

Cambria Africa Plc
("Cambria" or the "Company")

Interim Results (the "Results")

PBT Quadruples; EPS 0.27 US cents
for 6 Months ended 28 February 2018

Cambria Africa PLC (AIM:CMB) ("Cambria" or the "Company") is pleased to announce its interim results for the six months ended 28 February 2018 (the "Period"). A copy of this announcement is available on the Company's website (www.cambriafrica.com). This announcement follows the FY 2017 results and trading update published on 27 February 2018.

The Results and their comparatives have been restated to treat the closure of Payserv Zambia as discontinued operations. Therefore, Payserv Zambia's loss of \$121,000 has been excluded from continuing operations for the same period in 2017.

Results Highlights for the Period:

The company has achieved significant improvements in profitability and EBITDA as a result of improved performance, the end of litigation expenses, and costs related to discontinued operations which were expensed in FY 2017.

**All results for FY 2017 are restated to exclude losses attributable to the discontinued operations of Payserv Zambia:*

6 months ended 28 February 2018 (US\$'000)	2018	<i>* Restated</i> 2017	Change
- Consolidated EBITDA	1,666	663	151 %
- Consolidated EBITDA - excluding legal expenses	1,666	1,065	56 %
- Operating cashflow	1,664	550	202 %
- Central costs - excluding legal expenses	56	118	(53 %)
- Payserv – profit after tax	1,106	926	19 %
- Payserv – EBITDA	1,552	1,321	17 %
- Millchem – EBITDA	110	(138)	180 %
- Profit before tax	1,436	368	290 %
- Profit / (loss) after tax	1,102	76	1,350%

For the 6 months ended 28 February 2018 (the "Period"):

- A record Profit after Tax (PAT) of \$1.10 million was achieved for the Period – an increase of \$1.03 million in profitability compared to \$76,000 for the same period in 2017. This near *fourteen fold* increase in after-tax profitability was achieved despite a 14% (\$42,000) increase in taxes from \$292,000 to \$334,000.
- Profit before Tax (PBT) was up 290% to \$1.44 million from \$368,000 for the same period in 2017.
- EBITDA from continuing operations more than doubled (up 151%) to \$1.67 million from \$663,000 for the same period in 2017.

- Excluding legal costs, EBITDA increased \$601,000 to \$1.67 million, a 56% increase from \$1.07 million in 2017. All known legal costs associated with the Consilium Dispute have been accrued in FY 2017 leaving no carryover of associated legal costs to the Period.
- Cambria's central expenses (excluding legal costs) were halved to \$56,000 from \$118,000, representing 1.23% of revenues for the Period.
- Borrowings, which include capitalised interest, fell by \$474,000 (13%) to \$3.05 million from \$3.53 million in 2017. Net finance costs were accordingly reduced by \$83,000 (38%) to \$134,000 from \$217,000 for the same period in 2017.
- Payserv Africa achieved record profitability through a:
 - 16% increase in revenues to \$3.66 million,
 - 17% increase in consolidated EBITDA to \$1.55 million,
 - 16% increase in PBT to \$1.44 million,
 - 16% increase in PAT and after minority interests of \$949,000.
- Millchem achieved its first profit in more than 4 years resulting in:
 - Positive cash flows from operations,
 - 53% reduction in overheads,
 - \$248,000 turnaround in EBITDA to \$110,000 from a loss of \$152,000 for the same period in 2017.

12 Month Trailing Results

Set out below are the Trailing Results for the 12 months ended 28 February 2018. These are presented to allow an enhanced perspective and analysis of Cambria's comparative financial performance over the 12 months ended 28 February 2018:

	Trailing 12 Months to 28 February 2018			Six month period to 28 February 2018		
	<i>* Restated</i>	<i>* Restated</i>	<i>Change</i>	<i>Unaudited</i>	<i>* Restated</i>	<i>Change</i>
	Unaudited	Unaudited		Unaudited	Unaudited	
	28-Feb-18	28-Feb-17		28-Feb-18	28-Feb-17	
	<i>US\$'000</i>	<i>US\$'000</i>		<i>US\$'000</i>	<i>US\$'000</i>	
Revenue	8,639	8,808	(1.9%)	4,555	4,514	0.9%
Cost of sales	(1,821)	(2,831)	(35.7%)	(944)	(1,356)	(30.4%)
Gross profit	6,818	5,977	14.1%	3,611	3,158	14.3%
Operating costs	(4,834)	(4,971)	(2.8%)	(2,101)	(2,574)	(18.4%)
Other income	73	13	-	60	1	-
Profit / (loss) on disposal and impairment of assets	-	-	-	-	-	-
Operating profit	2,057	1,019	101.9%	1,570	585	168.4%
Finance income	20	13	53.8%	9	4	125.0%
Finance costs	(293)	(528)	(44.5%)	(143)	(221)	(35.3%)
Net finance costs	(273)	(515)	(47.0%)	(134)	(217)	(38.2%)
Profit before tax	1,784	504	254.0%	1,436	368	290.2%
Income tax	(702)	(458)	53.3%	(334)	(292)	14.4%
Profit from continuing operations	1,082	46	2252.2%	1,102	76	1350.0%
<i>Discontinued operations:</i>						
Loss from discontinued operations	(34)	(237)		-	(119)	
Profit / (loss) for the period	1,048	(191)	\$ 1,239	1,102	(43)	\$ 1,145

	<u>Trailing 12 Months to 28 February 2018</u>			<u>Six month period to 28 February 2018</u>		
	<i>* Restated</i>	<i>* Restated</i>		<i>Unaudited</i>	<i>* Restated</i>	
	Unaudited	Unaudited		Unaudited	Unaudited	
	28-Feb-18	28-Feb-17		28-Feb-18	28-Feb-17	
	<i>US\$'000</i>	<i>US\$'000</i>	<i>Change</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>Change</i>
<i>Attributable to:</i>						
Owners of the company	750	(441)	\$ 1,191	945	(154)	\$ 1,099
Non-controlling interests	298	250	19.2%	157	111	41.4%
Profit / (loss) for the period	1,048	(191)	\$ 1,239	1,102	(43)	\$ 1,145
Earnings / (loss) per share						
Basic and diluted earnings / (loss) per share (cents)	0.22c	(0.21c)	0.43c	0.27c	(0.07c)	0.30c
Earnings / (loss) per share - continuing operations						
Basic and diluted earnings / (loss) per share (cents)	0.23c	(0.10c)	0.33c	0.27c	(0.02c)	0.29c
Loss per share – discontinued operations						
Basic and diluted loss per share (cents)	(0.01c)	(0.11c)	0.10c	0.00c	(0.05c)	0.05c

Highlights for the 12 Months Trailing Period:

- Profit After Tax from continuing operations significantly increased by \$1.04 million to \$1.08 million from \$46,000 for the same 12 month period in 2017.
- Profit Before Tax more than tripled to \$1.78 million from \$504,000.
- Operating Profit more than doubled to \$2.06 million from \$1.02 million despite a 2% decrease in Revenue as a result of Millchem closing down unprofitable lines.
- Net Finance costs for the Trailing 12-month period were almost halved to \$273,000 from \$515,000

Other notable events:

Notable events during the Period include:

Settlement of Consilium Dispute in October 2017.

- Both parties agreed to settle all claims against each other;
- Cambria paid Consilium \$223,000 (“the Settlement Amount”);
- The security for costs previously lodged was released back to Cambria;
- All related legal costs, including the Settlement Amount have already been included in the financial results of FY 2017 with no roll-over to the Period ended 28 February 2018.

Appointment of Sibert Dube as Payserv Zimbabwe CEO.

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

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

Prospects

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

Changes to the board

The board remains unchanged.

About Cambria Africa Plc

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

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Chief Executive's Report

Introduction:

I am pleased to report on Cambria's strong performance over the 6 months ended 28 February 2018. These results not only reflect the end of litigation expenses and discontinuing of unprofitable operations in Zambia, they are also testament to the considerable time, effort and resources invested since Cambria's management change in August 2015. I have repeatedly expressed my conviction that for Cambria, "Zimbabwe provides the best regional opportunity for successful investment and growth in the short to medium term." The Results are testimony to the soundness of our investment philosophy.

- EBITDA from continuing operations more than doubled to \$1.67 million while PBT increased by \$1.07 million to \$1.44 million from \$368,000 for the same period in 2017.
- Cambria achieved a record after-tax profit of \$1.10 million – a 14-fold increase from \$76,000 from continuing operations in 2017. *Discontinued operations had no impact on interim results.*
- The Consilium dispute was settled in October 2017 allowing more productive allocation of management resources. All related costs have been included in the FY 2017 results with no associated costs in this Period.
- Central costs for the Period were more than halved to \$56,000 from \$118,000 for the same period in 2017. Central costs were 1.23% of revenues.
- Debt levels, interest expense, shareholder equity & cash flows continued to show significant improvement during the Period.

Divisional Review

Payserv Africa Group

The Payserv Africa Group continued to achieve record revenues and profits for the Period.

Payserv Africa Divisional Results (*restated)

<u>6 months ended 28 February 2018 (US\$ '000)</u>	<u>2018</u>	<u>2017</u>	<u>Change</u>
<u>Revenues</u>	<u>3,656</u>	<u>3,142</u>	<u>16 %</u>
Gross profit	3,334	2,938	13 %
Gross margin	91%	94%	(3 %)
Overheads	(1,782)	(1,617)	10 %
<u>EBITDA</u>	<u>1,552</u>	<u>1,321</u>	<u>17 %</u>
Profit before interest and tax	1,463	1,257	16 %
Interest	(23)	(39)	(41 %)
Profit before tax	1,440	1,218	18 %
Profit after tax	1,106	926	19 %
<u>PAT (excluding minority interests)</u>	<u>949</u>	<u>815</u>	<u>16 %</u>

Payserv's consolidated EBITDA increased by 17% for the six months ended 28 February 2018 to \$1.55 million from \$1.32 million compared to the same period in 2017. Profit before tax increased by 18% to \$1.44 million from \$1.22 million and consolidated PAT increased by 19% to \$1.11 million from \$926,000 in 2017. This was achieved on the back of a 16% increase in revenues to \$3.66 million from \$3.14 million. All these figures exclude the results of the discontinued operations of Payserv Zambia.

Overheads represent 49% of Revenues (52% in 2017). The company is identifying opportunities to improve profitability by reducing overheads and investing the savings in improving its technology.

Paynet Zimbabwe

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

Whilst 80% of Paynet Zimbabwe's revenue growth has historically been from corporate clients, where Paynet has an estimated market share of 90 - 95%, significant growth opportunities are being targeted from new initiatives. These include:

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

Payserv Zambia operations discontinued

Payserv Zambia was discontinued in FY 2017. In line with International Financial Reporting Standards, Payserv Zambia's performance for the Period ended 28 February 2017 is reflected separately as a "discontinued operation" and excluded from the balance of Payserv's & Cambria's continuing operations. This resulted in showing a profit from continuing operations for the six months ended 28 February 2017 instead of a small loss. Payserv Zambia had no impact on the Results for the Period.

Autopay Zimbabwe

We continue to believe that Autopay is not achieving its full potential in the market. Nevertheless, and despite a lack of marketing and innovation, the division has maintained profitability.

This division continues to be plagued by declining private sector employment and increasing numbers of contract workers paid through wallets. The segments of Autopay consist of 1) full service Payroll Bureau; 2) Software and licensing to major corporates and 3) Online SME payroll process.

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

Tradanet

Tradanet's recovery in loan volumes continued by a modest 5% to \$63.3 million during the Period mainly as a result of the reinstatement of Credit Partners and the introduction of other new products, particularly Flexicredit, a card based loan product, which increased 924% as it replaced CPS loan product (a straight line of credit) which dropped by 82%. Credit partners' loans which were reinstated by CABS in 2017, have now grown to about 11% of total advances.

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

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

Millchem Zimbabwe

6 months ended 28 February 2018 (US\$ '000)	2018	2017	Growth
Revenues	899	1,372	(34 %)
Gross profit	277	220	26 %
Gross margin	31 %	16 %	94 %
Overheads	(167)	(358)	(53 %)
EBITDA	110	(138)	180 %
Profit/(loss) after tax	102	(152)	167 %

Millchem has recorded an after-tax profit during the 6 months ended 28 February 2018, its first profit in more than four years. This result was helped in no small part by the cooperation of our bankers who provided the needed remittances to import raw materials.

- \$899,000 in revenues reduced by 34% to achieve a more profitable product mix,
- 31% gross profit margin – a nearly 2-fold increase from 16% in 2017,
- \$248,000 turnaround in EBITDA to \$110,000 from a loss of \$138,000,
- \$254,000 turnaround in PAT to \$102,000 from a loss of \$152,000,
- \$191,000 reduction (53%) in administrative expenses from \$358,000 to \$167,000.

Consilium Dispute

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

Board of Directors and Compensation

Cambria’s Directors have supported my role as CEO providing direction and management support without compensation since my appointment in July 2015. As the ultimate beneficiary of over 66% of Cambria shares, I continue to serve without compensation. It is my intention that we should begin compensating those who have dedicated themselves with extraordinary conviction to Cambria. Proposals for the use of Cambria shares as compensation are being finalised and will be announced in due course.

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

Intended VAL Loan Conversion and Open Offer

Cambria and VAL have entered into discussions regarding the intended conversion by VAL of a substantial portion of its loans into Cambria ordinary shares. It is further intended that an Open Offer will be extended to shareholders once any such conversion is finalised to afford them the right to match any such conversion on the same terms and conditions in proportion to their shareholding. The Open Offer will also allow shareholders of record to apply for unallocated shares over and above their own allocation. An appropriate announcement will be made in due course as soon as the related terms have been finalised.

Samir Shasha
Chief Executive Officer
20th April 2018

Cambria Africa Plc

Interim consolidated income statement For the six month period ended 28 February 2018

	Unaudited 6 months to 28-Feb-18 US\$'000	* Restated Unaudited 6 months to 28-Feb-17 US\$'000	Audited Year to 31-Aug-17 US\$'000
Revenue	4,555	4,514	8,598
Cost of sales	(944)	(1,356)	(2,233)
Gross profit	3,611	3,158	6,365
Operating costs	(2,101)	(2,574)	(5,307)
Other income	60	1	23
Profit / (loss) on disposal and impairment of assets	-	-	(9)
Operating profit	1,570	585	1,072
Finance income	9	4	15
Finance costs	(143)	(221)	(371)
Net finance costs	(134)	(217)	(356)
Profit before tax	1,436	368	716
Income tax	(334)	(292)	(660)
Profit for the period from continuing operations	1,102	76	56
<i>Discontinued operations:</i>			
Loss from discontinued operations	-	(119)	(153)
Profit / (loss) for the period	1,102	(43)	(97)
<i>Attributable to:</i>			
Owners of the company	945	(154)	(349)
Non-controlling interests	157	111	252
Profit / (loss) for the period	1,102	(43)	(97)
Earnings / (loss) per share			
Basic and diluted earnings / (loss) per share (cents)	0.27c	(0.07c)	(0.12c)
Earnings / (loss) per share - continuing operations			
Basic and diluted earnings / (loss) per share (cents)	0.27c	(0.02c)	(0.07c)
Loss per share - discontinued operations			
Basic and diluted loss per share (cents)	0.00c	(0.05c)	(0.05c)

*Amounts have been restated due to the discontinued operation of Payserv Zambia Ltd

Cambria Africa Plc

Interim consolidated statement of comprehensive income For the six month period ended 28 February 2018

	Unaudited 6 months to 28-Feb-18 US\$'000	Unaudited 6 months to 29-Feb-17 US\$'000	Audited Year to 31-Aug-17 US\$'000
Profit / (loss) for the period	1,102	(43)	(97)
Other comprehensive income			
<i>Items that will not be reclassified to income statement:</i>			
Foreign currency translation differences for overseas operations	2	(16)	1
Total comprehensive profit / (loss) for the period	1,104	(59)	(96)
Attributable to:			
Owners	947	(170)	(348)
Non-controlling interests	157	111	252
Total comprehensive profit / (loss) for the period	1,104	(59)	(96)

Cambria Africa Plc

Interim consolidated statement of financial position As at 28 February 2018

	Unaudited Group 28-Feb-18 US\$'000	* Restated Unaudited Group 28-Feb-17 US\$'000	Audited Group 31-Aug-17 US\$'000
Assets			
Property, plant and equipment	2,802	2,689	2,727
Goodwill	717	717	717
Intangible assets	20	36	27
Total non-current assets	3,539	3,442	3,471
Inventories	225	315	233
Financial assets at fair value through profit and loss	99	53	86
Trade and other receivables	1,004	1,692	1,730
Cash and cash equivalents	1,518	984	1,045
Assets for discontinued operations	2	29	29
Total current assets	2,848	3,073	3,123
Total assets	6,387	6,515	6,594
Equity			
Issued share capital	51	51	51
Share premium account	85,686	85,656	85,686
Revaluation reserve	438	438	438
Share based payment reserve	-	43	-
Foreign exchange reserve	(10,625)	(10,644)	(10,627)
Non-distributable reserves	1,905	1,900	1,905
Retained losses	(75,613)	(76,401)	(76,558)
Equity attributable to owners of the company	1,842	1,043	895
Non-controlling interests	60	(6)	99
Total equity	1,902	1,037	994
Liabilities			
Loans and borrowing	1,554	2,119	1,849
Provisions	195	212	186
Deferred tax liabilities	184	152	184
Total non-current liabilities	1,933	2,483	2,219
Current tax liabilities	313	269	397
Loans and borrowings	1,500	1,409	1,556
Trade and other payables	714	1,263	1,374
Liabilities for discontinued operations	25	54	54
Total current liabilities	2,552	2,995	3,381
Total liabilities	4,485	5,478	5,600
Total equity and liabilities	6,387	6,515	6,594

Cambria Africa Plc

Interim consolidated statement of changes in equity For the six month period ended 28 February 2018

<i>US\$'000</i>	Share Capital	Share Premium	Revaluation Reserve	Foreign Exchange Reserve	Share Based Payment Reserve	Retained Earnings	Non- distributable Reserve	Total	Non- controlling Interest	Total
Balance at 31 August 2017	51	85,686	438	(10,627)	-	(76,558)	1,905	895	99	994
Profit for the period	-	-	-	-	-	945	-	945	157	1,102
Foreign currency translation differences for overseas operations	-	-	-	2	-	-	-	2	-	2
Total comprehensive loss for the year	-	-	-	2	-	945	-	947	157	1,104
<i>Contributions by/distributions to owners of the Company recognised directly in equity</i>										
Dividends paid	-	-	-	-	-	-	-	-	(196)	(196)
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	-	(196)	(196)
Balance at 28 February 2018	51	85,686	438	(10,625)	-	(75,613)	1,905	1,842	60	1,902

For the six month period ended 28 February 2017

<i>US\$'000</i>	Share Capital	Share Premium	Revaluation Reserve	Foreign Exchange Reserve	Share Based Payment Reserve	Retained Earnings	Non- distributable Reserve	Total	Non- controlling Interest	Total
Balance at 31 August 2016	34	83,950	438	(10,628)	43	(76,247)	1,900	(510)	(4)	(514)
(Loss)/profit for the period	-	-	-	-	-	(154)	-	(154)	111	(43)
Foreign currency translation differences for overseas operations	-	-	-	(16)	-	-	-	(16)	-	(16)
Total comprehensive loss for the year	-	-	-	(16)	-	(154)	-	(170)	111	(59)
<i>Contributions by/distributions to owners of the Company recognised directly in equity</i>										
Issue of ordinary shares	17	1,706	-	-	-	-	-	1,723	-	1,723
Dividends paid	-	-	-	-	-	-	-	-	(113)	(113)
Total contributions by and distributions to owners of the Company	17	1,706	-	-	-	-	-	1,723	(113)	1,610
Balance at 28 February 2017	51	85,656	438	(10,644)	43	(76,401)	1,900	1,043	(6)	1,037

Cambria Africa Plc

Interim consolidated statement of cash flows For the six month period ended 28 February 2018

	Unaudited 6 months to 28-Feb-18 US\$'000	Unaudited 6 months to 28-Feb-17 US\$'000	Audited Year to 31-Aug-17 US\$'000
Operating cash flow before movements in working capital	1,664	550	1,006
Net working capital movement	52	(198)	(46)
Cash from operations*	1,716	352	960
Taxation paid	(418)	(330)	(539)
Cash from operating activities	1,298	22	421
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	-	-	21
Purchase of property, plant and equipment	(169)	(173)	(291)
Other investing activities	-	-	(2)
Interest received	9	4	15
Net cash (used in)/from investing activities	(160)	(169)	(257)
Cash flows from financing activities			
Dividends paid to non-controlling interests	(196)	(113)	(149)
Interest paid	(33)	(2)	(85)
Proceeds from issue of share capital	-	1,723	1,753
Loans repaid	(509)	(2,368)	(2,660)
Loans raised	48	1,230	1,344
Net cash from/(used in) financing activities	(690)	470	203
Net increase in cash and cash equivalents	448	323	367
Cash and cash equivalents at the beginning of the period	1,069	701	701
Foreign exchange	2	(16)	1
Net cash and cash equivalents at the end of the period	1,519	1,008	1,069
Cash and cash equivalents as above comprise the following			
Cash and cash equivalents – continuing operations	1,518	1,008	1,045
Cash and cash equivalents – discontinued operations	1	-	24
Net cash and cash equivalents	1,519	1,008	1,069

* Amounts include both continuing and discontinued operations. The cash flow effect from the discontinued operations of Payserv Zambia Ltd was a \$23 outflow in HY 2018 (\$55 outflow in FY 2017).

Cambria Africa Plc

Notes to the interim consolidated financial statements

1. Reporting Entity

Cambria Africa Plc is a public limited company which is quoted on the AIM London Stock Exchange and is incorporated in the Isle of Man under the Isle of Man Companies Act 2006.

2. Basis of preparation

The condensed interim consolidated financial information for the six months ended 28 February 2018 has been prepared in accordance with the accounting policies that are expected to be adopted in the Group's full financial statements for the year ending 31 August 2018 and are not expected to be significantly different to those set out in the Group's audited financial statements for the year ended 31 August 2017.

The financial information for the half years ended 28 February 2018 and 28 February 2017 are neither audited nor reviewed. They do not include all of the information normally required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the period ended 31 August 2017, which are available upon request from the Company's registered office at Peregrine Corporate Services Ltd, Burleigh Manor, Peel Road, Douglas, Isle of Man IM1 5EP or at www.cambriaafrica.com.

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 these condensed interim consolidated financial statements.

3. Note to the cash flow statement

	Unaudited 6 months to 28-Feb-18 US\$'000	Unaudited 6 months to 28-Feb-17 US\$'000	Audited Year to 31-Aug-17 US\$'000
Profit / (Loss) for the period	1,102	(43)	(97)
<i>Adjusted for:</i>			
Amortisation of intangible assets	7	3	14
Depreciation of property, plant and equipment	94	75	154
Loss/(Profit) on sale of property, plant and equipment	-	-	(19)
Valuation adjustments to inventories, receivables and other assets	(13)	(1)	(46)
Finance income	(9)	(4)	(15)
Finance expense	143	221	371
Increase in provisions	6	7	(16)
Income tax charge	334	292	660
Operating cash flows before movements in working capital	1,664	550	1,006
Net working capital movement	52	(198)	(46)
Decrease / (increase) in inventories	8	94	174
Decrease / (increase) in trade and other receivables	729	(385)	(421)
Increase / (decrease) in trade and other payables	(685)	93	201
Cash from operations	1,716	352	960