of Cambria for the past three financial years ended 31 August 2009, 2010 and 2011;
- the Report of the Independent Reporting Accountants on the financial information of Celsys;
- the Report of the Independent Reporting Accountants on the financial information of Cambria;
- the Report of the Independent Reporting Accountants on the pro-forma financial information of Cambria; and,
- signed Letters of Consent from all experts and advisors.

23. Directors' Responsibility Statement

The Directors, whose names are set out in the Corporate Information on page v of this Scheme Document collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts (where applicable), and that this Scheme Document contains all the information required by law.

Yours faithfully

Signed on original

Paul Turner

Non-Executive Chairman

For and on behalf of the Board of Directors of Celsys.

ANNEXURE 1 : INFORMATION RELATING TO CELSYS

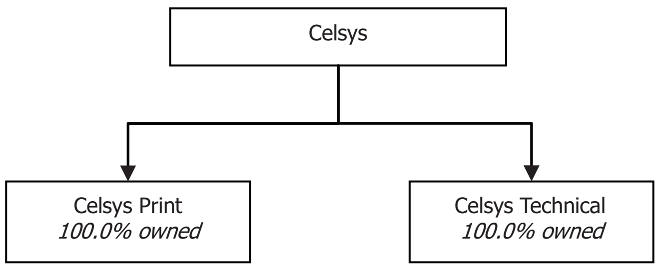
1. History and Nature of Business

Celsys was listed on the ZSE in 2003 and Cambria acquired a majority shareholding in the company in 2008. Since then the company has been transformed from being the country's largest private security printer into arguably one of Zimbabwe's best equipped commercial printers both in terms of capacity and diversity. The Company continues to produce security documents such as cheque books, share certificates and deposit books for the majority of commercial banks and financial institutions in Zimbabwe.

Celsys also provides ATM's and POS devices on a transaction based leasing model to the financial sector.

2. Current Structure

The present structure of Celsys can be seen below



2.1 Celsys Print

Since Cambria took a major shareholding in 2008, the company has made significant capital investments which has resulted in; among other changes: the replacement of existing outdated equipment with modern equipment, Celsys owning one of the few commercial Computer to Plate ("CTP") processors in the country, intensive training of employees on the use of new equipment by expert technicians from South Africa and significant investment in marketing.

The investment by Cambria has resulted in the transformation of Celsys to being arguably one of the best equipped commercial printing companies in the country and contending for the number one position.

The print division also continues to provide security printing, producing security documents such as cheque books, deposit books, share certificates and Real Time Gross Settlement ("RTGS") books for nearly all commercial banks and financial institutions.

2.2 Celsys Technical

Celsys Technical leases Diebold Opteva 562 and 3rd and 4th generation NCR ATMs to the financial institutions. Technical technicians were trained by Diebold specialists from Diebold Ohio USA. It currently leases out 21 Diebold and 9 NCR ATM machines.

In addition to ATMs Celsys Technical also leases CREON POS devices to the financial services sector who distribute these machines to retail and bank outlets.

The service agreements for both the ATMs and POS devices are based on a fee per transaction, with minimum levels incorporated into the ATM agreement ensuring the business is shielded from the vagaries of the current cash distribution problems in Zimbabwe.

3. Financial Performance

The following is summary information on the financial performance of Celsys for the year ended 31 August 2011. Further disclosure of Celsys' financial status is contained in Annexure 3.

STATEMENT OF COMPREHENSIVE INCOME	**12 months ended 31August 2011 US$**	**12 months ended 31 August 2010 US$**
Revenue	1,107,580	723,427
Loss for the year	(1,073,150)	(1,409,464)
Total Comprehensive Loss	**(1,073,150)**	**(1,409,464)**

4. Directors' Interests at 29 February 2012

4.1 Direct and indirect interest of the Directors in Celsys Shares

Director	Celsys Shares Held
Paul Turner	Nil
Adam Lemon	Nil
Chido Maunze	Nil
Itai Mazaiwana	Nil
Ian Perkins	Nil
Edzo Wisman	Nil

4.2 Direct and indirect interest of the Directors in Cambria shares

Director	Cambria Shares Held
Paul Turner	Nil
Adam Lemon	Nil
Chido Maunze	Nil
Itai Mazaiwana	Nil
Ian Perkins	200,000
Edzo Wisman	Nil

5. Share Capital

5.1 The authorised share capital of Celsys is comprised of 2,000,000,000 ordinary shares of US$ 0.0001 each.

5.2 The issued and paid up share capital of Celsys at the Last Practicable Date was 1,599,645,849 ordinary shares of US$0.0001 each.

5.3 Subject to conditions imposed by Section 183 of the Companies Act and the ZSE, the unissued ordinary shares are under the indefinite, unrestricted control of the Directors.

5.4 All of the issued ordinary shares in the share capital of Celsys are of one class, and rank *pari passu* in all respects.

6. Shareholding Structure

The top twenty shareholders to Celsys as at 29 February 2012 are shown in the table below.

	Shareholder	Number	Percentage of total
1	Peak Mine	959,787,509	60.00%
2	GPC Trust	87,242,095	5.45%
3	Equivest Nominees (Pvt)Ltd	55,080,332	3.44%
4	Datvest (Pvt)Ltd	50,342,364	3.15%
5	Zimpapers Pension Fund	38,527,758	2.41%
6	TFS Nominees (Pvt)Ltd	31,464,726	1.97%
7	Teriyaki Investments (Pvt)Ltd	25,000,000	1.56%
8	Noormahomed Nadim	17,720,485	1.11%
9	Inotho Investments (Pvt)Ltd	15,177,584	0.95%
10	Kingdom Nominees (Pvt)Ltd	13,997,519	0.88%
11	Mast Nomniees (Pvt)Ltd	13,876,244	0.87%
12	Edwards Nominees (Pvt)Ltd	13,714,639	0.86%
13	FBC Nominees (Pvt)Ltd	11,329,322	0.71%
14	Miller Sam	11,108,699	0.69%
15	Harrison Alan G	10,494,995	0.66%
16	Mutamuko Michelle Rutendo	8,818,269	0.55%
17	Spring Water Trust	8,301,044	0.52%
18	Mohamed-NNR-Al-Ayech	7,738,995	0.48%
19	Raja Dhirjalal	7,500,000	0.47%
20	Machiwenyika Fabian Martin	5,681,310	0.36%
	Sub-total	**1,392,903,889**	**87.08%**

6. Share Price History

The table below provides statistical information on the mid-market prices of Celsys ordinary shares for each month for August 2011 to January 2012, and their closing price on each day over the month leading up to 29 February 2012:

Month of	Closing price US Cents	Volume traded	Value of Shares traded US$
August	0.04	16,490,424	8,124
September	0.04	36,234,899	14,648
October	0.04	4,030,377	1,428
November	0.035	2,391,452	913
December	0.03	2,379,855	950
January	0.06	25,201,595	12,132

Daily Share Prices	Closing price US Cents	Volume traded	Value of Shares traded US$
Wednesday, February 01, 2012	0.060	0	0
Thursday, February 02, 2012	0.045	0	0
Friday, February 03, 2012	0.050	0	0
Monday, February 06, 2012	0.030	100,000	30
Tuesday, February 07, 2012	0.030	750,540	225
Wednesday, February 08, 2012	0.030	506,447	151
Thursday, February 09, 2012	0.040	0	0
Friday, February 10, 2012	0.040	0	0
Monday, February 13, 2012	0.040	0	0
Tuesday, February 14, 2012	0.030	200,000	60
Wednesday, February 15, 2012	0.045	0	0
Thursday, February 16, 2012	0.035	0	0
Friday, February 17, 2012	0.030	267,000	80
Monday, February 20, 2012	0.040	146,569	58
Tuesday, February 21, 2012	0.040	0	0
Wednesday, February 22, 2012	0.035	0	0
Thursday, February 23, 2012	0.040	898,836	359
Friday, February 24, 2012	0.035	0	0
Monday, February 27, 2012	0.020	0	0
Tuesday, February 28, 2012	0.030	73,418	22
Wednesday, February 29, 2012	0.030	0	0

ANNEXURE 2 : INFORMATION RELATING TO CAMBRIA

1. History and Nature of Business

1.1 Introduction

Cambria is a long term, active investment company, building a portfolio of investments primarily in Zimbabwe. The Company's investment objective is to provide shareholders with long-term capital opportunities through the investment of its capital in Zimbabwe and, if appropriate, the Beira Corridor. The company does not have a particular sector focus but its current investments sectors include tourism; chemical distribution, commercial printing, business process outsourcing, real estate and technology.

Cambria is incorporated in the Isle of Man and has been listed on the AIM market of the London Stock Exchange since 2007. Until February 2012 it was known as LonZim Plc.

1.2 Investment Strategy

Cambria's investment objective is to provide shareholders with long-term capital appreciation through the investment of its capital primarily into Zimbabwe.

The company does not have a particular sector focus. Its key objective is building a portfolio of companies that are well-positioned to benefit from Zimbabwe's economic growth and from formalisation and modernisation of Zimbabwe's economy. Moreover Cambria seeks investments thathave current sector leadership in Zimbabwe, or in the view of the company, will be able to achieve this.

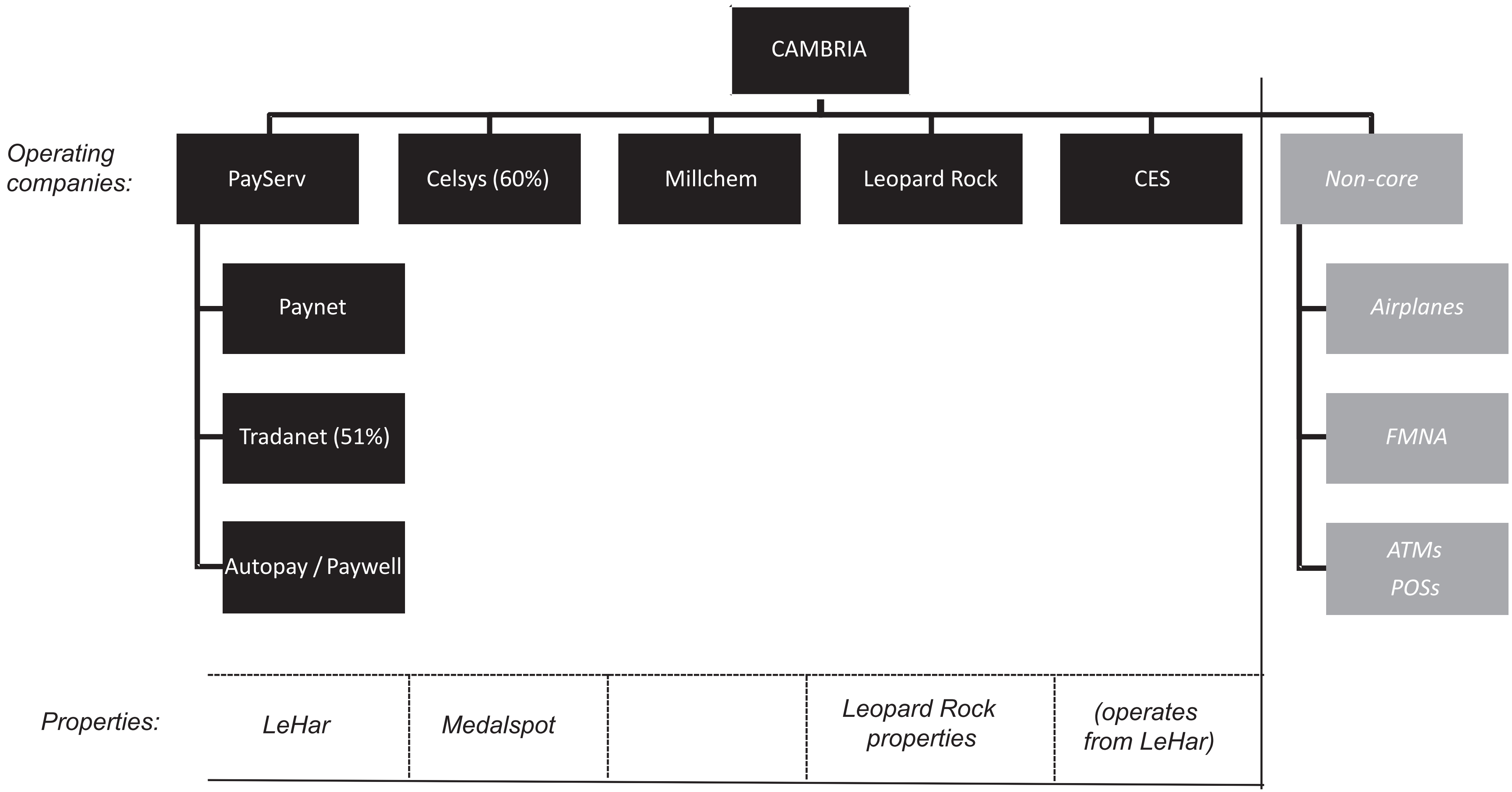
Cambria generally seeks control as it prefers to become actively involved in the companies it acquires. For example, assisting in setting focused strategic objectives, utilising internationally trained consultants, building "first class" management teams, creating globally focused companies, raising offshore funding and efficiently deploying the necessary funds to build on, or achieve leading market positions.

Cambria's approach is somewhere between a conglomerate and a publically traded private equity firm. It has the long term perspective of a 'going concern' and seeks the value enhancing efficiencies of an investment company. Even though within Cambria investments are referred to as "subsidiaries" and the company seeks synergies between its subsidiaries, Cambria has the discipline to enter and exit investments when appropriate for maximising returns.

2. Current Structure

The current group structure is shown overleaf.

CAMBRIA GROUP STRUCTURE



In addition to the operations by Celsys, Cambria operates the following

2.1 PayServ

PayServ (previously known as "Lanuarna"or "Paynet Group") is Zimbabwe's leading Business Process Outsourcing service provider with an especially strong presence in the financial services sector. Current offerings include Zimbabwe's leading payment switching provider Paynet, the country's largest private sector salary bureau Autopay, and Zimbabwe's only outsourced micro loan processing system Tradanet

Through its Electronic Data Interchange ("EDI") system, Paynet provides EDI Switch services to all banks in Zimbabwe, and over 1,000 corporate and institutional customers nationwide. EDI transactions include salary transfers, supplier/trade payments, direct debits, stop orders as well as payment schedules and statements.

AutoPay, Zimbabwe's largest private sector outsourced salary bureau, processes salaries for approximately 160 customers producing over 25,000 payslips per month. It provides a complete end-to-end payroll related management service. This includes printing payslips, depositing salaries, settling third party payments including pension and medical aid, generating required management and statutory reports in hard and soft format, ensuring policy and regulatory compliance as well as managing payroll related statutory relationships on behalf of the company. Autopay also exclusively deploys and manages the Paywell system in Zimbabwe. Paywell is the leading in-house managed payroll service processing over 75,000 pay-slips per month.

Established in 2005 and re-launched in mid 2009, Tradanet is Zimbabwe's only outsourced processor of high volume, low value loans. The company facilitates loan origination at the employer's site and manages repayments from salary deduction and subsequently monitors portfolio performance on behalf of financial institutions. For employers Tradanet automates the administration of internal staff loans. Since relaunch, Tradanet has processed over US$ 150 million loans and currently has loans under management of US$ 69 million.

2.2 Millchem

With the assistance of Cambria, Millchem has become among others Zimbabwe's leading distributor of industrial solvents and metal treatment products. The company was established in 1986 as Millpal and rebranded to Millchem in 2011. Building on 25 years of supply and delivery to Zimbabwe's industrial companies in the paints, inks and coatings, plastics, textiles, automotive and household product sectors, Millchem has established itself as the preferred value-added chemicals distributer in Zimbabwe. Recently, Millchem launched the supply of chemicals into the mining industry, which is proving to be a success.

The company consistently maintains high standards of quality, environmental and safety performance and is the only African member of the National Association of Chemical Distributors ("NACD") in the United States, an organisation promoting the Responsible Distribution code. This membership provides Millchem customers with a verified guarantee of global best practises in terms of industrial processes, quality assurance as well as health safety and environmental care.

Millchem also has one of the largest bulk solvent holding facilities in the country and it is able to pre blend, formulate and provide high level technical support.

2.3 Leopard Rock Hotel

One of the best known hotels in Zimbabwe as well as the Southern African region, the Leopard Rock Hotel is set in the scenic Vumba Mountains 32km from Mutare and approximately 220km South East of Harare. The hotel is located in an area of outstanding national beauty in the Eastern Highlands of Zimbabwe, a well known tourist destination in the country.

Leopard Rock consists of 58 rooms with the ability to accommodate 115 guests. The hotel facilities and amenities include restaurants, conference facilities, swimming pool, squash court, all weather floodlit tennis courts, and children's play area and a private game reserve. The hotels championship golf course is hailed as one of the finest in Africa and has won numerous accolades and is a major attraction for the hotel. A private game farm provides further facilities for this unique resort. The hotel also operates a Casino which is fully integrated into the hotel.

The hotel is highly regarded in Zimbabwe and internationally, with an impressive history of accommodating VIP guests, including the British Royal family and hosting significant events.

Since acquisition in 2009 by Cambria, the hotel has undergone significant refurbishment, as well as staff upgrades, and is well up to par with current international standards. Completion of the initial phase refurbishment has led to superior occupancy and improved room rates.

In 2011 the hotel was awarded 'Best Resort in Zimbabwe' by the Association of Zimbabwe Travel Agents and 'Best Resort Hotel', First Runner-Up by Zimbabwe Tourism Authority.

2.4 Complete Enterprise Solutions Zimbabwe

CES develops and delivers IT outsourcing for small, medium and large enterprise companies looking to optimise their IT investments whilst simultaneously reducing costs and allowing management to focus on their core business. Outsource solutions offered include design and implementation of a company's IT infrastructure, day to day on-line monitoring and management of their networks and establishment of robust data storage and disaster recovery solutions.

As a Dell Certified Partner, a Microsoft Gold Certified Partner, an HP Preferred Partner and an authorised partner for Cisco networking solutions, Avaya VOIP solutions, Riverbed Wan optimisation products and APC/MGE UPS systems, CES is the premium supplier of IT equipment in Zimbabwe. Cambria works with CES/Bytes & Pieces, a leading IT services provider in Zambia and Mozambique, in developing the CES Zimbabwe business.

2.5 ForgetMeNot Africa Limited

FMNA is a "Software as a Service" ("SaaS") company specialising in unified messaging that supports seamless interoperability between SMS, email, social networking and instant messaging clients for telecommunications operators. The core product is Message Optimiser which allows telecom operators to immediately provide cost-effective comprehensive unified messaging services to all of their customers without any upgrades to the device or any need for downloading new applications onto the device. This opens up a range of previously inaccessible services to many of their customers including 2-way email and 2-way instant messaging communication capability.

The company's products have been deployed across Africa onto a large number of major networks including Globacom in Nigeria, Warid in the Congo, Econet Telecom Lesotho, Yu and Safaricom in Kenya and Econet Wireless in Zimbabwe.

3. Financial Performance

The following is summary information on the financial performance of Cambria.

	12 months ended 31 August 2011 £	**12 months ended 31 August 2010 £**
Operations		
Revenue	5,926,000	4,900,000
Gross Profit	3,366,000	2,166,000
Net loss	(6,569,000)	(5,134,000)
Weighted average number of shares	54,145,469	36,331,525
Net income (loss) per share - basic and diluted		
Basic	(12.4p)	(12.4p)
Diluted	(12.4p)	(12.4p)
Balance sheet		
Total assets	35,067,000	36,262,000
Total liabilities	4,189,000	4,352,000
Cash dividends per share	Nil	Nil

4. Directors

The board of directors of Cambria is comprised as follows:

Name	**Position**
Ian Perkins	Non-Executive Chairman
Paul Turner	Non-Executive Deputy Chairman
Edzo Wisman	Chief Executive Officer
Tania Sanders	Chief Financial Officer
Paul Herber	Non-Executive Director
Fred Jones	Non-Executive Director
Itai Mazaiwana	Non-Executive Director

5. Director's CV's

Ian Perkins

Ian has over 40 years' experience in the London City. Until 1991, he was at James Capel & Co. where he was a director and head of the fixed income division. Between 1991 and 1996 Ian, was director and later the Chief Executive Officer of listed bank King & Shaxson Holdings Plc. When Gerrard Group took over King & Shaxson in 1996, Ian became a Director of Gerrard Group Plc and chairman of the Gerrard & King bank. Following Gerrard Group's takeover by the Old Mutual Group in 2000, Ian became a Director of Old Mutual Financial Services Plc, and was the Chief Executive Officer and later Chairman of GNI Limited until 2003. Thereafter until 2010, Ian was Chairman of fixed income and inter-dealer broking company King & Shaxson Limited.

Paul Turner

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. Paul was previously a Senior 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.

Edzo Wisman

Prior to joining Cambria in 2010, Edzo Wisman was Managing Director of Stuart Lammert & Co., a Toronto and New York based corporate advisory firm that he founded in 2003. Before, Edzo was a Vice President, Investment Banking with Toronto based CCFL Advisory Services. Previously, he was with Wilshire Associates; first, with the consultancy practice in Amsterdam servicing some of Europe's largest institutional investors; and then, with the Private Markets Group at Wilshire's Santa Monica, California headquarters seeking opportunities in the leveraged buyout markets. Prior to that, Edzo had been with the investment department of the pension funds of KLM Royal Dutch Airlines.

He holds a Doctorandus degree in Business Economics from the University of Groningen. Edzo has published a number of papers on the buyout markets and corporate governance issues.

Tania Sanders

Tania Sanders previously held increasingly senior roles within finance and IT with Anheuser-Busch Europe Ltd., culminating in her role as European IS Manager. Previously, Tania was a Senior Audit Manager with Deloitte (South Africa) in Cape Town, focusing on large multinational listed clients in the automotive, maritime, mining and leisure sectors. Tania is a Chartered Accountant and holds a Bachelor of Commerce (Accounting) from University of Cape Town and a Post Graduate Diploma in Accounting from the University of South Africa.

Paul Heber

Paul Heber is an investment manager and stockbroker with more than 20 years' experience in global stock markets, following 3 years in the oil industry. Formerly with SGHambros, Nat West and WI Carr, he is now with bespoke boutique Savoy which has in excess of £1.2 billion of private and institutional funds under management and is regulated by both the FSA in London and the FSB in Johannesburg. He has a broad pan-African clientele alongside his domestic UK, European and Bermudian business.

Paul is a Chartered Fellow of the Securities Institute ("CFSI") in London.

Fred Jones

Fred Jones is the Chairman of Jutland Group; a private Hong Kong based investment management and commodity firm which he founded in 2006 to manage portfolios of foreign exchange, precious metals and international debt. Fred also founded Jaramcor International, a commodity supply-chain manager and supplier of pulp/paper, chemicals and agricultural products. He was previously Vice President, Private Client Services, at Bear Stearns Global Wealth Management. Fred was also with the International Private Client Group of Merrill Lynch. He holds a BSc in Accountancy and an MBA in Finance from Florida A&M University.

Itai Mazaiwana

Itai started his career in research and education at the Institute for Mining Research and at the University of Zimbabwe. During his subsequent career in the private sector, Itai held increasingly senior positions in mining and chemicals at ZISCO, Anacol Laboratories, Ardington Exploration, and Polokwane Chemical (South Africa). Itai is currently a Director of Jeune Zimbabwe, Mining and Infrastructure Development Corporation (MIDCO) (a joint venture between Jeune and the Government of Zimbabwe) and Pan-African Energy Resources. In recent years, Itai has acted as adviser to, among others, Orange Advisory Alliance (South Africa), Lineband/Scores Mining, and New

Frontier Partners Zimbabwe. The latter organisation promotes local participation in Zimbabwe's mining and energy sectors.

Itai holds a Bachelor of Science in Chemistry and Geology and a Masters in Analytical Chemistry, both from the University of Zimbabwe. He has published a number of papers on the low level detection of gold.

5.1 Direct and indirect interest of Directors of Cambria in Celsys shares at 29 February 2012

Director	Celsys Shares Held
I. Perkins	Nil
P. Turner	Nil
E. Wisman	Nil
T. Sanders	Nil
P. Heber	Nil
F. Jones	Nil
I. Mazaiwana	Nil

5.2 Director and indirect interest of Directors of Cambria in Cambria shares

Name of Cambria Director	Number of ordinary shares held directly		Number of ordinary shares held indirectly	
	Last Practicable Date	31 August 2011	Last Practicable Date	31 August 2011
I Perkins	Nil	Nil	200,000	Nil
P. Turner	Nil	Nil	Nil	Nil
E Wisman	Nil	Nil	Nil	Nil
T Sanders	Nil	Nil	Nil	Nil
P Heber	300,000	176,496	908,322	1,033,322
F. Jones	Nil	Nil	Nil	Nil
I. Mazaiwana	Nil	Nil	Nil	Nil

6. Share Capital

6.1 The issued and paid up share capital of Cambria at the Last Practicable Date was 58,133,908 ordinary shares.

6.2 All of the issued ordinary shares in the share capital of Cambria are of one class, and rank *pari passu* in all respects.

6.3 Celsys holds no shares in Cambria.

7. Share price history

The table below provides statistical information on the mid-market prices of Cambria ordinary shares for each month for August 2011 to January 2012, and their closing price on each day over the month leading up to 29 February 2012:

Month of	Closing price Pence	Volume traded	Value of Shares traded GBP
August	21	1,114,172	386,532
September	23.5	469,547	158,653
October	22.22	624,478	230,154
November	16.4	656,783	194,905
December	18.4	265,458	71,552
January	17.5	351,918	94,340

Daily Share Prices	Closing price Pence	Volume traded	Value of Shares traded GBP
Wednesday, February 01, 2012	17.25	232,013	63,027
Thursday, February 02, 2012	17.25	158,000	43,030
Friday, February 03, 2012	17.25	25,000	6,828
Monday, February 06, 2012	17.25	16,864	4,601
Tuesday, February 07, 2012	17.25	184,000	50,111
Wednesday, February 08, 2012	17.25	202,000	55,169
Thursday, February 09, 2012	17.25	0	0
Friday, February 10, 2012	17.25	20,000	5,462
Monday, February 13, 2012	17.25	10,956	2,979
Tuesday, February 14, 2012	17.25	600	163
Wednesday, February 15, 2012	17.25	0	0
Thursday, February 16, 2012	17.25	2,000	542
Friday, February 17, 2012	17.63	152,808	42,312
Monday, February 20, 2012	17.75	15,630	4,393
Tuesday, February 21, 2012	17.75	1,404	395
Wednesday, February 22, 2012	17.75	1,936	544
Thursday, February 23, 2012	17.75	57,231	15,985
Friday, February 24, 2012	17.75	27,530	7,668
Monday, February 27, 2012	17.75	75,000	21,138
Tuesday, February 28, 2012	17.75	25,000	7,038
Wednesday, February 29, 2012	17.75	10,000	2,813

ANNEXURE 3 : REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE HISTORICAL FINANCIAL INFORMATION OF CELSYS LIMITED

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The Directors
Celsys Limited
58-60 Craster Road
Southerton
Harare
Zimbabwe

30 April 2012

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE HISTORICAL FINANCIAL INFORMATION OF CELSYS LIMITED

1. Introduction

In terms of the Zimbabwe Stock Exchange ("ZSE") Listing Requirements, we report hereunder (pages 20 to 39) on the historical financial information for the year ended 31 August 2010 and 2011 of Celsys Limited (hereinafter referred to as "the Company" or "Celsys"). Celsys was incorporated in Zimbabwe on 16 February 1996 under company registration number 1191/96 and was listed on the ZSE in 2003.

The purpose of this report is for inclusion in the Scheme Document to shareholders to be dated 30 April 2012 and prepared in terms of the ZSE Listing Requirements for the proposed delisting of Celsys from the ZSE through a Scheme of Arrangement under Section 191 of the Companies Act (Chapter 24:03).

KPMG Chartered Accountants (Zimbabwe) ("KPMG") have been the auditors of the Company since the year ended 31 August 2010. Prior to that period, another firm of chartered accountants were the Company's auditors.

The historical financial information is based on the audited financial statements for the year ended 31 August 2011, while the comparative financial information set out in this report for the periods ended 31 August 2009 and 2010 has been compiled from the respective audited financial statements.

Financial information in Zimbabwe dollars prior to 31 August 2009 has not been presented. On 29 January 2009 and on 2 February 2009 the Fiscal and Monetary Authorities gave recognition to the fact that the Zimbabwe dollar was no longer a functional currency and authorised the use of multiple foreign currencies for trading in Zimbabwe. This led the Company to change its functional currency from Zimbabwe dollars to United States dollars.

2. Responsibilities

The directors of Celsys are solely responsible for the compilation, contents and presentation of the Scheme Document to shareholders dated 30 April 2012 of which this report is a part, and for the true and fair presentation of the audited financial statements from which the financial information has been prepared.

3. Functional currency

The financial statements are presented in United States Dollars ("US$"), which is the Company's functional currency.

KPMG

4. Opinion

14 months ended 31 August 2009

We have reproduced sections of the report of the other firm of chartered accountants who were Celsys' auditors for the fourteen months ended 31 August 2009. This audit report indicates an adverse opinion on non-compliance with International Financial Reporting Standards on all comparative information, the income statement, the cash flow statement and statement of changes in equity and an unqualified opinion on the balance sheet of Celsys' financial statements for the period.

Basis for adverse opinion

1. Up and until 1 January 2009, the Zimbabwe economy was recognised as being hyperinflationary for purposes of financial reporting. These statements have not been prepared in conformity with International Financial Reporting Standards in that the requirements of International Accounting Standard (IAS) 29 Financial Reporting in Hyperinflationary Economies have not been complied with. The Standard requires that financial statements for entities that report in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the balance sheet date. The financial effect of non compliance with IAS 29 has not been established for reasons outlined in Note 2.2 to the financial statements.
2. The Company was operating in a hyperinflationary environment up to 1 January 2009 when the use of multiple currencies across the economy was adopted. Owing to the inability to apply the requirements of IAS 29 as noted above, the company was unable to apply the provisions of International Accounting Standard (IAS) 21 The Effects of Foreign Exchange Rates applicable to transactions measured prior to 1 January 2009 in the currency (Zimbabwe dollars) of a hyperinflationary economy. Consequently some transactions mainly affecting comparatives, income statement, the cash flow statement and statement of changes in equity have not been determined in terms of International Financial Reporting Standards. Further details are contained in Note 2.2 to the financial statements.
3. The directors have not presented any comparative information as required by International Accounting Standard (IAS) 1 Presentation of Financial Statements because they believe the information will be misleading. Further details are contained in note 2.2.

Year ended 31 August 2010

We have also reproduced relevant sections of our audit report in respect of the financial year ended 31 August 2010 which indicates a qualified opinion on Celsys' financial statements for that period in certain respects.

Basis for qualified opinion

1. The directors have early-adopted IFRS 1 First-time Adoption of International Financial Reporting Standards but explains that the directors are unable to provide disclosure of an opening balance sheet as required by IFRS 1. In these circumstances, we are unable to determine the effect on the comparability of the current year's figures with the corresponding figures.
2. Management could not allocate certain expenses between cost of sales and operating expenses. Accordingly, we were unable to determine whether cost of sales and operating expenses for the year are materially misstated.
3. Trade and other payables at year end include an inter-branch balance and a net debit balance that cannot be reconciled. Consequently, we were unable to determine whether trade and other payables are materially misstated and if any adjustments are required.

Year ended 31 August 2011

An unqualified audit opinion was issued in respect of the year ended 31 August 2011.

5. Format of report

As the purpose of the financial information differs from the purpose of the financial statements prepared for members, the financial information is not intended to comply in full with the presentation and disclosure requirements of the Companies Act (Chapter 24:03) and the International Financial Reporting Standards ("IFRSs") promulgated by the International Accounting Standards Board ("IASB").

Our report shall not in any way constitute recommendations regarding the completion of any transaction or the issue of the Scheme Document to the shareholders.

Yours faithfully

Signed on original

KPMG

Statement of comprehensive income

Continuing operations	**Note**	Audited Year ended 31 August 2011 US$	Audited Year ended 31 August 2010 US$	Audited Year ended 31 August 2009 US
Revenue	3	1,107,580	723,427	714,194
Cost of sales		(884,116)	(579,252)	(611,414)
Gross profit		**223,464**	**144,175**	**102,780**
Other income	4.1	250,519	114,106	28,840
Administrative expenses	5	(1,044,046)	(1,385,457)	(835,744)
Results from continuing operating activities		**(570,063)**	**(1,127,176)**	**(704,124)**
Net financing costs	6	(378,620)	(139,925)	(24,508)
Loss from continuing operations before income tax credit		**(948,683)**	**(1,267,101)**	**(728,632)**
Income tax credit	7.1	49,040	178,895	200,008
Loss from continuing operations for the year		**(899,643)**	**(1,088,206)**	**(528,624)**
Discontinued operations				
Loss from discontinued operation (net of income tax)	8	(173,507)	(321,258)	-
Loss for the year		**(1,073,150)**	**(1,409,464)**	**(528,624)**
Other comprehensive income, net of income tax				
Other comprehensive income		-	-	-
Total comprehensive income for the period		(1,073,150)	(1,409,464)	(528,624)
Basic and diluted loss per share from continuing operations (cents)	14.3	(0.06)	(0.07)	(0.03)

Statement of changes in equity for the year ended 31 August 2011

	Share capital US$	Revaluation reserve US$	Non-distributable reserve US$	Accumulated loss US$	**Total US$**
Balance at 31st August 2009	-	169,134	519,844	(528,624)	**160,354**
Re-denomination of share capital	15,996	-	(15,996)	-	**-**
Total comprehensive income for the year					
Loss for the year	-	-	-	(1,409,464)	**(1,409,464)**
Disposal of plant and equipment	-	(88,622)	-	-	**(88,622)**
Deferred taxation	-	22,820	-	-	**22,820**
Balance at 31st August 2010	**15,996**	**103,332**	**503,848**	**(1,938,088)**	**(1,314,912)**
Total comprehensive income for the year					
Loss for the year	-	-	-	(1,073,150)	(1,073,150)
Disposal of plant and equipment	-	(20,002)	-	-	(20,002)
Deferred taxation	-	5,152	-	-	5,152
Balance at 31st August 2011	**15,996**	**88,482**	**503,848**	**(3,011,238)**	**(2,402,912)**

Statement of financial position

As at 31st August 2011

ASSETS	Notes	2011 Audited US$	2010 Audited US$
Non-current assets			
Plant and equipment	9	1,318,704	814,470
Deferred tax assets	10	380,750	326,558
Inter-company loan receivable	16.1	1,607	10,580
Total non-current assets		**1,701,061**	**1,151,608**
Current assets			
Inventories	11	121,984	190,475
Trade and other receivables	12	205,055	219,304
Cash and cash equivalents	13	9,481	122,871
Total current assets		**336,520**	**532,650**
Total assets		**2,037,581**	**1,684,258**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14.2	15,996	15,996
Non-distributable reserve		503,848	503,848
Revaluation reserve		88,482	103,332
Accumulated loss		(3,011,238)	(1,938,088)
Total capital and reserves		**(2,402,912)**	**(1,314,912)**
Non-current liabilities			
Group loans and borrowing	16.2	4,130,523	2,721,728
Current liabilities			
Trade and other payables	17	262,540	277,442
Bank overdraft	13	47,430	-
Total current liabilities		**309,970**	**277,442**
Total equity and liabilities		**2,037,581**	**1,684,258**
Net assets per share (cents)	14.4	(0.0015)	(0.0008)

Statement of cash flows

For the year ended 31st August 2011

Cash flows from operating activities	**Notes**	**2011 Audited US$**	**2010 Audited US$**
Loss from operations	19	(743,570)	(1,448,434)
Adjustments for:			
Depreciation and impairment of plant and equipment	9	159,071	390,171
Profit on disposal of plant and equipment		(25,217)	(69,274)
Operating cash flow before reinvestment in working capital		**(609,716)**	**(1,127,537)**
Decrease / (increase) in inventories		68,491	(125,504)
Decrease / (increase) in trade and other receivables		14,249	(135,258)
Increase / (decrease) in provisions, trade and other payables		(14,902)	(1,823)
		(541,878)	**(1,390,122)**
Interest paid		(378,620)	(139,925)
Net cash flows from operating activities		**(920,498)**	**(1,530,047)**
Cash flows from investing activities			
Acquisition of plant and equipment		(680,585)	(588,973)
Proceeds from disposal of plant and equipment		22,495	84,074
Cash flows from investing activities		(658,090)	(504,899)
Cash flows from financing activities			
Group loans raised		1,417,768	2,117,204
(Decrease) / increase in cash and cash equivalents	**13**	**(160,820)**	**82,258**

The principal accounting policies of the company, which are set out below, have been consistently followed in all material respects.

1. BASIS OF PREPARATION

1.1. Statement of compliance

The financial statements have been prepared in conformity with International Financial Reporting (“IFRS’s”), promulgated by the International Accounting Standards Board (“IASB”), which include standards and interpretations approved by the IASB as well as International Accounting Standards (“IAS’s”) and Standing Interpretations Committee (“SIC”) interpretations issued under previous constitutions.

1.2. Reporting entity

The financial statements of Celsys Limited (“the Company”) for the year ended 31st August 2011 were authorized for issue in accordance with the resolution of the Directors on 19th December 2011. The Company is a limited company incorporated and domiciled in Zimbabwe, whose shares are publicly traded. The principal activities of the Company are stated in Note 18.

1.3. Functional and presentation currency

The financial statements are presented in United States dollars (“US dollars”), which is the Company’s functional currency. All financial information presented in US dollars has been rounded to the nearest dollar.

1.4. Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Valuation of plant and equipment

The Company reviews its estimates for residual values, useful lives and methods of depreciation of all plant and equipment annually. Residual values of each asset have been assessed by reviewing the fair value of the assets after taking into account age, usage and obsolescence. In determining useful lives, management considers technology changes, local operating environment and the use of each asset.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

2.1. Adoption of new and revised financial reporting standards

The Company applies revised IAS 1 – Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

The following revised standards and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) are effective for the current year. These are:

IFRS 1 First-time Adoption of International Financial Repo rting Standards – Additional exemptions for first time adopters and limited exemptions;

IFRS 2 Share-based Payment – Group Cash Settled Share-based payment transactions;

IAS 1 Presentation of Financial Statements – Current/non-current classification of convertible instruments;

IAS32 Financial Instruments: Presentation – Classification of right of issues;

IAS39 Financial Instruments: Recognition and Measurement – Treating loan prepayment penalties;

IFRIC 17 Distribution of Non-cash Assets to owners;

IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations;

IAS 38 Intangible Assets;

IFRIC 9 Reassessment of embedded derivatives;

IFRIC 16	Hedges of a Net Investment in a foreign Operation;
IFRS 8	Operating Segments;
IAS 17	Leases;
IAS 36	Impairment of Assets;
IAS 39	Financial Instruments: Recognition and Measurement.

The adoption of these revised standards and interpretations in the current year has not led to any changes in the Company's accounting policies. These standards do not have any financial effect on the recognition or measurement of transactions and events, nor the financial position or performance of the Company. Their effects are limited to the nature and extent of disclosure to be made by the Company.

2.2. Revenue

Revenue represents amounts invoiced to customers for goods supplied and services rendered, net of value added tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue is measured at the fair value of the consideration received or receivable. Rental income is recognised on a straight line basis.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, measurement of the associated costs incurred to earn the revenue or the possible return of the goods.

2.3. Plant and equipment

2.3.1. Recognition and measurement

Items of Plant and equipment are initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of Plant and equipment have different useful lives, they are accounted for as separate items (major components) of Plant and equipment. Items of Plant and equipment are revalued at least once every three years or earlier if it becomes apparent that their carrying amount has declined below their recoverable amount to a material extent.

2.3.2. Subsequent cost

The cost of replacing part of an item of Plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably.

Expenditure on additions and improvements to Plant and equipment is capitalised for major projects on the basis of measured work completed and qualifying for recognition.

Repairs and maintenance are expensed in the year in which they are incurred and only expenditure that increases the future benefits from existing assets beyond their previously assessed standards of performance is included in the gross carrying amounts of the assets.

2.3.3. Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight line basis over the estimated useful lives of each part of an item of Plant and equipment. Items of Plant and equipment are depreciated using the straight-line method so as to write off the assets over their anticipated useful lives.

The depreciation rates applied on the different asset categories are as follows:

Plant and machinery	10 years
Office equipment	5 years

Motor vehicles 5 years

The assets residual values, useful live and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

2.4. Impairment of assets

2.4.1. Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset, recognised previously in equity, is transferred to the statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of comprehensive income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

2.4.2. Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income.

Non-financial assets (continued)

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, the impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exits. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.5. Taxation

Income tax on the estimated taxable income for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

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

Deferred tax liabilities are recognised for all taxable temporary differences, unless the deferred tax liability arises from:

- Goodwill
- The initial recognition of an asset or liability in a transaction which:
  - Is not a business combination, and
  - At the time of the transaction, affects neither accounting profit or taxable profit

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction which is not a business combination.

Deferred tax is calculated based on the tax rates that are expected to apply to the period when the asset is realised or liability is settled. The effect on deferred tax of any changes in tax rates is charged to the statement of comprehensive income, except to the extent that it relates to the items previously charged or credited directly to equity.

2.6. Inventory

Inventories are measured at the lower of cost and estimated net realisable value. Estimated net realisable value is the estimated selling price in the ordinary course of business less any costs of completion and disposal. Cost is determined as follows:

Inventory category	**Basis of valuation**
Raw materials	first-in, first-out basis (FIFO)
Consumables	first-in, first-out basis (FIFO)
Finished goods	Weighted average cost (materials labour and related overheads)

The value of obsolete and slow moving inventory is reduced, where necessary, to net realisable value.

2.7. Provisions

A provision is recognised in the statement of financial position when the Company has a 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.

2.8. Foreign currency transactions

Transactions in foreign currencies are accounted for at the rates of exchange ruling on the date of the transaction. Gains and losses arising from the settlement of such transactions at different exchange rates are recognised in the statement of comprehensive income. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling as at the reporting date. Translation gains and losses are recognised in the statement of comprehensive income.

2.9. Financial instruments

Non-derivative financial instruments carried in the statement of financial position comprise: cash and cash equivalents, trade and other receivables, trade and other payables and amounts owing to and from related parties. These instruments are recognised initially at fair value plus, for instruments not at fair value, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below:

2.9.1. Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest rate method. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivables are impaired.

When a trade receivable is uncollectible, it is written off against the allowance for trade receivables. Subsequent recoveries of amounts previously written off are credited against the trade receivables impairment provision in the statement of comprehensive income.

2.9.2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments. Cash and cash equivalents are measured at fair value, with any impairment or appreciation in value of foreign currency denominated balances arising from changes in exchange rates, being written off or credited against the exchange gains and losses account in the statement of comprehensive income. In the statement of financial position, bank overdrafts are shown under current liabilities.

2.9.3. Trade and other payables

These financial liabilities are measured at amortised cost using the effective interest rate method.

2.9.4. Offset

If a legally enforceable right exists to set off amounts of financial assets and liabilities, which are in determinable monetary amounts and the Company intends to settle on a net basis, the relevant assets and liabilities are set off.

2.10. Pension costs

For defined contribution plans, retirement benefits are provided for staff and the Company's element of part service costs are charged against income for the year.

2.11. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by the Company's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which distinct financial information is available.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (senior managements allocable time) and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment, and intangible assets other than goodwill.

All business segments operate in Zimbabwe and all sales reflect sales to third parties.

2.12. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are added to the costs of the assets, until such a time as the assets are substantially ready for their intended use or sale.

Borrowing costs consist of interest and all other costs that an entity incurs in the process of borrowing funds.

3. REVENUE

	2011 US$	2010 US$	2009 US$
Continuing			
Sale of goods	924,317	536,315	599,703
Services	183,263	187,112	114,491
	1,107,580	**723,427**	**714,194**
Discontinued			
Sale of goods	872,217	1,344,855	-
Services	-	57,925	-
	872,191	**1,402,780**	**-**

4. OTHER INCOME

4.1. Analysis

	2011 US$	2010 US$	2009 US$
Profit on disposal of plant and equipment	25,217	69,274	5,919
Exchange gains/(losses)	2,051	(33,659)	-
Other (Note 4.2)	223,251	78,491	22,921
	250,519	**114,106**	**28,840**

4.2. Unreconciled amounts

Included in “other” above for financial year 2011, are write-backs amounting to US$175,431. The Company could not reconcile the Inter-branch accounts and had an unreconciled credit balance of US$63,655. In addition the Trade and other payables balance also included a net debit balance of US$3,828 relating to other creditors with debit balances of US$23,025 and credit balances of US$19,197. The net balances could not be reconciled due to a lack of documentation. The total debit balances of US$23,025 were fully provided for during the year ended 31st August 2010.

It is not possible to account for the write-off these amounts retrospectively as it is not possible to determine the cumulative effects of the error at the beginning of the year ended 31st August 2011. Consequently the write-off has been done prospectively without any adjustment against the opening balance of equity for the year ended 31st August 2011. The effect of the write-off on 31st August 2011 financial statements is as follows:

	2011 US$
Increase in other income	175,431
Increase in taxation payable ((1,423,339x25.75%)	(45,173)
Increase in equity	**130,258**

5. ADMINISTRATION EXPENSES

5.1. Analysis

	2011 US$	2010 US$
Depreciation of plant and equipment	58,652	288,969
Staff costs (note 5.2)	649,493	619,298
Directors' remuneration:		
• For services	-	-
• In connection with management	-	60,080
Audit fees	31,700	17,619
Other	304,201	399,491
	1,044,046	**1,385,457**

5.2. Employee benefits

Analysis

	2011 US$	2010 US$
Cost of goods sold	282,029	224,124
Administrative expenses	649,493	679,378
	931,522	**903,502**
Number of employees	70	103

6. NET FINANCIAL COSTS

	2011 US$	2010 US$
Finance cost	384,919	153,611
Finance revenue	(6,299)	(13,686)
Net financing cost	**378,620**	**139,925**

7. TAXATION

7.1. Income tax credit

	2011 US$	2010 US$
Current income tax	-	-
Deferred tax movement	49,040	178,895
	49,040	**139,895**

7.2. Reconciliation of tax charge

	2011 US$	2010 US$
Notional tax charge based on loss for the year	288,965	409,003
Additional tax resulting from permanent difference	(239,925)	(230,108)
	49,040	**178,895**

7. TAXATION (continued)

7.1. Effective tax rate	**4.37%**	**8.41%**

8. DISCONTINUED OPERATIONS

In March 2011, the Company closed its entire Comms segment. This segment was not a discontinued operation or classified as held for sale at 31st August 2010, and the comparative statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations. Management committed to a plan to close this segment in early 2011 following a strategic decision to place greater focus on the Company's core operations.

	2011	**2010**
Results of discontinued operation	**US$**	**US$**
Turnover (note 3)	872,191	1,402,780
Cost of sales	(822,171)	(1,266,902)
Gross profit	50,020	135,878
Other income	18,828	-
Administrative expenses	(242,355)	(457,136)
Loss from discontinued operations before income tax expense	(173,507)	(321,258)
Income tax expense	-	-
Loss for the year	**(173,507)**	**(321,258)**

9. PLANT AND EQUIPMENT

	Plant and equipment	**Motor Vehicles**	**Fixtures and Fittings**	**Computers**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**
Cost/valuation					
Opening balance at beginning of year	974,835	88,388	56,965	84,453	1,204,641
Additions	622,875	51,950	-	5,760	680,585
Disposals	-	(20,850)	(2,648)	(567)	(24,065)
Closing balance at end of year	**1,597,710**	**119,488**	**54,317**	**89,646**	**1,861,161**
Depreciation					
Opening balance at beginning of year	308,004	41,832	12,327	28,008	390,171
Current year charge	89,811	29,443	10,885	28,932	159,071
Disposals	-	(6 079)	(537)	(169)	(6 785)
Closing balance at end of year	**397,815**	**65,196**	**22,675**	**56,771**	**542,457**
Net book value at end of year	**1,199,895**	**54,292**	**31,642**	**32,875**	**1,318,704**
Net book value at beginning of year	**666,831**	**46,556**	**44,638**	**56,445**	**814,470**

10. DEFERRED TAXATION

	2011 US$	2010 US$
10.1. Reconciliation of opening and closing balance of deferred tax		
Balance at beginning of year	326,558	124,843
Charge to statement of comprehensive income	49,040	178,895
Charge to equity	5,152	22,820
Balance at the end of year	380,750	326,558
Comprising of:		
Accelerated wear and tear	(84,928)	(45,299)
Adjustment for rate change	-	(20,729)
Realisation of revaluation surplus on Plant & Equipment	(47,660)	(52,812)
Assessable tax losses (note 10.2)	513,557	338,761
Other	(219)	106,637
	380,750	**326,558**

10.2. Deferred tax asset

Deferred tax asset has been recognised in respect of the following assessable tax losses:

	2011 US$	2010 US$
31st August 2009	200,000	200,000
31st August 2010	1,115,577	1,115,577
31st August 2011	678,818	-
	1,994,395	1,315,577

Deferred tax assets have been recognised in respect of these items as it is probable that future taxble profits will be available against which the Company can utilise the benefit therefrom.

11. INVENTORY

	2011 US$	2010 US$
Finished goods	8,977	56,124
Work-in-progress	106,097	16,461
Consumables	6,910	117,890
	121,984	**190,475**

12. TRADE AND OTHER RECEIVABLES

Trade receivables	257,552	170,175
Other receivables	18,222	202,944
Allowance for credit losses	(70,719)	(153,815)
	205,055	**219,304**

13. CASH AND CASH EQUIVALENTS

Balance at beginning of year	122,871	40,613
Balance at end of year	(37,949)	(122,871)
Bank and cash balances	9,481	122,871
Bank overdraft and borrowings	(47,430)	-
(decrease) / increase in cash and cash equivalents	**(160,820)**	**82,258**

Included in cash and cash equivalents are amounts denominated in currencies other than US$ as follows:

	2011 US$	**2010 US$**
South African Rand ("ZAR")	5,357	-

14. SHARE CAPITAL

14.1. Authorised

2 000 000 000 ordinary shares of 0.00001 US cents each	20,000	20,000

14.2. Issued and fully paid

1 599 645 849 ordinary shares of 0.00001 US cents each	15,996	15,996

14.3. Earnings per share

Basic earnings per share have been calculated based on:

Loss from continuing operations	(899,643)	(1,088,206)

And shares in issue of 1,599,645,849 for both periods presented.

15. NON-DISTRIBUTABLE RESERVE

The reserve arose upon translation from Zimbabwe Dollars to United States Dollars when the Company changed its functional currency. A portion of the Non-distributable reserve was transferred to Share Capital after re-denomination of the par value of the shares.

16. RELATED PARTY BALANCES

	2011 US$	2010 US$

16.1. Amounts due from related parties

	2011 US$	2010 US$
Gardoserve (Pvt) Ltd	1,607	10,580

The balances are receivable from companies owned by LoZim Plc, the majority shareholder in Celsys Limited and result from transactions carried out at arm's length.

16.2. Amounts due to related parties

	2011 US$	2010 US$
LonZim Plc	4,130,523	2,721,728

All transactions with group companies are at arm's lengths. Balances with related parties should be viewed in this light. Amounts outstanding are unsecured and will be settled on normal terms. No guarantees have been given or received.

16.3. Key management personnel

The remuneration of directors and other key management during the year was as follows:

	2011 US$	2010 US$
Short-term benefits (management)	117,986	120,160
Directors' emoluments	-	-
	117,986	120,160

17. TRADE AND OTHER PAYABLES

	2011 US$	2010 US$
Trade payables	151,992	91,669
Provisions	36,000	21,761
Other payables	74,548	164,012
	262,540	**277,442**

18. OPERATING SEGMENTS

2011

	Print	Technical Services	Comms	Unallocated and Eliminations	Total
	US$	US$	US$	US$	US$
Revenue	924,317	183,263	872,191	-	1,979,771
Operating (loss) / profit	(16,749)	111,275	(173,508)	(664,588)	(743,570)
Finance cost					(378,620)
Taxation					49,040
Net loss					(1,073,150)
Segment assets	1,078,541	38,134	-	920,906	2,037,581
Segment liabilities	262,540	-	-	4,177,953	4,440,493
Capital expenditure	471,099	196,181	-	13,305	680,585

The company was organized into three main business segments during the year ended 31st August 2011:

- Print — Commercial and security printing
- Technical services — Leasing of ATMs to the banking sector
- Communications — Distribution of airtime, mobile phone handsets and lines

All business segments operate in Zimbabwe

The Company disposed of the communications segment during the year ended 31st August 2011, detailed in Note 8.

OPERATING SEGMENTS (continued) 2010

	Print	Technical Services	Comms	IT Software	Unallocated and Eliminations	Total
	US$	US$	US$	US$	US$	US$
Revenue	536,315	1,344,855	187,112	57,925	-	2,126,207
Operating (loss)/profit	(528,282)	(321,258)	21,610	54,450	(714,954)	(1,448,434)
Finance cost						(139,925)
Taxation						178,895
Net loss						(1,409,464)
Segment assets	965,534	128,760	38,134	-	551,830	1,684,258
Segment liabilities	51,825	-	-	-	2,947,345	2,999,170
Capital expenditure	583,173	-	-	-	5,800	588,973

The Company disposed of the IT Software segment during the year ended 31st August 2010.

19. RECONCILIATION OF LOSS FROM OPERATIONS

	2011	2010
	US$	US$
Results from continuing operating activities	(570,063)	(1,127,176)
Add: Loss from discontinued operations	(173,507)	(321,258)
Loss from continuing operations per cash flow	(743,570)	(1,448,434)

20. TREASURY AND FINANCIAL RISK MANAGEMENT

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

- Market risk (which includes currency risk and interest rate risk)
- Credit risk and
- Liquidity risk

The Company does not use derivative financial instruments for speculative purposes.

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors and management employ the overall group risk management policies as set by the holding Company. These policies are reviewed by management on a regular basis for adequacy in being able to manage any changes in risks arising from changes in the operating environment.

20.1. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The principal amounts of all monetary financial assets and liabilities are fixed and not subject to market related value adjustments.

20.2. Currency risk

The Company incurs foreign currency risk on sales and purchases that are denominated in a currency other than the United States dollar. The primary currency giving rise to this risk is the South African Rand (refer to note 21.3).

Currency risk (continued)

The Company cannot hedge any of its trade receivables and trade payables that are denominated in foreign currency. Estimated foreign currency exposures in respect of sales and purchases over the following twelve months are also not hedged. Forward exchange contracts are not available in Zimbabwe to enable the hedging of foreign currency risk. Currency risk is, however, managed by ensuring, as far as possible, that available foreign currency denominated liquid assets are reserved for the payment of foreign currency denominated liabilities.

20.3. Interest risk

The Company finances its operations through a mixture of bank borrowings and borrowings from its holding Company. The Company borrows principally in United States dollars at fixed and floating rates. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

20.4. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

The Company has a customer credit policy that involves creditworthiness checks, setting and monthly review of credit limits based on historical payment ability and customer operational performance for all third party customers. Adequate provision is made against any trade and other receivables considered doubtful.

Investments are allowed only in liquid securities and only with counterparts that have a credit rating considered equal to or better than that of the Company. Given their high credit ratings, management does not expect any counterpart to fail to meet its obligations.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Adequate provision is made against any trade and other receivables considered doubtful.

20.5. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. At 31st August 2011, the Company had no unutilised or over utilised bank facilities.

21. FINANCIAL INSTRUMENTS

21.1. Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Carrying amount

	2011 US$	2010 US$
Third party trade receivables	186,833	16,360
Amounts owing from related parties	1,607	10,580
Other receivables	18,222	202,944
Cash equivalents	9,481	122,871
	216,143	352,755

Impairment losses

The allowance account in respect of trade receivables is used to record impairment losses unless the company is satisfied that no recovery of amount owing is possible. At that point the amount is considered irrecoverable and is written off against the financial asset directly.

The ageing of trade receivables at the reporting date was as follows:

	Gross 2011 US$	Impairment 2011 US$	Gross 2010 US$	Impairment 2010 US$
Not past due 0-30 days	125,899	-	59,838	-
Past due 31+ days	131,653	70,719	110,337	110,337
	257,552	70,719	170,175	110,337

21.2. Liquidity risk

Non- derivative financial liabilities	2011 US$	2010 US$
Trade payables	151,992	91,669
Other payables and provisions	110,548	185,773
	262,540	277,442

The above non-derivative financial liabilities are all classified as financial liabilities measured at amortised cost and all fall due within 12 months.

21.3. Currency risk

Exposure to currency risk

The Company's exposure to foreign currency risk is attributable to South African Rand ("ZAR") denominated monetary assets and liabilities. The exposure was as follows, based on notional amounts:

	2011 ZAR	2010 ZAR
Cash and cash equivalents	5,357	-

The following significant exchnage rates applied during the 12 months ended 31st August 2011.

	Average rate US$	Reporting date spot rate US$
ZAR – 2011	6.90	7.06
ZAR – 2010	7.57	7.42

22. PENSION

22.1. National Social Security Scheme

All employees are required by law to be members of the National Social Security Scheme, which is a defined contribution fund. Both the employees and the Company contribute the scheme. The Company's contributions are charged to the statement of Comprehensive income, and in the current year, amounted to US$5,096 (2010: US$18,511)

22.2. NEC Print and Packaging Pension Fund

Employees of the Company whose conditions fall under the scope of the Collective Bargaining Agreement of the Packaging and Newspaper Industry (General Conditions) Statutory Instrument 69 of 2006 are required to be members of this fund, which is a defined contribution fund. Both employees and the Company contribute to this fund. The Company's contributions are charged to the Statement of Comprehensive income, and in the current year amounted to US$ 8,296 (2010: Nil)

23. GOING CONCERN

The Company incurred a loss amounting to US$1,073,150 (2010: US$1,409,464) during the year ended 31st August 2011 and is in a negative equity position of US $2,402,912 (2010: US$1,314,912) as at that date. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

The Company is dependent on the continued financial support from its holding company, LonZim Plc. The holding company has pledged financial support for the Company through a comfort letter. LonZim Plc pledged that it will continue to provide financial support to the company as budgeted to maintain the company as a going concern until Celsys Limited has returned to profitability and to provide Celsys Limited with financial support to meet its obligations.

It is the considered view of the directors that the Company will continue its operations for the foreseeable future. This is based on an undertaking of continued financial support by the Holding Company. For this reason the directors have adopted the going concern basis in preparing the financial statements for the year ended 31st August 2011.

24. EVENTS AFTER THE REPORTING DATE

There are no material events that occurred after the reporting date.

ANNEXURE 4 : REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE HISTORICAL FINANCIAL INFORMATION OF CAMBRIA AFRICA PLC

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The Directors

Cambria Africa Plc

CABS Northridge Park

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Borrowdale

Harare

30 April 2012

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE HISTORICAL FINANCIAL INFORMATION OF CAMBRIA AFRICA PLC

1. Introduction

In terms of the Zimbabwe Stock Exchange ("ZSE") Listing Requirements, we report hereunder (pages 42 to 90) on the historical financial information of Cambria Africa Plc (formerly LonZim Plc) (hereinafter referred to as "the Company" or "Cambria"). Cambria was incorporated as LonZim Plc on 26 October 2007 under company registration number 001773V in the Isle of Man and was listed on the London Stock Exchange's Alternative Investments Market ("AIM") on 11 December 2007. The company was renamed Cambria Africa Plc on 24 February 2012 following the company's annual general meeting ("AGM") held on the same date. The full list of the Company's subsidiaries is provided in note 12 to the historical financial information.

The purpose of this report is for inclusion in Cambria's Pre-listing document to investors to be dated on or about 30 May 2012 and prepared in terms of the ZSE Listing Requirements for the proposed secondary listing of Cambria on the ZSE by introduction and the Scheme Document for members of Celsys Limited ("Celsys") (a 60% owned subsidiary of Cambria) dated 30 April 2012.

KPMG Audit LLC (Isle of Man) have been the auditors of the Company since incorporation and will be reporting on its financial statements prospectively.

The historical financial information is based on the audited financial statements for the year ended 31 August 2011, while the comparative financial information set out in this report for the periods ended 31 August 2008; 2009 and 2010 has been compiled from the respective audited financial statements.

2. Responsibilities

The directors of Cambria are solely responsible for the compilation, contents and presentation of the Pre-listing document to be dated on or about 30 May 2012 and the Celsys Scheme document dated 30 April 2012 of which this report is a part, and for the true and fair presentation of the audited financial statements from which the financial information has been prepared.

3. Basis of preparation

The consolidated financial statements are presented in sterling, which was the Company's functional currency until 31 August 2011. However, subsequent to 31 August 2011, the directors of Cambria made the decision for the Company to report in US dollars going forward in order to give a clearer understanding of the Company's performance, reflecting the profile of the Group's revenue and results, which are primarily in US Dollars. This change in functional currency is effective for the results for the six months ending 29 February 2012.

4. Change in functional currency at subsidiary level

On 29 January 2009 and on 2 February 2009 the Fiscal and Monetary Authorities gave recognition to the fact that the Zimbabwe dollar was no longer a functional currency and authorised the use of multiple foreign currencies for trading in Zimbabwe. This led the Cambria subsidiaries operating in Zimbabwe, Celsys Limited ("Celsys"), Paynet (Private) Limited ("Paynet") and Gardoserve (Private) Limited t/a Millpal ("Millpal"), to change their functional currency from Zimbabwe dollars to United States dollars.

The basis of preparation and presentation of the financial statements of these subsidiaries followed the guidance issued by the Public Accountants and Auditors Board and the Zimbabwe Accounting Practices Board, which assisted preparers of financial statements in converting their financial statements from Zimbabwe dollars into their new functional currency in a manner that was consistent with the principles of International Financial Reporting Standards, in as far as is practicable, in the Zimbabwean economic environment, at the date of the change of the functional currency.

Because of the limitations of financial reporting in the general environment prevailing in Zimbabwe during the periods ended 31 August 2008 and 2009, and uncertainties which resulted in the extraordinary situation whereby entities were unable to prepare inflation-adjusted financial statements that complied with the requirements of International Accounting Standard ("IAS) 29, Financial Reporting in Hyperinflationary Economies (due to unavailability of the Consumer Price Index ("CPI") issued by the Central Statistics Office of Zimbabwe for the period since 31 July 2008); most Zimbabwean companies carried adverse audit opinions in their respective audit reports. However, in terms of the audit reports issued for Cambria group reporting purposes, there was no qualified opinion highlighted in the audit report pertaining to the Zimbabwe subsidiaries due to the following key aspects:

- Some of the subsidiaries had already been consolidated in the previous year (period ended 31 August 2008) in the Cambria group financial statements; therefore there was comparative financial information in United States dollars disclosed. There was a reliable CPI available at the end of July 2008 for which the trading results and statement of financial position for Celsys Limited and Millpal could be translated from Zimbabwe dollars to United States dollars. The difference or movement between July and August 2008 was not considered material in terms of group financial reporting and thus the year-end figures for these subsidiaries, consolidated into the Cambria group were not considered to be materially misstated.
- Trading results of the Zimbabwe subsidiaries for between September 2008 and January 2009 were not included in the Cambria group results (for the year ended 31 August 2009) as these were in Zimbabwe dollars and regarded as immaterial. The performance of the Zimbabwe subsidiaries was consolidated in the Cambria group financial statements from February 2009 to August 2009 in the 2009 annual report, which was post adoption of the multi-currency regime.

5. Opinion

Cambria's audit reports for the years ended 31 August 2008, 2009, 2010 and 2011 were unqualified.

6. Subsequent events

Details of material events which have occurred subsequent to 31 August 2011 are shown under Note 32 to the historical financial information presented.

7. Format of report

As the purpose of the financial information differs from the purpose of the financial statements prepared for members, the financial information is not intended to comply in full with the presentation and disclosure requirements of the Companies Act (Chapter 24:03) and the International Financial Reporting Standards ("IFRSs") promulgated by the International Accounting Standards Board ("IASB").

Our report shall not in any way constitute recommendations regarding the completion of any transaction or the issue of the Pre-listing document to prospective investors.

Yours faithfully

Signed on original

KPMG

Consolidated comprehensive income statements

	Note	Audited Year ended 31 August 2011 £'000	Audited Year ended 31 August 2010 £'000	Audited Year ended 31 August 2009 £'000	Audited Year ended 31 August 2008 £'000
Revenue	4	5,926	4,900	2,607	188
Cost of sales	5	(2,560)	(2,734)	(1,572)	(66)
Gross profit		**3,366**	**2,166**	**1,035**	**122**
Monetary adjustment		-	-	-	(1)
Operating costs	5	(9,602)	(8,311)	(1,959)	(2,056)
Operating loss before financing income		**(6,236)**	**(6 145)**	**(924)**	**(1,935)**
Finance income	7	183	439	2,011	974
Finance costs	7	(558)	(10)	-	(129)
Profit/(loss) before tax		**(6,611)**	**(5,716)**	**1,087**	**(1,090)**
Income tax expense	8	42	582	(174)	(142)
Profit/(loss) for the period		**(6,569)**	**(5,134)**	**913**	**(1,232)**
Attributable to:					
Owners of the Company	17	(5,988)	(4,375)	1,087	(1,193)
Non-controlling interest	17	(581)	(759)	(174)	(39)
Profit/(loss) for the period		**(6,569)**	**(5,134)**	**913**	**(1,232)**
Basic (loss)/earnings per share (pence)	9	(12.4p)	(12.4p)	3.03p	(3.40p)
Diluted (loss)/earnings per share (pence)	9	(12.4p)	(12.4p)	2.99p	(3.40p)

Consolidated statements of recognised income and expenses

	Note	Audited year ended 31 August 2011 £'000	Audited year ended 31 August 2010 £'000	Audited year ended 31 August 2009 £'000	Audited year ended 31 August 2008 £'000
ROFIT/(LOSS) FOR THE YEAR	17	(6,569)	(5,134)	913	(1,232)
THER COMPREHENSIVE INCOME					
Foreign currency translation differences for overseas operations	17	(605)	(89)	(625)	26
Revaluation of property, plant and equipment	17	1,289	2,546	793	232
Total comprehensive loss for the year		**(5,876)**	**(2,677)**	**1,081**	**(974)**
ATTRIBUTABLE TO:					
Owners of the Company		(5,343)	(2,022)	1,090	(1,034)
Non-controlling interest		(533)	(655)	(9)	60
Total comprehensive loss for the year		**(5,876)**	**(2,677)**	**1,081**	**(974)**

The notes on pages 24 to 57 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year period ended 31 August 2011

	Owners of the Company £'000	Non-controlling interests £'000	Total £'000
AUDITED			
Balance at 1 September 2009	32,579	895	33,474
Loss for the period	(2,022)	(655)	(2,677)
Issue of shares	1,113	-	1,113
Foreign exchange translation differences		-	
BALANCE AT 31 AUGUST 2010	**31,670**	**240**	**31,910**

AUDITED			
Balance at 1 September 2010	31,670	240	31,910
Loss for the period	(5,343)	(533)	(5,876)
Issue of shares	4,844	-	4,844
Foreign exchange translation differences			
BALANCE AT 31 AUGUST 2011	**31,171**	**(293)**	**30,878**

Consolidated and company statements of financial position

	Note	Audited as at 31 August 2011		Audited as at 31 August 2010	
		Group	**Company**	**Group**	**Company**
ASSETS		**£'000**	**£'000**	**£'000**	**£'000**
Property, plant and equipment	10	19,597	83	18,548	24
Goodwill	11	4,325	-	4,325	-
Other intangible assets	11	4,253	2,320	5,534	3,645
Investment in subsidiaries	12	-	2,736	-	2,736
Deferred tax assets	21	798	-	645	-
Total non-current assets		**28,973**	**5,193**	**29,052**	**6,405**
Assets held for sale	10	2,111	-	3,557	-
Other investments	13	67	-	101	-
Inventories	14	498	-	339	-
Trade and other receivables	15	2,760	23,666	2,922	21,761
Cash and cash equivalents	16	658	365	291	38
Total current assets		**6,094**	**24,031**	**7,210**	**21,799**
TOTAL ASSETS		**35,067**	**29,170**	**36,262**	**28,204**

Consolidated and company statements of financial position (cont'd)

	Note	Audited as at 31 August 2011		Audited as at 31 August 2010	
		Group £'000	Company £'000	Group £'000	Company £'000
EQUITY					
Issued share capital	17; 18	5	5	4	4
Share premium account	17; 18	38,310	38,310	33,467	33,467
Revaluation reserve	17; 18	3,918	-	2,750	-
Foreign exchange reserve	17	(943)	-	(420)	-
Share based payment reserve	17; 19	165	165	165	165
Retained earnings	17	(10,284)	(11,155)	(4,296)	(7,694)
Total equity attributable to owners of the Company	17	31,171	27,325	31,670	25,942
Non-controlling interest	17	(293)	-	240	-
Total equity		**30,878**	**27,325**	**31,910**	**25,942**
LIABILITIES					
Provisions	20	628	628	628	628
Deferred tax liabilities	21	815	-	933	-
Total non-current liabilities		**1,443**	**628**	**1,561**	**628**

Consolidated and company statements of financial position (cont'd)

	Note	Audited as at 31 August 2011		Audited as at 31 August 2010	
		Group £'000	Company £'000	Group £'000	Company £'000
Bank overdrafts	16	29	-	-	-
Current tax liabilities		160	35	41	35
Interest bearing loans	22	917	917	963	963
Trade and other payables	23	1,640	265	1,787	636
Total current liabilities		**2,746**	**1,217**	**2,791**	**1,634**
Total liabilities		**4,189**	**1,845**	**4,352**	**2,262**
TOTAL LIABILITIES AND EQUITY		**35,067**	**29,170**	**36,262**	**28,204**

These financial statements were approved by the Board of Directors and authorised for issue on 11 November 2011. They were signed on their behalf by:

G White

Director & Chief Executive Officer

The notes on pages 24 to 57 are an integral part of these consolidated financial statements.

Consolidated and company cash flow statements

	Note	Audited year ended 31 August 2011		Audited year ended 31 August 2010	
		Group £'000	**Company £'000**	**Group £'000**	**Company £'000**
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	24	**(3,510)**	**(2,139)**	**(3,384)**	**(2,061)**
Increase in inventories	24	(159)	-	(145)	-
Decrease/(increase) in cash from customers	24	162	(1 905)	19	(1,423)
(Decrease)/increase in cash to suppliers	24	(147)	(372)	(621)	38
Cash used in operations	**24**	**(3,654)**	**(4,416)**		**(3,446)**
Interest paid		(147)	-	(14)	25
Interest received		183	43	-	-
Net cash in operating activities	**24**	**(3,618)**	**(4,373)**	**(4,145)**	**(3,421)**
NET FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		677	-	-	-
Purchase of property, plant and equipment	10	(1,011)	(98)	(1,705)	-
Purchase of intangibles	11	(661)	-	-	-
Proceeds from sale of investments		87	-	-	-
Acquisition of investments	13	(37)	-	1,630	-

Consolidated and company cash flow statements (cont'd)

		Audited year ended 31 August 2011		Audited year ended 31 August 2010	
		Group £'000	**Company £'000**	**Group £'000**	**Company £'000**
Net cash used in investing activities		**(945)**	**(98)**	**(75)**	**-**
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from the issue of share capital	17; 18	4,987	4,987	1,113	1,113
Transaction costs of issue of shares	17; 18	(143)	(143)	-	-
(Repayment of)/proceeds from loans		(46)	(46)	963	963
Net cash from / (used in) financing activities		**4,798**	**4,798**	**2,076**	**2,076**
Net increase/(decrease) in cash and cash equivalents		285	327	(2,144)	(1,345)
Cash and cash equivalents at 1 September		291	38	2,431	1,383
Foreign exchange movements		103	-	4	-
CASH AND CASH EQUIVALENTS AT PERIOD END		**629**	**365**	**291**	**38**

The notes on pages 24 to 57 are an integral part of these consolidated financial statements.

1. Reporting entity

Cambria Africa Plc ("the Company") is a company incorporated in the Isle of Man. The consolidated financial statements of the Group comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The financial statements were authorised for issue by the Directors on 11

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 European Union ("E.U"). On publishing the parent company financial statements together with the Group financial statements, the Company takes advantage of the exemption whereby, under the Isle of Man Companies Act 2006, there is no requirement to present a company income statement in consolidated financial statements.

Functional and presentation currency

The consolidated financial statements are presented in Pound Sterling, which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand.

As of 1 September 2011, the Company changed its reporting currency to the US Dollar.

Basis of measurement

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

- aircraft measured at fair value;
- financial assets held for trading are measured at fair value; and
- land, buildings and plant and equipment are measured at revalued amounts.

New standards and interpretations not yet adopted

- At the date of authorisation of the financial statements, the following standards, which have not been applied to these
- financial statements, were in issue but not yet effective:
- Amendments to IAS 1 Presentation of Financial Statements;
- Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets;
- Amendments to IAS 19 Employee Benefits;
- IAS 27 Separate Financial Statements;
- IAS 28 Investments in Associates and Joint Ventures;
- IFRS 7 Disclosures – Transfers of Financial Assets;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint Arrangements;
- IFRS 12 Disclosure of Interests in Other Entities; and
- IFRS 13 Fair Value Measurement.

The Directors anticipate that the adoption of these standards in future periods will have no material impact on the financial statements of the Group.

2. Basis of preparation (continued)

Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, 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 judgments 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.

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

Going concern

The Group's business activities and financial performance are set out in the Chief Executive's Review on pages 2 to 5. In addition, note 25 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 hedging activities; and its exposure to credit and liquidity risk.

The Group has access to sufficient financial resources for its needs. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current economic outlook.

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

3. Significant accounting policies

The accounting policies have been applied consistently by Group entities.

(a) Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. 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 the non-controlling interests' 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.

3. Significant accounting policies (continued)

(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.

Amortisation of intangible assets is charged over their useful economic life, on the following basis:

Non-compete agreement	5 1/2 years
Licences	5-6 years
Brand name	7 years

(c) Foreign currencies

The individual financial statements of each Group company 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 Group company are expressed in Pounds Sterling, which is the functional currency of the Company, and the presentational currency for the consolidated financial statements.

As of 1 September 2011, the Company changed its reporting currency to the US Dollar.

In preparing the financial statements of the individual companies, 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.

3. Significant accounting policies (continued)

(c) Foreign currencies (continued)

For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the reporting date. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate so as to have a material impact on the financial statements during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and are transferred to the Group's foreign currency translation reserve within equity. Such translation is recognised as income or as expenses in the period in which the operation is disposed of.

(d) Taxation

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

Current taxation

Current tax is based on taxable profit for the period for the Group. Taxable profit differs from net profit as reported 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.

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 and 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) Other investments

Other asset investments are stated at cost less accumulated impairment losses.

3. Significant accounting policies (continued)

(f) Property, plant and equipment

Long leasehold land and buildings, plant and machinery, motor vehicles and fixtures and fittings are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated 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.

All other assets are stated at depreciated historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land, over their estimated useful lives, on the following basis:

Freehold buildings	2% of cost
Leasehold land and buildings	Over the term of the lease
Plant and machinery	10% of cost
Motor cars	15%-25% of cost
Fixtures and fittings	15%-25% of cost

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 freehold land.

In respect of aircraft, subsequent costs incurred which lend enhancement to future periods such as long term scheduled maintenance and major overhaul of aircraft and engines are capitalised and amortised over the length of the period benefiting from these enhancements, except when assets are held for sale they are accrued over the time to the next maintenance overhaul. All other costs relating to maintenance are charged to the income statement as incurred.

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

(g) 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 the asset belongs.

3. Significant accounting policies (continued)
(g) Impairment of assets excluding goodwill (continued)

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 pretax 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. Impairment loss is recognized 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..

(h) 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 measured at initial recognition 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 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. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests.

3. Significant accounting policies (continued)
(h) Financial instruments

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.

(i) 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.

(j) 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 that the employees become unconditionally entitled to the options.

(k) 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.

(l) Dividends

Interim dividends are recognised as a liability in the period in which they are proposed and declared.

Final dividends are recognised when approved by the shareholders.

(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.

2. Significant accounting policies (continued)

(n) Revenue recognition

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.

Aircraft lease income is recognised on an accruals basis over the period of the lease.

(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 of 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 –payable

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

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(q) Loss per share

Basic earnings/(loss) per share is calculated based on the weighted average number of ordinary shares outstanding during the period. 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.

(r) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale or distribution rather than through continuing use are classified as held for sale. Immediately before reclassification as held for sale, the assets are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

3. Significant accounting policies (continued)
(s) 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.

4. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is 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.

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 comprise mainly income-earning assets and revenue, 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.

There is no inter-segment revenue.

Business segments

For management purposes, the Group is currently organised into four main business segments.

- Aviation
- Hotels
- Support services
    - Industrial chemical products
    - Security printing products
    - Telecoms
    - Payroll services
    - Pharmaceutical distribution
    - Microfinance
- Head office

Geographical segments

Support services and hotels operate in various parts of Zimbabwe and the Beira Corridor of Mozambique. Separate geographical analysis has therefore not been presented.

4. Segment reporting (continued)

Business segments

	Aviation		Hotels		Support services		Head office		Consolidated	
	Year ended 31 Aug' 2011 £'000	**Year ended 31 Aug' 2010 £'000**	**Year ended 31 Aug' 2011 £'000**	**Year ended 31 Aug' 2010 £'000**	**Year ended 31 Aug' 2011 £'000**	**Year ended 31 Aug' 2010 £'000**	**Year ended 31 Aug' 2011 £'000**	**Year ended 31 Aug' 2010 £'000**	**Year ended 31 Aug' 2011 £'000**	**Year ended 31 Aug' 2010 £'000**
Revenue from external customers	401	901	1,332	810	4,193	3,189	-	-	5,926	4,900
Total revenue	**401**	**901**	**1,332**	**810**	**4,193**	**3,189**	**-**	**-**	**5,926**	**4,900**
Segment result	299	(112)	(743)	(585)	(2,675)	(942)	-	-	(3,372)	(1,300)
Unallocated central expenses -	-	-	-	-	-	-	(3,580)	(2,773)	(3,580)	(2,773)
Operating profit/(loss)	299	(112)	(743)	(585)	(2,212)	(2,675)	(3,580)	(2,773)	(6,236)	(6,145)
Net financing income	(560)	113	(258)	-	323	-	120	316	(375)	429
Income tax expense	-	-	87	7	(45)	575	-	-	42	582
Profit/ (loss) for the period/year	**(261)**	**1**	**(914)**	**(578)**	**(1,934)**	**(2,100)**	**(3,460)**	**(2,457)**	**(6,569)**	**(5,134)**

All revenues relate to sale of goods, services and lease income.

4. Segment reporting (continued)

Unallocated central expenses include the following non-cash items during the period/year:

	2011 £'000	2010 £'000
- Amortization (see note 11)	1,750	1,729
- depreciation (see note 10)	40	14

	Aviation		Hotels		Support services		Head office		Consolidated	
	Year ended 31 Aug' 2011 £'000	Year ended 31 Aug' 2010 £'000	Year ended 31 Aug' 2011 £'000	Year ended 31 Aug' 2010 £'000	Year ended 31 Aug' 2011 £'000	Year ended 31 Aug' 2010 £'000	Year ended 31 Aug' 2011 £'000	Year ended 31 Aug' 2010 £'000	Year ended 31 Aug' 2011 £'000	Year ended 31 Aug' 2010 £'000
Segment assets	3,765	5,059	15,914	16,463	6,517	3,688	8,870	11,052	35,067	36,262
Total assets	3,765	5,059	15,914	16,463	6,517	3,688	8,870	11,052	35,067	36,262
Segment liabilities	437	644	1,404	1,106	2,080	1,831	268	771	4,189	4,352
Total liabilities	437	644	1,404	1,106	2,080	1,831	268	771	4,189	4,352
Depreciation	-	318	124	54	292	292	40	14	456	678
Ammortisation of intangible assets	-	-	-	-	-	-	1,750	1,729	864	1,750

5. Group net operating costs

	2011 £'000	2010 £'000
Cost of sales	2,560	2,734
Administrative expenses	9,602	8,311
Net operating costs	12,162	11,045

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

	2011 £'000	2010 £'000
Operating costs include:		
Depreciation of property, plant and equipment	456	678
Amortisation of intangibles (other than goodwill)	1,750	1,729
Share-based payments		
Operating lease rentals	-	-
- Land and buildings	12	33
Staff costs	2,586	2,236
Gain on investments	16	361

Auditors' remuneration

	Year ended 31 August 2011 £'000	Year ended 31 August 2010 £'000
Fees payable to the Company's Auditors' for:		
- The audit of the Group's annual accounts	110	100
- The audit of the Company's subsidiaries pursuant to legislation	30	20
Total audit fees	**140**	**120**

6. Personnel expenses

The aggregate remuneration comprised (including Executive Directors):

	2011 £'000	2010 £'000
Wages and salaries	2,512	2,143
Compulsory social security contributions	74	93
Equity settled transactions	-	-
	2,586	2,236

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

	2011 Number	2010 Number
Support services	198	179
Hotels	157	145
Head office	7	7
	362	331

Remuneration of Directors		
Directors' emoluments (see note 30)	240	444

7. Net finance (costs) / income

	2011 £'000	2010 £'000
Recognised in income statement:		
Net gain on financial instruments designated at fair value through profit and loss	-	361
Bank interest receivable	-	14
Loan interest receivable	183	-
Foreign exchange gain / (loss)	-	64
Finance income	**183**	**439**
Foreign exchange losses	(411)	-
Bank interest payable	(147)	(10)
Finance costs	**(558)**	**(10)**
Net finance (costs)/income	**(375)**	**429**

The foreign exchange loss of £411k (2010: gain of £64k) has arisen on the translation of inter-company balances.

8. Taxation

Income tax recognised in the income statement

	2011 £'000	2010 £'000
Current tax expense		
Current year/period	112	63
Deferred tax expense / (credit)		
Origination and reversal of temporary differences	(154)	(645)
Total income tax expense in income statement	**(42)**	**(582)**

Reconciliation of effective tax rate

	2011 £'000	2010 £'000
(Loss)/profit before tax	(6,611)	(5,716)
Income tax using the U.K corporation tax rate 28% (2010: 28%)	(1,851)	(1,600)
Net losses where no group relief is available	1 851	1,600
	-	-

Deferred tax

	2011 £'000	2010 £'000
Charge relating to intangible assets	-	-
Relating to losses in subsidiaries	(154)	(645)
	(154)	(645)

Corporation tax is calculated as 28% of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Deferred tax is recognised as an asset on the basis that the Group will generate future profits to offset against the asset. The asset is derived from the losses which the Group has experienced to date.

9. Loss per share

The calculation of the basic and dilutive earnings per share is based on the following data:

Loss	**2011 £'000**	**2010 £'000**
Loss for the purposes of basic loss per share being net loss attributable to equity holders of the parent	(5,988)	(4,375)
Effect of dilutive potential ordinary shares	-	-
Loss for the purposes of diluted loss per share	(5,988)	(4,375)

Number of shares

	2011 Number '000	**2010 Number '000**
Weighted average number of ordinary shares for the purposes of basic loss per share	48,207	35,215
Effect of dilutive potential ordinary shares - share options	500	500
Weighted average number of ordinary shares for the purposes of diluted loss per share	48,707	35,715

In the current year and the previous year, the Group made a loss and the effect of the share options is therefore anti-dilutive.

10. Property, plant and equipment

31 August 2011 Group

Cost or valuations	Freehold land and buildings £'000	Long Leasehold land and buildings £'000	Plant & machinery £'000	Motor vehicles £'000	Furniture Fixtures & fittings £'000	Subtotal £'000	Held for sale £'000	Total £'000
At 1 September 2010	12,542	4 443	486	318	1,289	19,078	4,171	23,249
Additions in year	46	-	387	224	354	1,011	-	1,011
Disposals in year	-	-	-	(49)	(2)	(51)	(351)	(402)
Fair value adjustment	(153)	-	-	-	-	(153)	(855)	(1,008)
Revaluation	1,298	-	-	-	-	1,298	-	1,298
Effect of movements in foreign exchange	(634)	53	(21)	(8)	(10)	(620)	(240)	(860)
Balance at 31 August 2011	**13,099**	**4,496**	**852**	**485**	**1,631**	**20,563**	**2,725**	**23,288**
Accumulated depreciation								
At 1 September 2010	117	-	53	112	248	530	614	(5)
Adjustment re disposals	-	-	-	(20)	-	(20)	-	4 103
Depreciation charge for the year	43	-	58	112	243	456	-	(5)
Balance at 31 August 2011	**160**	**-**	**111**	**204**	**491**	**966**	**614**	**1,580**
Carrying amounts								
At 31August 2011	12,939	4,496	741	281	1,140	19,597	2,111	21,708
At 31 August 2010	12,425	4,443	433	206	1,041	18,548	3,557	22,105

10. Property, plant and equipment (continued)

Freehold land and buildings

Freehold land and buildings, relating to Leopard Rock Hotel, were revalued at 31 August 2011, by C.K. Holland, an Independent Valuer, on the basis of market value.

Freehold land and buildings, relating to Medalspot and Paynet were revalued at 31 August 2011, by T.W.R.E Zimbabwe (Pvt) Ltd, a firm of Independent Valuers, on the basis of market value.

The valuations conform to International Valuation standards and were based on recent market transactions of arms length terms for similar properties.
On 31 August 2011, had freehold land and buildings been carried at historical cost less accumulated depreciation, their carrying amount would be approximately £9.6 million (2010: £9.7 million). The revaluation surplus is disclosed in note 17.

Valuations:
ATdM

Long leasehold land and buildings

The value of long leasehold land and buildings was independently valued by JHI Real Estate Mozambique, as at 21 June 2011, on the basis of market value.
Celsys and Milpal

Revaluation –plant and equipment

The plant and equipment at Celsys Print was independently valued by Mr. A. West in Zimbabwe, as at 30 June 2008. Other assets were valued by the Directors. Fair value was determined by reference to market evidence. The Directors consider the fair value at the reporting date to not be materially different from the carrying value.

Paynet

Revaluation –property, plant and equipment

A professional valuation on freehold land and buildings was made by T.W.R.E Zimbabwe (Pvt) Limited of US$1,750,000 (£1,070,402) at 31 August 2011. Fair value at 31 August 2011 was made by reference to market evidence. The Directors consider the fair value of other assets at the reporting date to not be materially different from the carrying value.

Leopard Rock

Revaluation – Land and buildings

A professional valuation on freehold land and buildings was made by C.K. Holland of US$18,500,000 (£11,315,677) at 31 August 2011. Fair value at 31 August 2011 was made by reference to market evidence. The Directors consider the fair value of other assets at the reporting date to not be materially different from the carrying value.

Meldalspot

Revaluation - property

A professional valuation on freehold land and buildings was made by T.W.R.E Zimbabwe (Pvt) Limited of US$2,200,000 (£1,345,648) at 31 August 2011. Fair value at 31 August 2011 was made by reference to market evidence. The Directors consider the fair value of other assets at the reporting date to not be materially different from the carrying value.

10. Property, plant and equipment (continued)

Assets held for sale
At the year end, Cambria held assets to the value of £2,111,000 for sale. This is made up of 2 aircraft which are being actively marketed and the Company would hope to find buyers within the next year.

	Freehold land and building	Long Leasehold land and buildings	Plant & machinery	Motor vehicles	Fixtures & fittings	Subtotal	Held for sale	Total
Cost or valuations	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 September 2009	9,216	4,863	304	320	644	15,347	4,010	19,357
Additions in year	638	-	367	47	653	1,705	-	1,705
Disposals in year	-	-	(36)	(46)	(6)	(88)	-	(88)
Assets written off	-	-	(142)	-	-	(142)	-	(142)
Revaluation	2,546	-	-	-	-	2,546	-	2,546
Effect of movements in foreign exchange	142	(420)	(7)	(3)	(2)	(290)	161	(129)
Balance at 31 August 2011	**12,542**	**4,443**	**486**	**318**	**1,289**	**19,078**	**4,171**	**23,249**
Accumulated depreciation								
At 1 September 2010	8	-	24	43	101	176	297	473
Adjustment re disposals	-	-	-	(7)	-	(7)	-	(7)
Depreciation charge for the year	109	-	29	76	147	361	317	678
Balance at 31 August 2011	**117**	**-**	**53**	**112**	**248**	**530**	**614**	**1,144**
Carrying amounts								
At 31August 2011	12,425	4,443	433	206	1,041	18,548	3,557	22,105
At 31 August 2010	9,208	4,863	280	277	543	15,171	3,713	18,884

Valuations:

Long leasehold land and buildings

The value of long leasehold land and buildings is included at the Directors' valuation at 31 August 2010. The Directors obtained evidence of observable prices in an active market to determine their valuation. The Directors consider the fair value at the reporting date is not materially different from the carrying amount.

10. Property, plant and equipment (continued)

Revaluation

The plant and equipment at Celsys Print has been independently valued by Mr A West in Zimbabwe, as at 30 June 2008. Other assets were valued by the Directors. Fair value was determined by reference to market evidence. The historical cost of plant and machinery which was revalued in the previous period was £Nil and the resulting revaluation of £232,000 has been taken to revaluation reserve.

		Company 2011	
	Motor vehicles £'000	Furniture fixtures & fittings £'000	Total £'000
Cost or valuations			
At 1 September 2010	37	5	42
Additions in year	90	8	98
Balance at 31 August 2011	127	13	140
Additions in the period	-	-	-
Accumulated depreciation			
Balance at 1 September 2010	15	3	18
Depreciation charge for the year	36	3	39
Balance at 31 August 2011	51	6	57
Carrying amounts			
Balance at 31 August 2011	75	8	83
At 31 August 2010	22	2	24

		Company 2010	
	Motor vehicles £'000	Furniture fixtures & fittings £'000	Total £'000
Cost or valuations			
At 1 September 2009	37	5	42
Additions in year	-	-	-
Balance at 31 August 2010	37	5	42
Accumulated depreciation			
Balance at 1 September 2009	3	1	4
Depreciation charge for the year	12	2	14
Balance at 31 August 2010	15	3	18
Carrying amounts			
Balance at 31 August 2010	22	2	24
At 31 August 2009	34	4	38

11. Intangible assets

	Goodwill £'000	Non Compete agreement £'000	Brand name £'000	Sol Aviation £'000	Software licences £'000	Casino license £'000	Group 2011 Total £'000	Company 2011 Total £'000
Cost								
At 1 September 2010	4,325	7,290	770	270	774	682	14,111	7,290
Additions	-	-	-	-	661	-	661	-
Fair value adjustment	-	-	-	(192)	-	-	(192)	-
Balance at 31 August 2011	4,325	7,290	770	78	1,435	682	14,580	7,290
Amortisation								
At 1 September 2010	-	3,645	97	78	256	176	4,252	3,645
Amortisation for the year	-	1,325	78	-	212	135	1,750	1,325
Balance at 31 August 2011	-	4,970	175	78	468	311	6,002	4,970
Carrying amounts								
At 31 August 2011	4,325	2,320	595	-	967	371	8,578	2,320
At 31 August 2010	4,325	3,645	673	192	518	506	9,859	3,645

11. Intangible assets (continued)

Amortisation

The amortisation charge is recognised in the administrative expenses (note 5) in the income statement. The remaining amortisation period at 31 August 2011 is 21 months for the non-compete agreement and 33-91 months for other intangibles:

Goodwill

As at 31 August 2011, the consolidated statement of financial position included goodwill of £4,325k. 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")	Primary reporting segment	2011 £'000	2010 £'000
Celsys	Support services	1,958	1,958
Millchem	Support services	1,438	1,438
FMNA	Support services	367	367
Paynet	Support services	562	562
		4,325	3,325

Estimates and judgments

The Directors believe that the estimate and judgements used in preparing these financial statements would not have a material impact on the carrying values of the intangible assets disclosed above.

There have been no indications of impairment relating to the CGUs or groups of CGUs to which goodwill has been allocated and, accordingly, the disclosures that follow relate to the impairment test that is required to be conducted on an annual basis:

- The carrying value of goodwill has been assessed with reference to value in use over 5-10 years reflecting the projected cash flows of each of the CGUs or group of CGUs based on the most recent forecast. A forecast period of 5-10 years has been used as this is reflective of the Board's view of the long term investment potential in these Zimbabwean subsidiaries. A forecast period of 5 years has been used for ForgetMeNot Africa (BVI) Limited.
- Growth rates for the period not covered by the forecast 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 market share increases on normalisation of the Zimbabwean economy.
- 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. Key assumptions also include consideration of the period to normalisation of the Zimbabwean economy, where the range was between 1 and 3 years.
- 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 12.5%.
- 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, cashflows have been considered for both the conservative and the full forecast potential of future cash-flows with no impact to the valuation of goodwill.

11. Intangible assets (continued)

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 are long term and will only be realised on the eventual full recovery of the Zimbabwean economy. The Directors do not believe any impairment to goodwill is necessary.

Other intangible assets
The Group tests other intangible assets for impairment if there are indications that they might be impaired.

The amortisation periods for other intangible assets are:

- Non-compete agreement 5½ years
- Licences 5-6 years
- Brand names 7 years

Non-compete agreement
The agreement covers a period of five and a half years and under its terms, without the express permission of Cambria, Lonrho Plc cannot:

- invest in, carry on or be engaged or in any way be interested in any competing business of LonZim which is carried on in Zimbabwe or the Beira Corridor;
- provide any of the services provided to any other organization competing in Zimbabwe or the Beira Corridor;
- induce or assist any other person or company to do any of the things that Lonrho itself is prohibited from.

The non-compete agreement was originally recognised as an intangible asset valued at £7.3 million being the value of the shares issued. It was deemed impractical to use any other basis for the valuation.

LonZim has expressly consented to Lonrho carrying out certain agricultural activities within Zimbabwe and following the acquisition of ATdM, the operation of that development in the Beira Corridor.

12. Investments in subsidiaries

The Company has investments in the following subsidiaries which principally affected the profits or net assets of the Group. To avoid a statement of excessive length, details of investments which are not significant either in terms of revenues or assets have been omitted.

Investee	Country of Incorporation	Principal activity	Ownership interest
LonZim Holdings Limited*	Isle of Man	Investment company	100%
Celsys Limited	Zimbabwe	Printing products	60%
Gardoserve (Private) Limited	Zimbabwe	Chemical products	100%
Peak Mine (Private) Limited	Zimbabwe	Investment company	100%
Rex Mining Holdings (Pvt) Limited	Zimbabwe	Investment company	100%
Blueberry International Services Ltd	British Virgin Islands	Investment company	100%
Blueberry Print (Zambia) Limited	British Virgin Islands	Investment company	100%
Wardlaw 1989 Limited	United Kingdom	Investment company	100%
Morningdale Properties Limited	Zimbabwe	Investment company	100%
Medalspot (Private) Limited	Zimbabwe	Investment company	100%
Aldeamento Turistico de Macuti SARL*	Mozambique	Hotel development	80%
ForgetMeNot Africa (BVI) Limited	British Virgin Islands	Telecommunication software company	51%
Paynet Limited	Mauritius	Payroll bureau	100%
Paynet Zimbabwe (Private) Limited	Zimbabwe	Payroll bureau	100%
Autopay (Private) Limited	Zimbabwe	Payroll bureau	100%
Tradanet (Private) Limited	Zimbabwe	Microfinance company	51%
Le Har (Private) Limited	Zimbabwe	Investment company	100%
LonZim Air (BVI) Limited	British Virgin Islands	Aviation company	100%
Sol Aviation (Private) Limited	Zimbabwe	Aviation company	90%
LonZim Hotels Limited	Isle of Man	Investment company	100%
Lyons Africa Holdings BV	The Netherlands	Investment company	100%
Leopard Rock Hotel Company	Zimbabwe	Hotel and Golf Resort	

* Held directly by Cambria Africa Plc.

The direct investments in subsidiaries held by the Company are stated at cost. This is subject to impairment testing.

For a full list of subsidiaries, refer to note 31.

13. Other investments

	Group 2011 £'000	Group 2010 £'000
Balance at 1 September	101	1,269
Acquisitions	37	-
Disposals	(71)	(1,234)
Unrealised gain	-	66
At 31 August	67	101

14. Inventories

	Group 2011 £'000	Group 2010 £'000
Game stock	50	44
Finished goods	448	295
	498	339

15. Trade and other receivables

	Group 2011 £'000	Company 2010 £'000	Group 2011 £'000	Company 2010 £'000
Amounts owed by Group undertakings	-	23,314	-	21,150
Trade receivables	1,629	-	1,106	-
Other receivables	1,078	352	1,654	595
Pre-payments and accrued income	53	-	162	16
	2,760	23,666	2,922	21,761

The average credit period taken on sales of goods is 84 days. No interest is charged on receivables.

Included in trade and other receivables is a balance of £611,658 which is not due in less than one year's time. The loan is repayable in 2 years time and bears interest at 15% per annum. The loan bears no encumbrances.

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 the trade receivable 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 reaction in the recoverability of the cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

16. Cash and cash equivalents

	Group 2010 £'000	Company 2010 £'000	Group 2009 £'000	Company 2009 £'000
Bank balances	658	365	291	38
Bank overdrafts	(29)	-	-	-
Cash and cash equivalents	629	365	291	38

17. Capital and reserves

Reconciliation of movement in capital and reserves

Group

	Share Capital £'000	Share premium £'000	Re-valuation reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Foreign exchange reserve £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
Balance at 31 August 2009	3	32,355	734	165	3	(681)	32,579	895	33,474
Share purchase	1	(1,112)	-	-	-	-	(1,113)	-	1,113
Revaluation	-	-	2,546	-	-	-	2,546	-	2,546
Profit/(loss) for the period	-	-	-	-	(4,375)	-	(4,375)	(759)	(5,134)
Exchange difference on translation of overseas operations	-	-	(530)	-	76	(261)	(193)	104	(89)
Balance at 31 August 2010	**4**	**33,467**	**2,750**	**165**	**(4,296)**	**(420)**	**31,670**	**240**	**31,910**
Share issue	1	4,843	-	-	-	-	4,844	-	4,844
Revaluation	-	-	1,298	-	-	-	1,298	-	1,298
Profit/(loss) for the period	-	-	-	-	(5,988)	-	(5,988)	(581)	(6,569)
Exchange difference on translation of overseas operations	-	-	(130)	-	-	(523)	(653)	48	(605)
Balance at 31 August 2011	**5**	**38,310**	**3,918**	**165**	**(10,284)**	**(943)**	**31,171**	**(293)**	**30,878**

Company

	Share Capital £'000	Share premium £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 31 August 2009	3	32,355	165	(4,154)	28,369
Share issue	1	1,112	-	-	(1,113)
Profit/(loss) for the year	-	-	-	(3,540)	(3,540)
Balance at 31 August 2010	**4**	**33,467**	**165**	**(7,694)**	**25,942**
Share issue	1	4,843	-	-	4,844
Profit / (loss) for the period	-	-	-	(3,461)	(3,461)
Balance at 31 August 2011	**5**	**38,310**	**165**	**(11,155)**	**27,325**

18. Share capital

	Ordinary shares 28 Feb 2011		Ordinary shares 31 Aug 2010	
	Number	**£'000**	**Number**	**£'000**
Authorised				
Ordinary £0.0001 shares	54,145,469	5	36,331,525	4
Issued fully paid				
Opening balance	36,331,525	4	32,076,000	3
Issued in period	17,813,944	1	4,255,525	1
Cancelled in period	-	-	-	-
Balance at 28 February 2010	**54,145,469**	**5**	**36,331,525**	**4**

The Group has also issued share options (see note 19). 500,000 shares are held in reserve to issue in the event that these options are exercised.

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, 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 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 the share issue in the current year of 17,813,944 ordinary shares at a price of 0.28p per share net of issue costs of £143k and previous share issue of 36,450,000 ordinary shares at a price of £1.00 per share net of issue costs of £2,753k, less the cost of purchasing and cancelling 4,374,000 shares at 30.5p per share plus the premium arising on the share issue of 4,255,525 ordinary shares at a price of 27.5p per share net of issue costs of £58k.

Revaluation reserve

The revaluation reserve relates to plant and equipment which has been revalued in the Zimbabwean subsidiaries Celsys and Millpal and leasehold land in Beira (ATdM).

Share based payment reserve

The share based payment reserve comprises charges arising from the calculation of the share based payment posted to the income statement in 2008.

19. Share options

The following share options over £0.0001 ordinary shares were granted under an Unapproved Share Option scheme.

	Date granted	Number of share options granted	Exercise price	Period during which exercisable	Market price per share at date of grant
Paul Heber	11/12/2007	500,000	150p	11/12/2007 – 10/12/2012	100p

In accordance with IFRS 2 'Share-based payments' share options granted in the prior year were measured 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 was estimated at the date of grant using the Black-Scholes option-price in model. The estimated value of the options granted on 11/12/2007 was £165,000.

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. The Company shall keep available sufficient authorised but unissued share capital to satisfy the exercise of the options. 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:

	Date of grant 11 /12/2007
Share price at vesting date 11 December 2007	100p
Exercise price	150p
Expected volatility	44%
Expected life	5 years
Expected dividends	0.00%
Risk-free interest rate	5.00%

Volatility was 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 prices of share options are as follows:

	2011	
	Weighted average exercise price Pence	Number of options Number
Exercisable at 1 September 2010	150	500,000
Outstanding at 31 August 2011	150	500,000
Exercisable at 31 August 2011	150	500,000

The options outstanding at the year-end have an exercise price of 150p and a weighted average contractual life of 3 years.

The expected volatility is wholly based on the historic volatility of similar companies, calculated based on the remaining life of the share options.

20. Provisions

	Group 2011 £'000	Company 2010 £'000	Group 2011 £'000	Company 2010 £'000
Provisions	628	628	485	485

Provisions relate to an 'alienation' agreement with the Mozambique Government which was assumed as part of the consideration for the acquisition of Aldeamento Turistico de Macuti SARL. The provision is for US$1.5 million. The amount payable by Cambria Africa Plc is capped at US$1.5 million (£0.9 million) and is expected to be settled no earlier than 36 months from the reporting date and the liability has therefore been discounted using a discount rate of 12.5% per annum.

The Directors are of the opinion that there is a 70% probability that this liability will become due and the liability has been adjusted to reflect this.

Subsequent to the year end, the investment in subsidiary was sold (see note 32) thus releasing this provision.

21. Deferred tax

Recognized deferred tax liabilities

The following are the major deferred tax liabilities recognized by the Group and movement thereon during the current year:

Group

	Accelerated tax depreciation £'000	2011 Total £'000	Accelerated tax depreciation £'000	2010 Total £'000
At 1 September	933	933	909	909
Other movements	(118)	(118)	24	24
At 31 August	**815**	**815**	**933**	**933**

There have been no deferred assets and liabilities off set in the current period

Recognized deferred tax assets

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

	Accelerated tax depreciation £'000	2011 Total £'000	Accelerated tax depreciation £'000	2010 Total £'000
At 1 September	645	645	77	77
Recognised in year in respect of current trading losses	150	150	571	571
Recognised directly in reserves	3	3	(3)	(3)
At 31 August	**798**	**798**	**645**	**645**

22. Interest-bearing borrowings

	Group 2011 £'000	Company 2011 £'000	Group 2010 £'000	Company 2010 £'000
Short term loans	917	917	963	963
	917	917	963	963

The loan is secured by immovable property held by Medalspot (Pvt) Limited and LeHar (Pvt) Limited. The loan is repayable on 31 May 2012 and bears interest at a rate of 20% per annum.

23. Trade and other payables

	Group 2011 £'000	Company 2011 £'000	Group 2010 £'000	Company 2010 £'000
Trade payables	751	-	945	-
Non-trade payables and accrued expenses	890	265	842	636
	1,640	265	1,787	636

Trade payables and accruals principally comprise amounts outstanding for trade purchases and on-going costs. The average credit period taken for trade purposes is 121 days.

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

24. Notes to the cash flow statement

	Group		Company	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Loss for the period	(6,569)	(5,134)	(3,461)	(3,540)
Amortisation on intangible assets	1,750	1,729	1,325	1,325
Depreciation of property, plant and equipment	456	678	40	14
Finance income	(183)	(439)	(43)	-
Finance costs	147	-	-	-
Fair value adjustment of property, plant & equipment	1,008	-	-	-
Fair value adjustment of intangibles	192	-	-	-
Loss on sale of property, plant and equipment	(295)	-	-	-
Increase in provisions	-	-	-	140
Provision discount	-	143	-	-
Gains on investments	(16)	(361)	-	-
Operating cash flows before movements in working capital	(3,510)	(3,384)	(2,139)	(2,061)
Increase in inventories	(159)	(145)	-	-
Decrease/(increase) in receivables	162	19	(1,905)	(1,423)
(Decrease)/increase in payables	(147)	(621)	(372)	38
Cash used in operations	(3,654)	(4,131)	(4,416)	(3,446)
Interest paid	(147)	(14)	-	-
Interest received	183	-	43	25
Net cash used in operating activities	(1,987)	(4,145)	(3,536)	(3,421)

Cash and cash equivalents (which are presented as a single class of assets on the face of the statement of financial position) comprise cash at bank and other short term highly liquid investments with a maturity of three months or less.

25. Financial instruments

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

- credit risk
- liquidity risk
- market 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.

25. **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 continuously 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 maximum exposure to credit risk at the reporting date was £3,336k (2010: £3,051k) being the total of the carrying amount of financial assets, excluding equity investments as shown in the table below.

	2011 £'000	**2010 £'000**
Cash and cash equivalents	629	291
Trade receivables	2,707	2,707
	3,336	3,051

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

	2011 £'000	**2010 £'000**
East Africa	483	779
Zimbabwe	2,224	1,981
	2,707	2,760

The maximum exposure to credit risk for trade receivables at the reporting date by type of counterparty was:

	2011 £'000	**2010 £'000**
Customers	1,629	1,106

The ageing of trade receivables at the reporting date was:

	Gross 2011 £'000	**Impairment 2011 £'000**	**Gross 2010 £'000**	**Impairment 2010 £'000**
Not past due	1,629	-	1,106	-

25. Financial instruments (continued)

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 Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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

25. Financial instruments (continued)

	2011						2010					
	Carrying Amount £'000	Contractual cash flows £'000	1 year or less £'000	1 to <2 years £'000	2 to <5 years £'000	5 years + £'000	Carrying Amount £'000	Contractual cash flows £'000	1 year or less £'000	Contractual 1 to <2 years £'000	2 to <5 years £'000	5 years + £'000
Bank overdrafts	29	29	29	-	-	-	-	-	-	-	-	-
Trade payables	751	751	751	-	-	-	945	945	945	-	-	
Interest Bearing borrowings	917	917	917	-	-	-	963	963	963	-	-	-
	1,697	1,697	1,697	-	-	-	1,908	1,908	1,908	-	-	-

In respect of income-earning financial assets and interest baring financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they re-price.

25. Financial instruments (continued)

	2011			2010		
	Effective Interest rate	Total	3 months or less	Effective Interest rate	Total	3 months or less
	%	£'000	£'000	%	£'000	£'000
Cash and cash equivalents	0.5	658	658	0.5	291	291
Bank overdrafts	0.5	(29)	(29)	-	-	-
Interest bearing borrowings	20.0	(917)	(917)	20.0	(963)	(963)
	-	(288)	(288)	-	(672)	(672)

Foreign currency risk management

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than pounds sterling. The currencies giving rise to this risk are primarily the US Dollar and Mozambique Metical. In respect of other monetary assets and liabilities held in currencies other than Pounds Sterling, 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 carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	US Dollars £'000	Mozambique Meticals £'000	Totals £'000
Cash and cash equivalents	229	37	266
Trade payables	(790)	-	(790)
Other payables	(654)	-	(654)
Trade receivables	1,544	-	1,544
Other receivables	588	-	588
Net exposure	917	37	954

25. Financial instruments (continued)

The following significant exchange rates applied during the period:

	Average rate 2011	Reporting date mid spot rate 2011	Average rate 2010	Reporting date mid spot rate 2010
Mozambique Meticals	50.742	43.162	47.889	58.323
US Dollars	1.604	1.635	1.566	1.567

	Net assets 2011 £'000	Net assets 2010 £'000
Mozambique Meticals	1,157	2,338
US Dollars	8,911	3,630
	10,068	5,968

The Company does not have any exposure to foreign currencies at the reporting date (2010:£Nil).

Sensitivity analysis

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings. A 10% movement in the US Dollar rate would result in a £810k movement in net monetary assets. This risk is not considered material as, as of 1 September 2011, the Company changed its reporting currency to the US Dollar.

Mozambique Meticals balance is not trading and therefore a sensitivity analysis has not been performed.

Interest rate risk management

The Group is not exposed to interest rate risk. Its single loan of £917k is held on a fixed interest rate thus mitigating the risk.

The Company and the Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The Group's sensitivity to interest rates is low due to cash balances held.

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. 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 minority interests. The Board of Directors also monitors the level of dividends to ordinary shareholders.

25. Financial instruments (continued)

Fair values

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

	Carrying amount 2011 £'000	Fair value 2011 £'000	Carrying rate 2010 £'000	Fair value 2010 £'000
Cash and cash Equivalents (net of bank overdraft)	629	629	291	291
Trade receivables	1,629	1,629	1,106	1,106
Trade payables	(751)	(751)	(945)	(945)
Interest bearing loans	(917)	(917)	(963)	(963)
	590	**590**	**(511)**	**(511)**

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 orliability that are not based on observable market data (i.e. unobservable inputs).

As at 31 August 2011, the Company holds all its financial instruments at amortised cost and none at fair value. Fair value hierarchy therefore does not apply.

Estimation of fair values

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

Cash and cash equivalents (net of bank overdraft)

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

Interest-bearing loans

Fair value is calculated based on discounted expected future principal and interest cash flows.

Trade and other receivables/payables

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

26. Operating leases

Leases as lessee

At the reporting date, the Group had outstanding annual commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2011 £'000	Group 2010 £'000
Less than one year	-	12
	-	12

During the year ended 31 August 2011, £12k (2010: £33k) 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 an average term of 3 years and rentals are fixed for an average of 3 years.

Leases as lessor

At the reporting date, the Group had outstanding annual commitments for future minimum lease receipts under non-cancellable operating leases, which fall due as follows:

	2011 £'000	2010 £'000
Less than one year	198	789
Between one and five years	198	789
	396	1,578

During the year ended 31 August 2011, £401k (2010: £901k) was recognised as revenue in the income statement in respect of operating leases.

Operating lease receivables represent rentals receivable by the Group for aircraft. Leases are negotiated for an average term of 5 years and rentals are fixed for an average of 5 years.

27. Income statement of Cambria Africa Plc

There is no requirement under the Isle of Man Companies Act 2006 to present a company income statement. The loss for the year to 31 August 2011 was £3,461k (2010: £3,540k).

28. Capital commitments

The capital commitments at 31 August 2011 totalled £133k relating to various items of plant and machinery at Celsys (2010: £300k relating to refurbishment of Leopard Rock Hotel).

There were no other capital commitments at 31 August 2011.

29. Contingent liabilities

There were no other known contingent liabilities at the reporting date (2010: £Nil)

30. Related parties

Identity of related parties

The Group has a related party relationship with its subsidiaries (see note 31), and with its Directors and executive officers and with Lonrho Plc.

Transactions with subsidiaries

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. All related party transactions are conducted on terms equivalent to arms length transactions.

Group and company

Transactions with entities with significant influence over the entity

As at 11 November 2011 Lonrho Plc held 22.92% of the Company and exerts a significant influence over the Company. At the date of listing on AIM the Company issued shares to the value of £7.3 million to Lonrho Plc in exchange for Lonrho Plc entering into a non-compete agreement. The agreement covers a period of five and a half years and has been recognised as an intangible asset with a valuation of £7.3 million on initial recognition. This intangible asset is being amortised over the term of the agreement.

During the year the Company was charged US$862k (£537k) by Lonrho Plc as a management charge (2010: US$703k (£453k)). Other recharges amounted to US$183k (£114k) (2010: S$91k (£59k)). As at 31 August 2011, £137k (2010: £113k) was due from the Company to Lonrho Plc.

Transactions with entities with significant influence over the entity (continued)

During the year Leopard Rock was charged US$102k (£66k) by Lonrho Hotels Management Services (B.V.I.) Limited, a Lonrho Plc subsidiary, as a management charge (2010: US$102k (£68k)).

The Group leases two aircraft to 540 (Uganda) Limited, a Lonrho Plc subsidiary, for US$52k (£34k) per month. One of the leases was cancelled at the end of February 2011. The total lease income for the year to 31 August 2011 amounted to US$485k (£296k). As at 31 August 2011, US$518k (£317k) was due from 540 (Uganda) Limited to the Company.

Fly 540 Aviation, a Lonrho Plc subsidiary, is acting as an agent in the recovery of the insurance money relating to the LonZim Air (BVI) Limited aircraft written off. As at 31 August 2011, US$100k (£61k) is payable from LonZim Air to Fly 540 Aviation.

Transactions with key management personnel

Key management personnel are the holding Company Directors and executive officers.

Paul Heber, a Non-Executive Director, participates in the share option scheme. Other Directors and key personnel are eligible to participate in the share option scheme (see note 19).

During the year £12k (2010: £16k) was charged to the Company for services performed by DSG Chartered Accountants.

Jean Ellis is a partner in this firm.

30. Related parties (continued)

Group and Company (continued)

The key management personnel compensations are as follows:

	2011 £'000	2010 £'000
Short-term employee benefits	526	550
	526	550

Total remuneration is included in "Personnel expenses" (see note 6):

	2011 £'000	2010 £'000
Directors	240	444
Executive officers	286	106
	526	550

Directors' remuneration

	Total 2011 £'000	Total 2010 £'000
D A Lenigas	12	87
G T White	12	87
D J Armstrong	12	17
E K Priestley	12	17
P Turner	98	118
P D Heber	44	70
J M Ellis	25	24
C Orr-Ewing	25	24
	240	444

Company transactions between the Company and its subsidiaries

Post year end the Company raised £917,341 from an existing shareholder, via a placing of 3,988,439 shares at a price of 23 pence per share to provide working capital for the Group's existing businesses and to provide the Company with the ability to continue implementing its investment strategy. The shareholder is a substantial shareholder in the Company and therefore its participation in the placing is considered a related party transaction.

31. Group entities

Subsidiary	Country of incorporation	Ownership interest 2011	2010
LonZim Holdings Limited*	Isle of Man	100%	100%
Celsys Limited	Zimbabwe	100%	60%
Gardoserve (Pvt) Limited	Zimbabwe	100%	100%
Peak Mine (Pvt) Limited	Zimbabwe	100%	100%
Rex Mining Holdings (Pvt) Limited	Zimbabwe	100%	100%
Blueberry International Services Ltd	British Virgin Islands	100%	100%
Blueberry Print (Zambia) Limited	British Virgin Islands	100%	100%
Celsys Zambia Limited	Zambia	55%	55%
Wardlaw 1989 Limited	United Kingdom	100%	100%
Morningdale Properties Limited	Zimbabwe	100%	100%
Medalspot (Private) Limited	Zimbabwe	100%	100%
Aldeamento Turistico de Macuti SARL*	Mozambique	80%	80%
Southern African Management Services	Mauritius	100%	100%
Quickvest 525 (Pty) Limited	South Africa	51%	51%
Panafmed (Pty) Limited	South Africa	51%	51%
ForgetMeNot Africa (BVI) Limited	British Virgin Islands	51%	51%
Paynet Limited	Mauritius	100%	100%
Paynet Zimbabwe (Pvt) Limited	Zimbabwe	100%	100%
Autopay (Pvt) Limited	Zimbabwe	100%	100%
Tradanet (Pvt) Limited	Zimbabwe	51%	51%
Le Har (Pvt) Limited	Zimbabwe	100%	100%
LonZim Air (BVI) Limited	British Virgin Islands	100%	100%
Sol Aviation (Pvt) Limited	Zimbabwe	90%	90%
Cambria Hotels Limited	Isle of Man	100%	100%
Lyons Africa Holdings BV	The Netherlands	100%	100%
Lyons Africa Holdings Limited	England and Wales	100%	100%
Linus Business Options (Pvt) Limited	Zimbabwe	100%	100%
Leopard Rock Hotel Company (Pvt) Limited	Zimbabwe	100%	100%
Firstfood Enterprises (Pvt) Limited	Zimbabwe	100%	100%
W S Foods (Pty) Limited	South Africa	100%	100%
LonZim Properties Limited	Isle of Man	100%	100%
LonZim Agri-business (BVI) Limited	British Virgin Islands	100%	100%
Cambria Enterprises Limited	England and Wales	100%	100%

* Held directly by Cambria Africa Plc.

32. Events after the reporting date

Change in reporting currency

The Directors resolved to amend the Company's reporting currency from Pounds Sterling to United States Dollars in order to give a clearer understanding of the Group's performance and better reflect the profile of the Group's revenue and results, which are primarily in United States dollars. The change is effective for the results for the six months ending 29 February 2012.

Issue of new shares to Consilium Emerging Market Absolute Return Master Fund Limited

On 16 September 2011, the Company raised £917,341 from Consilium Emerging Market Absolute Return Master Fund Limited via a placing of 3,988,439 shares at a price of 23 pence per share to provide working capital for the Group's existing businesses and to provide the Company with the ability to continue implementing its investment strategy. This placing represented approximately 6.86% of the Company's enlarged issued share capital of 58,133,908 ordinary shares.

Disposal of ATdM

On 30 September 2011, Cambria completed a share purchase agreement to dispose of its 80% holding in ATdM, a company with a long lease on a prospective coastal development site in Beira, Mozambique, in order to focus on the economic opportunities within Zimbabwe. Cambria disposed of the 80% stake in ATdM for US$5.1 million (£3.1 million) to Lonrho Hotels (Holdings) Limited, a 100% subsidiary of Lonrho Plc which has a 22.9% interest in Cambria. Proceeds from the sale are being received in 60 equal monthly instalments and interest accrues at 7% on the outstanding balance.

Changes in directorship

- On 31 October 2011, Ian Colin Orr-Ewing resigned as a non-executive director of the Company.
- All five members of the Board nominated by Lonrho Plc resigned from the Board at the AGM held on 24 February 2012 and the following appointments were made on the same date:
    - Ian Perkins as Non-Executive Chairman
      Ian Perkins is a nominee of Consilium's investment manager.
    - Edzo Wisman as Executive Director and Chief Executive Officer
    - Itai Mazaiwana as Non-Executive Director
    - Fred Jones as Non-Executive Director
- Mrs Tania Sanders was appointed as Chief Financial Officer and Director of the Company on 3 April 2012.

Loan facility

On 9 March 2012, Cambria entered into secured loan facility agreements with Consilium Emerging Market Absolute Return Master Fund Limited and Consilium Corporate Recovery Master Fund Ltd ("the Lenders") for US$1 million and US$2 million respectively. Both facilities are at an interest rate of 15% per annum, with the US$1 million facility maturing on 31 March 2013 and the US$2 million facility maturing on 31 March 2014.

On maturity, both facilities are convertible into convertible debt on terms similar to any convertible debt which may or may not be raised by the Company from third parties prior to that date. In the event of default, the Lenders have the option to convert all or any portion of the outstanding debt into Cambria shares at a 15% discount to the share price at the date of the facility agreements.

ANNEXURE 5: REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE CONSOLIDATED UNAUDITED PRO FORMA FINANCIAL INFORMATION OF CELSYS LIMITED AND CAMBRIA AFRICA PLC

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100 The Chase (West)
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Zimbabwe

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The Directors
Celsys Limited
58-60 Craster Road
Southerton
Harare
30 April 2012
Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANT ON THE UNAUDITED CONSOLIDATED PRO FORMA STATEMENT OF FINANCIAL POSITION OF CELSYS LIMITED AND CAMBRIA AFRICA PLC

INTRODUCTION

The directors of Celsys Limited ("Celsys") and Cambria Africa Plc ("Cambria") have proposed to delist Celsys from the Zimbabwe Stock Exchange ("ZSE") through a Scheme of Arrangement under Section 191 of the Companies Act (Chapter 24:03) ("the Scheme"). We understand that under the Scheme, minority shareholders in Celsys would be offered shares in Cambria in place of their Celsys shares at a swap ratio of one Cambria share for every six hundred and eighty six Celsys shares held (i.e. a swap ratio of 1:686) or a cash offer of 0.03 United States ("US") cents per share.

We report on the unaudited consolidated pro forma statement of financial position (pro forma financial information) of Celsys and Cambria set out on pages 93 to 94 of the Scheme Document dated 30 April 2012. The unaudited pro forma financial information has been prepared for illustrative purposes to show the effects of the Scheme. Because of its nature, the unaudited pro forma financial information may not give a fair reflection of Celsys' and Cambria's financial position or the effect on income going forward. At your request, and for the purposes of the Scheme as noted above, we present our report on the unaudited pro forma financial information included on pages 93 to 94 of the Scheme Document in compliance with the Listing Requirements of the ZSE.

RESPONSIBILITIES

The directors of Celsys and Cambria are solely responsible for the preparation of the unaudited pro forma financial information to which this independent accountant's report relates.
It is our responsibility to form an opinion on the basis used for the compilation of the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibilities for any reports given by us on any financial information used in the compilation of the unaudited pro forma financial information, beyond that owed to those to which those reports were addressed at the date of issue.

BASIS OF OPINION

The unaudited consolidated pro forma statement of financial position as at 31 August 2011 has been presented to reflect the financial effects on the Cambria group in which all current Celsys shareholders would be allocated shares should they approve the Scheme. Effectively, subject to their approval at the proposed Scheme meeting, Celsys shareholders would cease to be shareholders in Celsys but would become shareholders in Cambria.

Our work, which did not involve any independent examination of any of the underlying financial information, consisted primarily of agreeing the financial information to the audited financial statements as at 31 August 2011 and recalculating the amounts based on the information obtained and discussing the unaudited pro forma financial information with the directors of Celsys and Cambria.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing; we do not express any assurance on the fair presentation of the unaudited pro forma financial information.

The financial information was prepared using certain assumptions made by yourselves and the significant assumptions are:

- Scheme costs of $370,000 (equivalent to £233,464 at an exchange rate of £1:US$1.58483). This amount includes a provision of £3,245 or US$5,143 to cater for applicable taxes and other incidental expenses;
- Closing exchange rate of £1:US$1.6349 as at 31 August 2011;
- All Celsys minority shareholders will elect to receive Cambria shares in lieu of the cash settlement at the swap ratio of one Cambria share for every six hundred and eighty six Celsys shares held such that Celsys would be fully owned by Cambria at the end of the Scheme. Accordingly, an additional nine hundred and thirty three thousand, eight hundred and eighty two (933,882) new Cambria shares would be issued;

KPMG

- Cambria will increase its authorized share capital accordingly in order to cater for the additional nine hundred and thirty three thousand, eight hundred and eighty two shares to be issued to the current Celsys minority shareholders; and
- The amount of the share premium has not been determined for purposes of the unaudited pro forma financial information as this is dependent on the share price on the date on which the transaction becomes effective.

As the purpose of the unaudited pro forma financial information differs from the purpose of financial statements prepared for members, the financial information is not intended to comply in full with presentation and disclosure requirements of the Companies Act [Chapter 24:03] and International Financial Reporting Standards promulgated by the International Accounting Standards Board.

OPINION

Based on our work, nothing has come to our attention that causes us to believe that, in all material respects:
- The unaudited pro forma statement of financial position has not been properly compiled on the basis stated;
- Such basis is inconsistent with the accounting policies of Celsys and Cambria as disclosed in the Reporting Accountants reports of the Companies included on pages 20 to 90; and
- The adjustments are not appropriate for the purposes of the unaudited pro forma financial information in terms of the ZSE listing requirements.

Yours faithfully

Signed on original

KPMG

ANNEXURE 6: UNAUDITED CONSOLIDATED PRO FORMA STATEMENT OF FINANCIAL POSITION

FINANCIAL EFFECTS OF THE SCHEME

The financial effects of the Scheme on the statement of financial position of Celsys and Cambria as at 31 August 2011 are illustrated below. The following principal assumptions and accounting bases were applied in preparing the statement of financial position below:

- Scheme costs of $370,000 (equivalent to £233,464 at an exchange rate of £1:US$1.58483). This amount includes a provision of £3,245 or US$5,143 to cater for applicable taxes and other incidental expenses;
- Closing exchange rate of £1:US$1.6349 as at 31 August 2011;
- All Celsys minority shareholders will elect to receive Cambria shares in lieu of the cash settlement at the swap ratio of one Cambria share for every six hundred and eighty six Celsys shares held such that Celsys would be fully owned by Cambria at the end of the Scheme. Accordingly, an additional nine hundred and thirty three thousand, eight hundred and eighty two (933 882) new Cambria shares would be issued;
- Cambria will increase its authorized share capital accordingly in order to cater for the additional nine hundred and thirty three thousand, eight hundred and eighty two shares to be issued to the current Celsys minority shareholders; and,
- The amount of the share premium has not been determined for purposes of the pro forma unaudited financial information as this is dependent on the share price on the date on which the transaction becomes effective.

CELSYS LIMITED & CAMBRIA AFRICA PLC

UNAUDITED PROFORMA STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2011

	Audited	Unaudited	Audited		Unaudited
	CELSYS - Before	CELSYS - Before	CAMBRIA Group - Before	Effects of the Scheme	Pro forma CAMBRIA Group - After
	Note 1	Note 2	Note 3	Note 4	Note 5
	US $	GBP	GBP	GBP	GBP
ASSETS					-
Non-current assets					
Plant and equipment	1,318,704	806,596	19,597,000		19,597,000
Goodwill	0	0	4,325,000		4,325,000
Deferred tax assets	0	232,889	798,000		798,000
Inter-company loan receivable	380,750	983	0		0
Intangible Assets	1,607	0	4,253,000		4,253,000
Total non-current assets	**1,701,061**	**1,040,468**	**28,973,000**	**0**	**28,973,000**
Current assets					
Assets Held for Sale	0	0	2,111,000		2,111,000
Other Investments	0	0	67,000		67,000
Inventories	121,984	74,613	498,000		498,000
Trade and other receivables	205,055	125,424	2,760,000		2,760,000
Cash and cash equivalents	9,481	5,799	658,000	(233,464)	424,536
Total current assets	**336,520**	**205,836**	**6,094 000**	**(233,464)**	**5,860,536**
TOTAL ASSETS	**2,037,581**	**1,246,304**	**35,067 000**	**(233,464)**	**34,833,536**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	15,996	9,835	5,000	93	5,093
Share Premium	0	0	38,310,000		38,310,000
Non-distributable reserve	503,848	309,784	(943,000)		(943,000)

Revaluation reserve	88,482	117 845	3,918,000		3,918,000
Share Based Payment Reserve	0	0	165,000		165,000
Accumulated loss	(3,011,238)	(1,907,225)	(10,284,000)	(212,815)	(10,496,815)
Total equity attributable to owners	(2,402,912)	(1,469,761)	31,171,000	(212,722)	30,958,278
Non-controlling interest	0	0	(293,000)	(20,742)	(313,742)
Total Equity	(2,402,912)	(1,469,761)	30,878,000	(233,464)	30,644,536
Non-current liabilities					
Provisions	0	0	628,000		628,000
Deferred Tax Liabilities	0	0	815,000		815,000
Group loans and borrowing	4,130,523	2,526,468	0		0
Total non-current liabilities	4,130,523	2,526,468	1,443,000	0	1,443,000
Current liabilities					
Trade and other payables	262,540	160,585	2,717,000		2,717,000
Bank overdraft	47,430	29,011	29,000		29,000
Total current liabilities	309,970	189,596	2,746,000	0	2,746,000
TOTAL EQUITY AND LIABILITIES	**2,037,581**	**1,246,303**	**35,067,000**	**(233,464)**	**34,833,536**
Number of shares	1,599,645,849	1,599,645,849	54,145,469	933,882	55,079,351
Net asset per share	(0.0020)	**(0.0009)**	0.5703	n/a	**0.5564**

NOTES

1. Celsys statement of financial position, as extracted from the audited financial statements as at 31 August 2011.
2. Celsys statement of financial position, restated to GBP, as extracted from the audited financial statements as at 31 August 2011.
3. Represents the Cambria Group statement of financial position as extracted from the audited financial statements as at 31 August 2011. before the transaction.
4. Represents the costs of the Scheme of US$ 370,000 (i.e. Celsys delisting and Cambria listing)
5. Represents the pro forma statement of financial position for the Group, after the transaction

ANNEXURE 7: INDEPENDENT FINANCIAL ADVISORS FAIR AND REASONABLENESS REPORT

BDO

Tel/Fax: +263 4 703876/7/8
Cell: +263 772 573 266/7/8/9
bdo@bdo.co.zw
www.bdo.co.za

Kudenga House
3 Baines Avenue
P.O. Box 334
Harare
Zimbabwe

16 April 2012

The Directors
Celsys Limited
58-60 Craster Road
Southerton
HARARE

Dear Sirs,

RE: INDEPENDENT EXPERT'S REPORT

1. INTRODUCTION

Cambria Africa PLC, a majority shareholder in Celsys Limited, proposed a scheme of arrangement in terms of section 191 of the Companies Act (Chapter 24:03) hereinafter referred to as the "offer" or "scheme". Minority shareholders in Celsys Limited will be offered shares in Cambria Africa PLC in the ratio of 686 Celsys shares for one Cambria Africa PLC share or cash at 0.03 US cents per share. The objective of the scheme is to constitute Celsys as a wholly owned subsidiary of Cambria Africa PLC, whereupon the listing of Celsys on the Zimbabwe Stock Exchange will be terminated and the introduction of Cambria Africa to the Zimbabwe Stock Exchange as a dual listing to AIM will commence.

2. PURPOSE OF THE REPORT

The directors of Celsys Limited have requested that BDO Zimbabwe Chartered Accountants (BDO) prepare an independent expert's report to express an opinion as to whether or not the offer is fair and reasonable to the minority shareholders of Celsys Limited. Our report is to be used to assist directors in advising the shareholders in their decision on whether or not to accept the offer.

2.1 Approach

We have assessed the valuations and share swap ratios proposed by the Financial Advisors, Imara. We have considered:

- How the market value of a Celsys Limited share compares to consideration offered by Cambria Africa PLC.
- The net asset value of Celsys Limited in comparison to the consideration offered.
- Whether a premium is being offered on the Celsys shares and whether this is appropriate.
- Other factors which we consider to be relevant to the shareholders in their assessment of the offer.

2.2 Fairness and reasonableness

We have considered the advantages and disadvantages of the offer and concluded that:

(a) Share swap offer

The swap offer is fair and reasonable as the value of the consideration exceeds the price of the Celsys share at the record date.

In our opinion, the position of minority shareholders if the offer is successful is more advantageous than if the offer is not successful. Accordingly, in the absence of any other information or alternative offer, we believe that the offer is reasonable for shareholders.

(b) Cash offer

The cash offer is fair and reasonable. The offer price is equal to the market price of the share at the record date. However there is no incentive for minority shareholders to take up the offer because there is no premium.

2.3 Limitations of our report

We have not independently verified the information and explanations supplied to us, nor have we conducted anything in the nature of an audit or review of Celsys Limited or Cambria Africa PLC in accordance with International Standards on Auditing. Accordingly we do not express any opinion on the financial information contained in this report.

bdo zimbabwe

BDO Zimbabwe
Chartered Accountants

16 April 2012
Harare

ANNEXURE 8: SCHEME OF ARRANGEMENT

EXPLANATORY STATEMENT IN TERMS OF SECTION 192 (1) OF THE COMPANIES ACT [CHAPTER 24:03]

In terms of Section 192 (1) of the Companies Act [Chapter 24:03] where a meeting of members is summoned in terms of Section 191 of the Companies Act there shall be made available to members a statement explaining the effect of the compromise or arrangement proposed and in particular stating any material interests of the Directors of the Company whether as directors or as members or as creditors of the Company or otherwise and the effect thereon of the compromise or arrangement insofar as it is different from the effect on the like interests of any other person.

This document constitutes that statement. This statement is furnished as part of the proposed Scheme of Arrangement in terms of which members of the Company will receive shares in Cambria Africa Plc ("Cambria") or alternatively a cash payment in return for the shares which they presently hold in Celsys Limited ("Celsys" or "the Company"). Celsys will therefore become a wholly owned subsidiary of Cambria.

The coming into effect of the proposed Scheme of Arrangement is subject to certain conditions precedent as detailed in the scheme document and the approval of the proposed Scheme of Arrangement by a majority in number representing three fourths in value of the members of the Applicant present and voting either in person or by duly authorised proxy at the Scheme meeting to be held at the date time and place detailed in the notice of such meeting.

The fulfilment of the conditions precedent together with the granting of the requisite approval by the members of the Applicant and the approval of the Scheme by the High Court of Zimbabwe shall result in the Scheme becoming binding upon all members of Celsys.

Rationale for the Scheme

The Directors of Celsys are of the opinion that the Company requires a significant capital injection; estimated to be in excess of US$5 million in the short-to-medium term. The funding is required for Celsys to continue with its expansion plans as well as to consolidate its market position and thereby earn real returns for shareholders. Cambria already has approximately a US$4.5 million shareholder loan in place with Celsys which was used to fund the initial expansion and this is still to be repaid by Celsys.

Given the local capital market conditions and historical trends, Cambria, a major shareholder in Celsys, is of the view that any equity-based funding will result in the unfair dilution of the minority shareholders. In addition, minority shareholders may not want to have additional exposure and risks associated with any debt funding structure. Similarly to minority shareholders, Cambria is not prepared to accept the increased risks associated with providing additional debt to the company in current ownership form.

Accordingly, to reduce the potential dilution of minorities and the risks associated with current and future debt structure, Cambria is proposing a Scheme of Arrangement. The Scheme is expected to allow the minorities to realise the value of their Celsys investment by becoming part of an enlarged diversified company, reduce their debt associated risks in Celsys and enjoy attendant benefits.

Cambria's listing on the Alternative Investment Market ("AIM") on the London Stock Exchange ("LSE') provides it with the profile that allows access to the international capital markets to raise funding. With Celsys as a wholly owned subsidiary, Cambria will have the ability to appropriately put in place structured capitalisation options which will have no dilutive effect. Additionally, Cambria will be able to deploy directly and in a seamless manner funds obtained for the benefit of Celsys.

Celsys shareholders will retain an interest in the business of Celsys indirectly through Cambria. In the event of the successful implementation of the Scheme, Celsys shareholders will be able to enjoy numerous benefits which include:

- Immediate increase in net asset value per share as part of Cambria;
- Continuing to have a shareholding in a ZSE listed counter that meets the proposed minimum market capitalisation requirements for listed companies of US$1 million;
- Investment in a company which had a market capitalisation of approximately US$16.4 million on the AIM compared to Celsys' ZSE market capitalisation of approximately US$0.48 million on 29 February, being the date immediately prior to the issue by Celsys of a cautionary statement;
- Ability to enhance the value of their equity holding through a diversified company; with other investments in tourism, chemical distribution, business process outsourcing, real estate and technology;
- The capital uplift provided by the hybrid structure of Cambria, of being a conglomerate and a private equity firm. Like a private equity firm, Cambria aggressively seeks investments in companies that are poised to exploit the growth in specific sectors and has hands-on management delivering that growth. Like a conglomerate, Cambria pursues synergistic value from each of its investments for the benefit of its shareholders;
- Cost savings from having centralised services units, such as shared human resources, treasury management and procurement functions. The costs savings will allow resources to be utilised in a manner that enhances the company and shareholder value in the long term;

- Being part of a company that has better prospects of paying dividends in the future which has not been possible for Celsys shareholders given the company's loss making position and significant capital needs; and
- Being part of a dual listed company that enjoys the benefit of having access to international funds that can be efficiently deployed to tap into the identified growth opportunities in the local market for the ultimate benefit of shareholders.

Dividend statement

No dividend has been paid for the period from 1 September 2010 to 31 August 2011, and will not be paid up until the date on which the Scheme becomes effective. Since both Cambria and Celsys did not declare dividends in respect of the financial year ended 31 August 2011, accordingly, if the Scheme becomes operative no separate dividend will be declared in respect of the financial year end 31 August 2011, to current Celsys shareholders who swap their shares for Cambria shares pursuant to this Scheme.

About Cambria

Cambria (previously known as LonZim Plc) is an investment company with a diverse portfolio of investments primarily in Zimbabwe. Its primary investment objective is to provide shareholders with long-term capital opportunities through the investment of its capital in Zimbabwe. The Company may also make investments in businesses outside Zimbabwe that have a majority of their operations within Zimbabwe. Cambria does not have a particular sectorial focus. Its current investment sectors include tourism, chemical distribution, commercial printing, business process outsourcing, real estate and technology.

Cambria is an Isle of Man registered company and is listed on the AIM.

Mechanics of the Scheme

The notice convening the Scheme Meeting is attached to this explanatory statement as are the Forms of Proxy. Forms of Proxy for the Scheme Meeting must be lodged with or posted to the Celsys in accordance with the instructions therein to be received no later than 1000hrs on Thursday 24 May 2012 prior to the time of the Scheme Meeting. However in exceptional circumstances the Chairperson referred to in this notice, at his discretion, may receive such forms of proxy no later than 30 minutes prior to the commencement of the Scheme Meeting.

Material Interests of Directors of Celsys whether as Directors or as Members or as Creditors of the Applicant or otherwise

Name of Director	**Celsys Limited shares held**
P. Turner	Nil
A Lemon	Nil
C Maunze	Nil
I Mazaiwana	Nil
I Perkins	Nil
E Wisman	Nil

The effect of the proposed Scheme of Arrangement will be identical insofar as it applies to all shareholders of Celsys other than Cambria

The effect of the proposed Scheme of Arrangement will have no effect upon directors none of whom are members of the Company

The board of Celsys shall be entitled either prior to or at the meeting to consent to any variation of the Scheme and to any conditions which the court may impose or approve in respect of the Scheme provided that no such variation shall be made after the Scheme Meeting and which has the effect of diminishing any entitlement of a member for Celsys to the Scheme Consideration

Every director of Celsys will be deemed to have been authorised by Celsys and by each member of Celsys to sign or authorise the signing of all documents which may from time to time be required in order to carry the Scheme into effect including but not limited to proxy forms, change of address, cession of rights to dividends and other entitlements in the Applicant

Celsys shall bear all costs in respect of the Scheme.

SCHEME OFFER CALCULATION

Valuation of Celsys Limited

Imara Corporate Finance Zimbabwe (Private) Limited has undertaken to calculate a Volume Weighted Average Price ("VWAP") for Celsys Limited ("Celsys") and Cambria Africa Plc ("Cambria"). The valuation calculates the average share price over a time period with weightings assigned by the volume traded every day. The results are set out in the table below

Total number of Celsys shares	1,599,645,849
Shares held by minorities (40%)	639,858,340
Celsys 180 day VWAP	0.050 US cents
Implied Value of minority shareholding in Celsys using above VWAP	US$321,212
Cambria 180 day VWAP	34.46 US cents
Swap ratio (Cambria : Celsys)	1 : 686
Cambria shares offered to minorities	933,882
Celsys minorities as a % of enlarged Cambria	1.58%

Key assumptions:

a. Pricing is based on the 180 day VWAP for both companies and the resultant swap ratio is 1 Cambria share for every 686 Celsys shares.
b. All shareholders holding less than 686 Celsys shares are provided with 1 Cambria share each.
c. Fractional shares are rounded up and the effect is to increase the shares offered to Celsys minorities by 638 Cambria shares.
d. The calculations above assume 100% of the shares held by minorities are acquired by Cambria.

ANNEXURE 9: TABLE OF ENTITLEMENT TO CAMBRIA SHARES

The table of entitlement of Celsys shareholders to Cambria shares, based on a ratio of 1 Cambria share for 686 shares held in Celsys, is set out below:

Celsys Shares Held	Cambria Share Entitlement
Less than 686	1
686	1
1,000	2
1,250	2
1,500	3
4,000	6
6,500	10
9,000	14
10,000	15
100,000	146
150,000	219
500,000	729
1,000,000	1458

ANNEXURE 10: FORM OF PROXY

Celsys limited

(A public company incorporated in the Republic of Zimbabwe under company registration number 1191/96)

For the use of the holders of Celsys Limited shares, registered as such at the close of business on the last business day immediately proceeding the date of the meeting convened in terms of an order of the High Court of Zimbabwe to be held at the date time and place detailed in the Notice of the Meeting published in terms of the order of the High Court of Zimbabwe

I/We ______________________________

(BLOCK LETTERS)

being the holder/s of ______________ Celsys Limited (see note 1 overleaf):

1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

the Chairman of the Scheme Meeting,

as my proxy to attend, speak and vote on my/our behalf at the Scheme Meeting which will be held for the purpose of considering and if deemed fit approving (see note 3 overleaf):

With modification ()

Without modification (delete whichever is not applicable)

A scheme of arrangement (the "Scheme") proposed between the company and its members and to vote for and or abstain from voting in respect of the Celsys Limited shares registered in my/our name/s, in accordance with the following instructions (see note 2 overleaf). This proxy shall continue to be valid at any adjournment of the proposed Scheme meeting.

For the Scheme		Number of votes	
Against the Scheme		Number of votes	
Abstain from voting		Number of votes	
* One vote per Celsys Limited share held by Scheme Members.			

Signed at		on	2012
Signature			
Capacity of signatory (where applicable)		Note:	Authority of signatory to be attached-see note 9 overleaf
Assisted by me (where applicable)			Full name
			Capacity
			Signature

(+) If a Scheme member agrees that the Scheme may be modified, the Scheme member may indicate the manner and extent of any such modification to which the proxy may agree on a separate form which must be lodged at or posted to the address stipulated in note 4, together with this proxy form. In addition, please refer to the conditions stipulated in note 3 and note 6.

Please read the notes

Notes

1. A Scheme Member may insert the name of a proxy or the names of two alternative proxies of the Scheme Member's choice in the space/s provided, with or without deleting "the chairman of the Scheme Meeting" but the Scheme Member must initial any such deletion. The person whose name stands first on the Form of Proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Scheme Member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Scheme Member in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairman of the Scheme Meeting, if he/she deems the authorised proxy to vote or abstain from voting at the Scheme Meeting as he/she deems fit, in respect of all the Scheme Member's vote exercisable thereat.
3. If a Scheme Member agrees that the Scheme may be modified, the Scheme Member may indicate the manner and the extent of such modification to which the proxy may agree on a separate sheet of paper which must be attached to that Scheme Member's form.

It should be noted that notwithstanding that a Scheme Member indicates that the Scheme may not be modified, the chairman (if he/she is the authorised proxy) proxy or any other proxy shall nevertheless be entitled to agree to a modification of the Scheme in terms of which the Scheme Consideration is increased.

If the Scheme member fails to indicate whether the Scheme may be approved with or without modification, or fails to indicate the manner and the extent of any modification to which the proxy may agree, such failure shall be deemed to authorise the chairman of the Scheme Meeting or any other proxy, if he/she deems fit, to agree to the Scheme with or without modification as he/she deems fit, in respect of all the Scheme Member's votes exercisable thereat.

4. Proxy forms must be submitted, lodged at or posted to Corpserve Registrars (Private) Limited, 2nd Floor ZB Centre, Corner 1st, Street/Kwame Nkurumah Avenue, P.O. Box 2208, Harare, Zimbabwe to be received by 1000 hrs on Thursday 24 May 2012 prior to the commencement of the Scheme Meeting. In exceptional circumstances, at the discretion of the Chairperson of the meeting, Forms of Proxy may however be handed in no less than 30 minutes prior to the commencement of the Scheme Meeting.
5. The completion and lodging of this Form of Proxy will not preclude the relevant Scheme Member from attending the Scheme Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Scheme Member wish to do so.
6. Any person completing the proxy form in a representative capacity (e.g. representing a company, trust, pension and or deceased estate) must produce documentary evidence establishing his/her authority to do so.
7. The chairman of the Scheme Meeting may reject or accept any Form of Proxy which is completed and/or received other than in accordance with these notes, provided that he/she is satisfied as to the manner in which the Scheme Member wishes to vote.
8. Each Scheme Member is entitled to appoint one or more proxies (none of whom need be a member of the Company) to attend, speak and vote in place of that Scheme Member at the Scheme Meeting.
9. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
10. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy unless previously recorded by the company's Transfer Secretary or waived by the chairman of the Scheme Meeting.

OFFICE OF THE TRANSFER SECRETARIES	**REGISTERED OFFICE OF THE COMPANY**
Corpserve Registrars (Private) Limited Central Script Administration 2st Floor, ZB Centre Corner 1st Street/Kwama Nkurumah Avenue Harare P.O. Box 2208, Harare	Celsys Limited 58-60 Craster Road Southerton Harare Zimbabwe (P.O. Box 1943, Harare, Zimbabwe)

ANNEXURE 11: ELECTION FORM

Celsys limited

(A public company incorporated in the Republic of Zimbabwe under company registration number 1191/96)

IMPORTANT

This is an important document relating to the Scheme Consideration offered to you under the proposed Scheme and requires your immediate attention. You should read the accompanying Scheme Document and the instructions on this form before completing it.

Where applicable, capitalised terms in this form have the same meaning as that given to them in the Definitions in the Scheme Document

To be a valid election, your Election Form must be received by Corpserve Registrars (Private) Limited by 1600hrs on 15 June 2012.

You may only elect to receive Cambria shares with respect to all of your shareholding in Celsys. If you do not make an election you will receive Cambria shares in respect of all of your Celsys Shares.

A. SCHEME CONSIDERATION ELECTION

OPTION 1: CASH ELECTION	
	If you wish to receive cash under the Scheme, please mark the box below with an “X”.

If you elect to receive cash, please complete the section below

Bank Details

Name of Bank ______________________

Account Name ______________________

Branch ______________________ **Branch Code** ____________

Account Number ______________________

OPTION 2: SHARE ELECTION	
	If you wish to receive Cambria Shares under the Scheme, please mark the box with an “X”.

B. SIGN HERE

This section must be signed in accordance with the instructions overleaf for your election to be valid

I/we hereby make the election for Scheme Consideration under the Scheme in respect of my/our Celsys shares as set out above. If this form is signed under a Power of Attorney, the Attorney declares that they have no notice of revocation of that power.

Name

Signed at .... on 2012

Signature ....

....

Capacity of signatory (where applicable) .... Note: Authority of signatory to be attached-

Assisted by me (where applicable) .... Full name

Capacity ....

Signature ....

IMPORTANT NOTES

1. Shareholders are entitled to elect the form in which they receive their Scheme Consideration.
2. If you do not make an election, you will receive cash in respect of all your Celsys shares as at the Scheme Record Date.
3. If you give unclear or conflicting indications, or do not otherwise make a valid election for Cambria shares, or do not return this form by the due date, being 15 June 2012, you will receive Cambria shares in respect of all of your Celsys Shares held as at the Scheme Record Date.
4. To the extent you have already lodged your Election Form and wish to change the form of Scheme Consideration you receive please contact Corpserve Registrars (Private) Limited.
5. If you are in any doubt as to how to deal with this form, please contact your legal, financial or other professional adviser.

HOW TO COMPLETE THIS SHARE ELECTION FORM

STEP 1 – Read the Scheme Document that accompanied this Share Election Form.

STEP 2 – Decide which form of Scheme Consideration you would like to receive.

STEP 3 – Complete sections A and B on the front page. More details on sections A and B are set out below.

STEP 4 – Return this Share Election Form so that it is received by Corpserve Registrars (Private) Limited by 15 June 2012.

A. SCHEME CONSIDERATION ELECTION

Electing for cash – If you wish to receive cash under the Scheme, please mark the box in Option 1 of this form, and complete the bank details section.

Electing for ordinary shares – If you wish to receive Cambria shares under the Scheme, please mark the box in Option 2 of this form.

B. SIGNING INSTRUCTIONS

You must sign and date the form as follows in the space provided:

- Individuals – where the holding is in one name, the holder must sign.
- Joint holding – where the holding is in more than one name, all of the holders must sign.
- Companies – this form must be signed by either 2 directors or a director and a company secretary.
- Power of Attorney – to sign as Attorney, you must have already lodged the Power of Attorney or a certified copy of it with Corpserve Registrars (Private) Limited. Alternatively, attach the Power of Attorney or a certified photocopy of the Power of Attorney to this form when you return it.

ANNEXURE 12: SURRENDER FORM

(A public company incorporated in the Republic of Zimbabwe under company registration number 1191/96)

("Celsys")

FORM OF SURRENDER

Please read the instructions overleaf. Noncompliance with these instructions may result in the rejection of this form .If you are in any doubt as to how to complete this form, please consult your stockbroker, banker, legal advisor, acco untant or other professional adviser.

Notes:

A separate form is required for each Ordinary Shareholder.

Capitalised terms not specifically defined in this form shall have the meanings given to them in the circular to which this form is attached.

FORM OF SURRENDER FOR THE CELSYS LIMITED SCHEME OF ARRANGEMENT

By Hand
Corpserve Registrars (Private) Limited
2nd Floor, ZB Centre
Cnr First Street/Kwame Nkrumah Avenue
Harare, Zimbabwe

By Post
Corpserve Registrars (Private) Limited
P.O. Box 2208
Harare, Zimbabwe

TO BE COMPLETED BY CERTIFICATED ORDINARY SHAREHOLDERS

I/We hereby surrender and enclose the Ordinary Share certificate(s) listed below:

Name of Registered Holder (separate form for each holder	Certificate number(s)	Number of ordinary shares covered by each certificate

Total ______________

I/We irrevocably authorise you to produce the signature of such documents that may be necessary to complete the replacement of the Celsys shares represented by the share certificates surrendered herewith with Cambria Africa Plc shares in terms of the Scheme of Arrangement.

I/We hereby instruct you to forward the new shar e certificate/s to me/us by registered post, at my/our own risk, to the address overleaf and confirm that, where no address is specified, the share certificate/s will be forwarded to my/our address recorded in the share register of Celsys.

My/Our signature(s) on the Form of Surrender constitutes my/our execution of this instruction.

Signature(s) of shareholder /all joint holders (where applicable)

Signed at	....	on	 2012
Signature	....		
	....		....
Capacity of signatory (where applicable)	....	Note:	Authority of signatory to be attached-
Assisted by me (where applicable)	....	Full name	....
		Capacity	....
		Signature	....

The Certificated Ordinary Shareholder (where Ordinary Shares in Certificated Form are jointly held, the shareholder who is to receive the replacement share certificate) must complete the following information: (please print in B LOCK letters)

Surname or Name of corporate body ____________________

First name/s (in full, if applicable) ____________________

Title (Mr, Mrs, Miss, Ms, etc) ____________________

Postal address (if applicable) ____________________

____

NOTES:

1. A receipt will not be issued for this Form of Surrender, or the Documents of Title lodged with it. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping with the other documents lodged.
2. Where Celsys shares are jointly held, this form must be signed by all joint holders.
3. If this form is signed under power of attorney, such power of attorney must be produced.
4. If this form is signed on behalf of a company, close corporation or pension fund, it must be accompanied by a certified copy of the resolution authorising the signature.

ANNEXURE 13: ORDER OF COURT

IN THE HIGH COURT OF ZIMBABWE **CASE NO. 4505/2012**

HELD AT HARARE

In the matter of the application of:-

CELSYS LIMITED **APPLICANT**

REGISTRAR OF THE HIGH COURT
04 MAY 2012
P.O. BOX CY 275, CAUSEWAY
ZIMBABWE

Harare, the 2nd May 2012

Before the Honourable Mr Justice Bhunu

Ms D. Ndawana for the applicant

WHEREUPON, after reading documents filed of record and hearing Counsel

IT IS ORDERED THAT

1. A meeting in terms of Section 19(1) of the Companies Act (Chapter 24:03) of the members of the Applicant recorded as such in the Applicant's share register at the close of business on Thursday 24 May 2012 preceding the date of the meeting shall be convened by the Chairperson detailed in paragraph 3 of this order for the purpose of considering, and if the meeting shall deem it fit, agreeing to, with or without modification the Scheme of Arrangement proposed by the Applicant.
2. The meeting referred to in paragraph 1 of this order shall take place at place at Royal Harare Golf Club, Monday 28 May 2012 at 1000hrs or at such other place or on such later date or at such other time as the Chairperson referred to in paragraph 3 of this order may determine upon seven days notice to members which notice shall be given in accordance with paragraph 5 of this order.
3. Mr Alwyn Pichanick or failing him such other legal practitioner as may be nominated by him be and is hereby appointed as Chairperson of the meeting with authority to:

   3.1 Determine the validity and acceptability of Proxy forms submitted to the meeting.

   3.2 Adjourn the meeting from time to time should he consider that such adjournment be required.

   3.3 Determine the procedure to be followed at the meeting and any adjournment thereof.

   3.4 Conduct the meeting in accordance with the provisions of the Articles of Association of the Applicant and the provisions of the Companies Act.

4. **Messrs BDO Zimbabwe Chartered Accountants be and are hereby appointed as scrutineers for the purposes of ascertaining and compiling the results of all votes cast at the meeting.**
5. This order of court shall be published by the Chairperson of the meeting in any two newspapers circulating in Zimbabwe which publication shall occur at least seven (7) days prior to the date of such meeting.
6. **In accordance with the provisions of Section 192 (1) (b) of the Companies Act members of the Applicant who are entitled to attend the meeting may obtain from the** offices of Corpserve Registrars Private Limited, a copy of the proposed Scheme of Arrangement, the explanatory statement required in terms of Section 192 (1) of the Companies Act the form of proxy and this order which documents shall be provided **to members of the Applicant free of charge on request at any time during normal business hours.**
7. The members of the Applicant shall be bound by any decision made at the meeting referred to in paragraph 2 of this order by a majority in number representing three fourths in value of the members of the Applicant present and voting either in person **or by duly authorised agent or proxy at such meeting if such decision is sanctioned by this Honourable Court in accordance with the provisions of Section 191 (2) of the Companies Act.**
8. The Chairperson of the meeting referred to in paragraph 3 of this order shall report to this Court on affidavit the result of the meeting which report shall be filed by the 30th May 2012.
9. **The chairperson of the meeting shall make available at the offices of Corpserve Registrars Private Limited, a copy of the chairperson's report to this court which shall** be available free of charge to any member of the Applicant during normal business hours for a period of four working days prior to 6 June 2012.
10. The publication of the Notice of the Scheme Meeting **in the form filed of record shall constitute the summoning of a meeting of members of Applicant as contemplated in terms of Section 191 (1) and Section 192 (1) (b) of the Companies Act (Chapter** 24:03), such publication to take place simultaneously with publication of the order of court in terms of paragraph 5.
11. The applicant shall be entitled to set this matter down for hearing on the same papers **supplemented by the chairman's report and such other documents as may be appropriate to seek sanction of the Scheme** of Arrangement proposed by the Applicant with or without amendment in accordance with the provisions of Section 191 (2) of the Companies Act.

BY THE COURT

REGISTRAR OF THE HIGH COURT
04 MAY 2012
P.O. BOX ... ZIMBABWE CAUSEWAY

for: REGISTRAR

/stc

ANNEXURE 14: NOTICE OF MEETING

In the High Court of Zimbabwe Case No HC ____/2012

Held in Harare

In the matter of the application of

CELSYS LIMITED **APPLICANT**

for an order in terms of Section 191 of the Companies Act [Chapter 24:03]

NOTICE OF SCHEME MEETING

Notice is hereby given that, in terms of an order of the High Court of Zimbabwe dated the 2 May 2012, the High Court of Zimbabwe has ordered in accordance with the provisions of Section 191 of the Companies Act that a meeting of the members of the Applicant be convened under the chairmanship of Mr. Alwyn Pichanick or failing him a legal practitioner nominated by him.

The meeting referred to in this notice shall be held on Monday 28 May 2012, at 1000hrs, at Royal Harare Golf Club.

The purpose of the meeting referred to in this notice is to consider and if deemed fit to agree (with or without modification) to the Scheme of Arrangement which proposes that the Applicant shall become a wholly owned subsidiary of Cambria and that the members of the Applicant shall in return for their shareholding in the Applicant receive either shares in Cambria or payment in cash.

A copy of the Scheme of Arrangement, the Explanatory Statement in terms of Section 192 of the Act, this notice, the form of proxy and the Order of Court convening the meeting referred to in this notice may on the request of any member of the Applicant during normal working hours be inspected and obtained free of charge from the offices of Corpserve Registrars (Private) Limited at 2nd Floor ZB Centre, Corner 1st Street/Kwame Nkurumah Avenue, Harare, Zimbabwe.

Every member of the Applicant is entitled to attend speak and vote at the meeting referred to in this notice and is entitled to appoint one or more proxies to attend, speak or vote in his or her place.

The necessary form of proxy and the conditions relating thereto are attached to and form part of the Scheme of Arrangement Circular. Proxy forms may be obtained from the offices of Corpserve Registrars (Private) Limited.

Each signed form of proxy must be lodged with or sent to Corpserve Registrars (Private) Limited by no later than 1000hrs on Thursday 24 May 2012. In exceptional circumstances, the Chairperson of the meeting, at their discretion, may receive signed forms of proxy no later than 30 minutes prior to the commencement of the meeting referred to herein.

Any person attending the meeting in a representative capacity (e.g. representing a company, trust, pension and or deceased estate) must produce documentary evidence establishing his authority to do so.

Where there are joint members any one of such members may vote at the meeting referred to herein but if more than one such joint members be present or represented at such meeting then that one of the joint members whose name appears first in the records of the Applicant, or his proxy as the case may be, shall be entitled to vote in respect thereof as if he were the sole member.

In terms of the order of the High Court of Zimbabwe the Chairperson of the meeting referred to in this order will report the results of that meeting to the High Court of Zimbabwe at Harare at 1000hrs or so soon thereafter as Counsel may be heard on Wednesday 6 June 2012.

A copy of the Chairman's report will be available free of charge at Corpserve Registrars (Private) Limited during normal working hours with effect from the Wednesday 30 May 2012.

Gill, Godlonton & Gerrans

Celsys' Legal Practitioners

7th Floor Beverly Court

100 Nelson Mandela Avenue

Harare

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