atlas

2015 ANNUAL REPORT

TABLE OF CONTENTS

CHAIRMAN'S STATEMENT

As shareholders will be aware, the 18-month period under review has been both turbulent and transformative. Together with the entire board, I believe that Atlas has navigated this period in a sensible manner and is now heading in the right direction to generate shareholder value. The collapse in the oil price, which persisted throughout the period under review, dramatically changed our operating environment, particularly in Kenya, and with oil companies aggressively cutting exploration budgets, our original core support services business was affected deeply.

In response, the Board proactively implemented a strategic review and made a number of fundamental decisions to lessen the impact of the adverse oil and gas industry dynamics; an aggressive cost cutting programme was initiated to streamline the business, we identified areas where we could utilise our existing knowledge, expertise and relationships to generate shareholder value beyond our historic core offering and we raised additional capital to strengthen the balance sheet.

With significantly better economic dynamics and market opportunity, we have transferred our focus to Ethiopia and established an industrial division, to take advantage of the rapidly growing consumer markets in-country, with our first project being the Chancho Project, a new state-of-the-art glass manufacturing facility 45km north of the capital, Addis Ababa. With relationships established in-country, including a JV with Orchid Business Group PLC ('Orchid'), one of Ethiopia's largest conglomerates, we have the ability to execute our broadened strategy and build value for shareholders.

The new industrial division and the Chancho Project are extremely exciting and we have hit the ground running. The preliminary economic studies highlighted the project's strong economic potential based on a yearly production capacity of 105 million 330ml bottles, with commissioning of the facility scheduled for 2018 and full production targeted for early 2019. As we begin the construction process, we are now also focused on conducting a full feasibility study designed to enhance the project's value as we de-risk it through the development process.

The market potential for the manufacture of international standard bottles is clearly evident in Ethiopia. The country has attracted significant investment from international beverage companies over the past five years (over $500 million invested to date) as a result of increasing consumer demand and a young demographic. In particular, beer production has grown at a CAGR of 14.3% over the last 14 years with an additional 47% capacity currently under construction. Yet despite these factors, the high-quality glass bottle market is currently dominated by expensive imports.

Furthermore, on a broader level, the Ethiopian Government has designated manufacturing as a top industrial priority, and support via development debt funding is, in principle, available for projects that substitute imports. The country also represents one of the fastest growing economies in the world, as a result of rising income, population growth, well managed infrastructure spending, and stable government policies.

On project specifics, we have a 100 year land lease (the first 45 years of lease payments have been paid in advance) on a 5.5 acre site located in close proximity to established infrastructure and just 30km from intended mine sites for the majority of materials needed to produce high quality bottles. MH Engineering Plc, a leading Ethiopian firm, has been appointed to conduct a full feasibility study, including architectural, engineering, structural, sanitary, electrical and mechanical design and quantity surveying services. We have commenced ground clearing and geotechnical drilling on-site ahead of constructing ancillary buildings. Additionally, deposits are being placed on long lead items.

To finance these developments and complete the studies we raised US$5m from new and existing shareholders, which was endorsed by shareholders at the recent General Meeting.

With the obvious potential in Ethiopia being realised and the business environment in Kenya extremely tough, following the change in the market dynamics in the provision of support services, we made the decision to liquidate our Kenyan business and redirect our efforts. As a consequence, we were forced to write down debt as a result of a strong receivables account, particularly in relation to the geothermal contracts, but the Board believe this was prudent with regards to the on-going positioning and financing of the business.

FINANCIAL REVIEW

For the period under review we are reporting losses of US$34.2m (of which $19.4m relates to discontinued operations). As shareholders will recognise, the Company was greatly impacted by the sector dynamics as well as significant bad debts within its operating subsidiaries. When we first took control over the Ardan business, we demonstrated our ability to increase revenue, as highlighted in the 2014 figures. However, as mentioned earlier, with the cuts in oil and gas we have been forced to change direction.

In line with the new strategy, post period end, in March 2016, the Company raised US$5m via a placing of new ordinary shares in the Company at a price of 0.325p per share. The proceeds of the placing are primarily being allocated to finance the development of our industrial division, in particular advancing the Chancho Project.

OUTLOOK

In spite of the challenges that have faced us, I believe that we have made great strides in building a more sustainable business that is less exposed to market shocks. With the recent acquisition of the Chancho Project, we have been able to diversify the business to negate the impact of the downturn in the oil and gas sector.

The development of the Chancho Project is a major priority for the upcoming year, and at the same time we will continue to look to build shareholder value through the identification of value accretive projects with a consumer bias. To this end, our joint venture with Orchid gives unique access to many other exciting industrial projects in the fast growing Ethiopian market.

We expect to have significant news flow in the coming months as we develop our business and look to build shareholder value. Finally, I'd like to thank both the executive team, who have been working tirelessly to navigate through an extremely volatile period and of course shareholders for their support as we embark on the next stages of our corporate progression and evolution.

Ian H. Mann
Non-Executive Chairman

26 April 2016

DIRECTORS REPORT

The Directors of Atlas African Industries Limited, formerly Atlas Development & Support Services Limited, ("Atlas" or the "Company") hereby present their report together with the audited financial statements for the period ended 31 December 2015 for the Company and its subsidiaries (the "Group").

1. PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Group was to provide turn-key development and support service solutions across Africa.

The Directors identified Ardan Risk & Support Services Limited ("Ardan") as an appropriate acquisition target and, on 5 August 2013, the Company entered into the Acquisition Agreement to acquire a 49 per cent interest in Ardan. On 28 March 2014, the Company entered into a Framework and Option Agreement pursuant to which, Ardan, with the assistance and the Company, undertook a corporate and contractual restructuring programme to rationalise operational management, and business implementation, planning and reporting and the Company was granted a three year conditional call option to acquire 100 per cent of Ardan Logistics Kenya ("ALK"), a separate and new 'shell' company in Kenya from which the restructured business of Ardan would be operated. The Call Option was exercised on 26 September 2014, with shareholders approving the transaction on 22 October 2014. The acquisition was completed on 1 January 2015.

On 30 November 2015, the Company took the decision to place its Kenyan subsidiaries (ALK, Ardan (Civil Engineering) Limited and Ardan (Medical Services) Limited) into liquidation by way of a Creditors Voluntary Liquidation. The downturn in the oil and gas industry, market adjustments and the failure of certain key clients to settle debts, together with increasing creditor pressure has led to the decision to close its Kenyan operations.

On 19 November 2015 the Company announced the creation of an industrial division with an initial focus on consumer based industrial projects to broaden its business offering. The industrial division will allow the Company to take advantage of unique on the ground access to highly prospective industrial projects in exciting growth markets. As part of the Company's first project within the industrial division, Atlas signed an acquisition agreement on 3 December 2015 to acquire East Africa Packaging Holdings Limited ('EAPH'), a company established to build a new state-of-the-art glass bottle manufacturing facility 45 kilometres north of Addis Ababa, Ethiopia (the 'Chancho Project').

On 17 March 2016 the Company announced a change of name from Atlas Development & Support Services Limited to Atlas African Industries Limited.

A review of the Group's performance, key performance indicators and prospects is given in the Chairman's statement and operational review on pages 2 to 3. A review of the risks and uncertainties impacting on the Group's long-term performance is included in the corporate governance report on pages 8 to 9. Details of the Group's exposure to foreign exchange and other financial risks are included in pages 20 to 22.

2. RESULTS AND DIVIDEND

The Group results show a loss after taxation for the 18 month period ended 31 December 2015 attributable to the equity holders of the Group of $34.2m (of which $19.4m relates to discontinued operations, (2014: -$1.4m). The Directors do not recommend a dividend (2014: nil).

3. DIRECTORS

The Directors who have served during the period are as follows:

Director	Position
Ian Mann	Non-Executive Chairman (appointed 25 September 2014)
Carl Esprey	Chief Executive Officer (appointed 3 March 2014)
Barry Lobel	Chief Financial Officer (appointed 25 September 2014)
Lachlan Monro	Chief Operating Officer (appointed 25 September 2014)
Andrew Groves	Non-Executive Director
Jonathan Wright	Non-Executive director
Andrew Burns	Resigned 25 September 2014
Phil Edmonds	Resigned 25 September 2014

4. DIRECTORS' INTERESTS

The Directors serving during the period had the following beneficial interests in the shares of the Group:

Director	Ordinary Shares held at 30 June 2014	Ordinary Shares held at the date of this document
Ian Mann [1]	9,855,173	52,705,259
Carl Esprey	n/a [2]	10,920,855
Barry Lobel	n/a [3]	166,667
Lachlan Monro	n/a [3]	10,809,744
Andrew Groves	5,000,000	5,277,778
Jonathan Wright	-	-
Andrew Burns	622,686	n/a [4]
Phil Edmonds	5,000,000	n/a [4]

Share options were granted to the Directors during the period. None were exercised during the period.

NOTES:
1. *47,427,487 shares in which Mr Mann is interested are held by Meridian Global Energy and Services Fund Limited, a company of which Mr Mann is a director.*
2. *Appointed 3 March 2014*
3. *Appointed on 25 September 2014*
4. *Resigned on 25 September 2014*

The following share options were granted to Directors during the period:

Name	No. of Options	Date of Grant	Details of Options	Exercise Price	Option Exercise Period
Carl Esprey	10,000,000	15 Sep 2014	2,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 20p per share
			2,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 25p per share
			2,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 30p per share
			2,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 35p per share
			2,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 40p per share
Barry Lobel	5,000,000	15 Sep 2014	1,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 20p per share
			1,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 25p per share
			1,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 30p per share
			1,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 35p per share
			1,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 40p per share
Lachlan Monro	10,000,000	15 Sep 2014	2,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 20p per share
			2,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 25p per share
			2,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 30p per share
			2,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 35p per share

	2,000,000	8.5p	For a period of five years from the date on which the Group's share price first reaches 40p per share

There have been no other changes in Directors' interests in shares or options between 1 July 2014 and 31 December 2015.

5. DIRECTORS' INDEMNITIES

The Group has made qualifying third-party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

6. EMPLOYEE INVOLVEMENT POLICIES

The Group places considerable value on the awareness and involvement of its employees in the Group's performance. Within the bounds of commercial confidentiality, information is disseminated to all staff about matters that affect the progress of the Group and that are of interest and concern to them as employees.

7. POLITICAL AND CHARITABLE DONATIONS

During the period no political donations were made (2014: Nil).

8. SOCIAL AND COMMUNITY ISSUES

The Group recognises the value of employment and training to the continued economic growth in the countries in which it operates. The Group is developing policies to ensure its expertise and specialist skills and facilities are made available to the broader community.

9. EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are detailed in note 27 to the financial statements.

10. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report, the Separate Corporate Governance Statement and the financial statements each financial period in accordance with applicable law and regulations.

The Directors are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected under Guernsey company law to prepare the company financial statements in accordance with IFRS as adopted by the EU.

The financial statements are required by IFRS as adopted by the EU to present fairly the financial position and performance of the group. Applicable law provides in relation to such financial statements that references to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under Guernsey company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period.

In preparing the Group financial statements, the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors confirm they have discharged their responsibilities as noted above.

11. STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

12. AUDITOR

The Group's auditor, Meralis Chartered Accountants and Registered Auditors, has indicated its willingness to continue in office.

13. ELECTRONIC COMMUNICATIONS

The maintenance and integrity of the Group's website is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Group's website is maintained in compliance with AIM Rule 26.

By order of the Board

Ian H. Mann
Non-Executive Chairman

26 April 2016

CORPORATE GOVERNANCE

The Group is quoted on AIM and is therefore not required to comply with the provisions of the UK Corporate Governance Code (the 'Code') on corporate governance as published by the UK Listing Authority. Nevertheless, the Directors recognise the value and importance of effective corporate governance and observe provisions of good governance to the extent that they consider them to be appropriate for a group of this size and stage of development. Set out below is a summary of how, at 31 December 2015, the Group was dealing with corporate governance issues.

The Board of Directors and the Executive Committee

The Group is led and controlled by a Board comprising the Non-Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, one Executive Director and one Non-Executive Director.

The Board has entrusted the day-to-day responsibility for the direction, supervision and management of the business of the Group to the Group Executive Committee (the 'ExCom'). The ExCom is comprised of the Non-Executive Chairman, the Chief Executive Officer and the Chief Financial Officer.

Certain matters are specifically reserved to the Board for its decision including, inter alia, the creation or issue of new shares and share options, acquisitions, investments and disposals and material contractual arrangements outside the ordinary course of business.

Due to the current size of the Board and the Group, there is no separate Nomination Committee and any new Directors are appointed by the whole Board. There is no agreed formal procedure for the Directors to take independent professional advice at the Group's expense. The Group's Directors submit themselves for re-election at the Annual General Meeting at regular intervals in accordance with the Group's Articles of Incorporation.

The Group has adopted a share dealing code for Directors' dealings which is appropriate for an AIM quoted Group. The Directors comply with Rule 21 of the AIM Rules relating to directors' dealings and take all reasonable steps to ensure compliance by the Group's employees. The Group has Remuneration and Audit Committees as more fully described below.

Director's remuneration

The remuneration committee reviews the performance of the Directors and makes recommendations to the Board on matters relating to the Directors' remuneration and other terms of employment. The committee makes recommendations to the Board on the granting of share options and other equity incentives and will administer any equity incentive schemes. The remuneration committee is constituted annually and comprises at least two members, one of which is the Non-Executive Chairman of the Group, who acts as chairman of the committee.

Details of the remuneration of each Director are set out in note 9 to the financial statements.

Accountability and audit

The Audit Committee is responsible for ensuring that the Group's financial performance and position is properly monitored, controlled and reported. The committee meets at least twice a year and has unrestricted access to the auditor. In addition to meeting with the auditor and reviewing the report from the auditor relating to the accounts and internal control, the committee is also responsible for reviewing the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor. A formal statement of independence has been received from the external auditor for the period. The Audit Committee comprises at least two members, one of which is the Non-Executive Chairman of the Group, who acts as chairman of the committee.

Relations with shareholders

The Chief Executive Officer is the Group's principal spokesperson with investors, fund managers, the press and other interested parties. At the Annual General Meeting, investors are given the opportunity to question the Board.

Compliance with relevant legislation

All Directors are kept informed of changes in relevant legislation and changing commercial risks with the assistance of the Group's legal advisers and auditors where appropriate. The Directors have taken appropriate legal advice and implemented internal training and reporting procedures to ensure compliance with the UK Bribery Act 2010 (the 'Bribery Act') and the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003 which contains broadly similar restrictions. Notwithstanding the fact that the Group is not UK–resident, the Directors have formed a view that it is appropriate for the Group to maintain compliance with the Bribery Act.

Going concern

The Board has detailed its considerations relating to Going Concern in note 6 to the financial statements.

Risks and uncertainties

There are a number of risks and uncertainties facing the Group, principally the following:

- Foreign Exchange
  The Group conducts its operations in multiple jurisdictions with differing currencies and therefore is subject to fluctuations in exchange rates. Some of the countries in which the Group operates maintain strict controls on access to foreign currency and the repatriation of funds.

- Regulatory Risk
  While the Group believes that its operations are currently in substantial compliance with all relevant material environmental and health and safety laws and regulations, there can be no assurance that new laws and regulations, or amendments to, or stringent enforcement of, existing laws and regulations will not be introduced, which could have a material adverse impact on the Group.

- General Risks Associated with Operating in Africa
  Changes in government, monetary policies, taxation, exchange control and other laws can have a significant impact on the Group's assets and operations. Several countries in Africa have experienced periods of political instability, and there can be no guarantees as to the level of future political stability. Changes to government policies and applicable laws could adversely affect the operations and/or financial condition of the Group. The jurisdictions in which the Group might operate in the future may have less developed legal systems than more established economies, which could result in risks such as (i) effective legal redress in the courts being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations. In certain jurisdictions, the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's licenses and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

INDEPENDENT AUDITORS REPORT

Independent Auditor's Report to the Shareholders of Atlas African Industries Limited

We have audited the financial statements of Atlas African Industries Limited for the period ended 31st December 2015 which comprise the Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the group's members, as a body, in accordance with section 262 of the companies (Guernsey) Law 2008. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 31st December 2015, and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the companies (Guernsey) Law 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law 2008 requires us to report to you if, in our opinion:

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

Ihsan Mustafa

Ihsan Mustafa FCCA– Senior Statutory Auditor
Meralis Chartered Accountants and Registered Auditors
Scottish Provident House
76-80 College Road
Harrow HA1 1BQ
27th April 2016

CONSOLIDATED INCOME STATEMENT

	Notes	2015 Period 18 months to 31 December 2015 $ '000	2014 Period 12 months to 30 June 2014 $ '000
CONTINUING OPERATIONS			
Revenue		3,147	-
Cost of sales		(1,924)	-
Gross Profit		1,223	-
Operating expenses		(13,291)	(2,528)
Share option charge		(2,720)	-
Share of results of associate		88	1,075
Operating loss	7	(14,700)	(1,453)
Investment revenues		-	28
Finance cost		-	-
Loss before taxation		(14,700)	(1,425)
Taxation	9	(85)	-
Loss for the period from Continuing Operations		(14,785)	(1,425)
DISCONTINUED OPERATIONS			
Loss for the period from Discontinued Operations		(19,400)	-
Loss for the period		(34,185)	(1,425)
Loss for the period attributable to non-controlling interests		(3)	-
Loss for the period attributable to owners of the company		(34,182)	(1,425)
Earnings per Share		US cents	US cents
From continuing operations			
Basic	10	(3.58)	(0.40)
Diluted		(3.58)	(0.40)
From continuing and discontinued operations			
Basic	10	(8.21)	(0.40)
Diluted		(8.21)	(0.40)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2015 Period 18 months to 31 December 2015	2014 Period 12 months to 30 June 2014
	$ '000	$ '000
Loss for the period attributable to owners of the company	(34,182)	(1,425)
Exchange differences on translation of foreign operations	34	(7)
Total comprehensive loss for the period attributable to owners of the company	(34,148)	(1,432)

The notes on pages 17 to 32 form part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes:	2015 31 December 2015	2014 30 June 2014
ASSETS		$ '000	$ '000
Non-current assets			
Goodwill	13	790	-
Property, plant & equipment	11	2,045	174
Investments in associate	15	-	5,075
Loans and other receivables		-	8,548
Total non-current assets		2,835	13,797
Current assets			
Inventories		-	-
Trade and other receivables	16	194	2,369
Cash and cash equivalents	17	1,450	3,132
Total current assets		1,644	5,501
TOTAL ASSETS		**4,479**	**19,298**
LIABILITIES			
Non-current liabilities			
Borrowings		-	-
Total non-current liabilities		-	-
Current liabilities			
Trade and other payables	18	(777)	(262)
Current tax liabilities		(126)	-
Borrowings		-	(115)
Total current liabilities		(903)	(377)
TOTAL LIABILITIES		**(903)**	**(377)**
NET ASSETS		**3,576**	**18,921**
EQUITY			
Issued capital	19	36,616	20,508
Foreign exchange reserve		27	(7)
Share option Reserve		2,720	
Retained earnings	20	(35,762)	(1,580)
TOTAL EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT		**3,601**	**18,921**
Minority non-controlling interests		(25)	-
TOTAL EQUITY		**3,576**	**18,921**

The notes on pages 17 to 32 form part of the financial statements. The financial statements on pages 12 to 32 were approved and authorised for issue by the Board of Directors on 26 April 2016 and were signed on its behalf.

Ian H. Mann
Non-Executive Chairman
26 April 2016

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Share Option Reserve	Foreign Exchange Reserve	Minority non-controlling Interests	Total Equity
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance at 1st July 2013	9,652	(155)	-	-		9,497
Loss for the period	-	(1,425)	-	-		(1,425)
Other comprehensive income	-	-	-	(7)		(7)
Total comprehensive income for the period	-	(1, 580)	-	(7)		(1,432)
Transactions with owners						
Share issues - cash received	11,392	-	-	-		11,392
Share issue costs	(536)	-	-	-		(536)
Total transactions with owners	10,856	-	-	-		10,856
Balance at 30th June 2014	20,508	(1,580)	-	(7)		18,921
Loss for the period	-	(34,182)			(3)	(34,185)
Other comprehensive income		-	-	34		34
Total comprehensive income for the period	-	(34,182)	-	34	(3)	(34,151)
Transactions with owners						
Share issues - cash received	16,950	-	-	-	-	16,950
Share issue costs	(842)	-	-	-	-	(842)
Charge in relation to share-based payments	-	-	2,720	-	-	2,720
Acquisition of Subsidiaries	-	-	-			-
Non-controlling Interests					(22)	(22)
Total transactions with owners	16,108	-	2,720	-	(22)	18,806
Balance at 31st December 2015	36,616	(35,762)	2,720	27	(25)	3,576

The notes on pages 17 to 32 form part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	2015 Period 18 months to 31 December 2015	2014 Period 12 months to 30 June 2014
	$ '000	$ '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(14,700)	(1,425)
Working Capital Adjustments:		
- Depreciation of property, plant and equipment	463	7
- Share of Associates profit	(88)	(1,075)
- Share option charge	2,720	-
- Net interest cost / (income)	-	(28)
Operating cash flow before movements in working capital	(11,605)	(2,521)
Working capital adjustments:		
- Decrease/(Increase) in inventories	-	-
- Decrease/(Increase) in receivables	2,175	(1,498)
- Increase / (decrease) in payables	400	(159)
Cash used in operations	(9,031)	(4,178)
Net Interest (cost) / received	-	28
Net cash used in operating activities	(9,031)	(4,150)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,334)	(181)
Purchase of subsidiary, net of cash received		(3)
Disposal of Discontinued Operation	(6,459)	
Decrease /(Increase) in loans to associate		(8,545)
Net cash used in investing activities	(8,793)	(8,729)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	16,950	7,392
Share issue costs	(842)	(536)
Repayment of borrowings		-
Net cash flow from financing activities	16,108	6,856
Net increase / (decrease) in cash and cash equivalents	(1,716)	(6,023)
Cash and cash equivalents at start of the period	3,132	9,162
Effect of foreign exchange rate changes	34	(7)
Cash and cash equivalents at end of the period	1,450	3,132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Atlas African Industries Limited is incorporated and domiciled in Guernsey. The address of the registered office is given on page 33. The nature of the Group's operations and its principal activities are set out in the Chairman's Statement on page 2 to 3.

The presentational currency of the Group is US Dollars as this reflects the Group's planned business activities in sub-Saharan Africa and therefore the Group's financial position and financial performance.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2015, and have not been applied in preparing these consolidated financial statements. None of these new standards and amendments are expected to have a significant effect on the consolidated financial statements of the Group.

At the date of authorisation of these financial statements, the following Standards and Interpretations relevant to the Group's operations that have not been applied in these financial statements were in issue but not yet effective:

IFRS 9	Financial Instruments: Classification (effective for annual periods beginning on or after 1 January 2018)
IFRS 11	Join arrangements (effective for annual periods beginning on or after 1 January 2016)
IFRS 14	Regulatory deferral accounts (effective for annual periods beginning on or after 1 January 2016)
IFRS 15	Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2017)
IAS 16/41	Agriculture: Bearer plants (Effective for annual periods beginning on or after 1 January 2016)
IAS 16/38	Clarification of acceptable methods of depreciation and amortisation (effective for annual periods beginning on or after 1 January 2016)

September 2014 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2016)

The Directors do not anticipate that the adoption of these Standards and Interpretations will have a material impact on the Group's financial statements in the period of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December 2015. Control is achieved when 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 results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised income and expenses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has a binding obligation to make payments on behalf of an associate.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2 Going concern

The board has detailed its considerations relating to Going Concern in note 6 of the financial statements.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Foreign currency translation

Foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the income statement.

2.4 Operating loss

Operating loss consists of operating expenses and excludes interest income net of finance costs.

2.5 Interest income

Interest income is accrued on an amortised cost basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.6 Taxation

The Company is resident for taxation purposes in Guernsey and its income is subject to income tax, presently at a rate of zero per cent per annum. The income of overseas subsidiaries is subject to tax at the prevailing rate in each jurisdiction.

2.7 Financial assets

Financial assets are classified into the following specific categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, available-for-sale (AFS) financial assets and 'loans and receivables'. The classification depends upon the nature and purpose of the financial asset and is determined at the time of initial recognition.

2.8 Investment in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally grouping a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

The Group also assesses the existence of control where it does not have more than 50% of the voting rights but is able to govern the financial and operating policies of a subsidiary. Control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

2.9 Investment in Associates

Associates are entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting. Under this method the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount if the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and the its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statements

2.10 Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consideration over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised in the income statement and is not subsequently reversed.

Acquisitions accounted for under IFRS 3 the consideration used in the calculation of goodwill includes third party costs incurred to effect the acquisition. Following the adoption of IFRS 3 (revised) (acquisitions from 1 January 2010) these costs are expensed through the income statement and included in costs of acquisitions.

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

For acquisitions accounted for under IFRS 3, future anticipated payments to vendors in respect of earnouts are based on the Directors' best estimates of the fair value of future obligations, which are dependent on future performance of the interests acquired and assume the operating companies improve profits in line with Directors' estimates and are included in liabilities greater or less than one year as appropriate. There will be no depreciation or amortisation of goodwill in the month of acquisition.

Following the adoption of IFRS 3 (revised), changes to earnouts are recorded in the income statement through costs of acquisitions. In this instance, when earnouts are to be settled in cash or share consideration, the fair value of the consideration is obtained by discounting to present value the amounts expected to be payable in the future. The resulting interest charge is included within finance costs of deferred consideration.

When a business is acquired from former shareholders who become employees of the Group, should their earn out payments be dependent on continuing employment then all payments are treated as remuneration for post acquisition services. This is a change to the previously adopted policy of the Group and is as a result of the publication in January 2013 of the IFRS IC Update of the Committee's agenda decision on IFRS 3 Business Combinations–Continuing employment.

The charge to the income statement is included in deemed remuneration and the fair value of the liability is included as deemed remuneration in the balance sheet, classified as current or non-current liabilities as appropriate.

In accordance with IFRS an impairment charge is required for both goodwill and other indefinite lived assets when the carrying amount exceeds the 'recoverable amount', defined as the higher of fair value less costs to sell and value in use.

Our approach in determining the recoverable amount utilises a discounted cash flow methodology, which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, tax rates, appropriate discount rates and working capital requirements.

These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. In addition, judgments are applied in determining the level of cash-generating unit we identify for impairment testing and the criteria we use to determine which assets should be aggregated.

2.11 Valuation and asset lives of separately identifiable intangible assets

In order to determine the value of the separately identifiable assets on the acquisition of a business combination, management are required to make estimates when utilising the Group's valuation methodologies. These methodologies include the use of discounted cash flows, revenue and profit before tax multiples. Asset lives are estimated based on the nature of the intangible asset acquired and range between 1 and 5 years and indefinite lives.

2.12 Impairment of goodwill and other intangible assets

There are a number of assumptions the Directors have considered in performing impairment reviews of goodwill and intangible assets, as determining whether goodwill or intangible assets are impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires Directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate net present value

2.13 Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation (see below) and impairment. Historical cost includes expenditure that is directly attributable to the acquisition. Subsequent costs are included in the asset's carrying value when it is considered probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each item, as follows:

- Plant and Equipment, 20%
- Motor Vehicles, 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds received with the carrying amount of the asset immediately prior to disposal and are included in profit and loss.

2.14 Loans and receivables

Loans and other receivables are not interest bearing and are initially recognised at their fair value and are subsequently stated at amortised cost using the effective interest method as reduced by appropriate allowances for estimated irrecoverable amounts.

2.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are subject to an insignificant risk of changes in value.

3. FINANCIAL LIABILITIES

3.1 Trade and other payables

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

3.2 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of the resources will be required to settle the obligation and the amount can be reliably estimated.

3.3 Equity instruments

Equity instruments issued by the Group are recorded at fair value on initial recognition, net of transaction costs.

4. FINANCIAL RISK FACTORS

The Group's principal financial instruments comprise cash, loans and receivables and short-term deposits. Together with the issue of equity share capital, the main purpose of these is to finance the Group's operations and expansion. The Group has other financial instruments such as trade and other receivables and trade payables.

The Group have not entered into any derivative or other hedging instruments.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk (including interest rate risk and currency risk). The Board reviews and agrees policies for managing each of these risks and these are summarised below. The interest receivable relates to interest earned on bank deposits.

Credit risk

Credit risk arises from financial assets, cash and cash equivalents, and deposits with banks and financial institutions, as well as outstanding receivables. At the period end the Group's principal deposits were held with banks with a high credit rating. Receivables are regularly monitored and assessed for recoverability.

The fair value of financial assets and liabilities is not materially different to the carrying values presented.
Maximum exposure to credit risk is as follows:

	2015 Period 18 months to 31st December 2015 $ '000	2014 Period 12 months to 30th June 2014 $ '000
Trade and other receivables	194	2,369
Loans to associate	-	8,548
Cash and cash equivalents	1,450	3,132
Total	1,644	14,049

No aged analysis of financial assets is presented as no financial assets are past due at the reporting date.

Liquidity risk

The Group's policy throughout the period has been to ensure that it has adequate liquidity by careful management of its working capital. At 31 December 2015 the Group held cash deposits of $1.5m (30 June 2014: $3.1m).

Market risk

The significant market risk exposures to which the Group is exposed are currency risk, and interest rate risk. These are discussed further below:

Interest rate risk

The Group finances operations through the use of cash deposits at variable rates of interest for a variety of short term periods, depending on cash requirements. The rates are reviewed regularly and the best rate obtained in the context of the Group's needs. The weighted average interest rate on deposits was 0.1%.

The exposure of the financial assets to interest rate risk is as follows:

	2015 Period 18 months to 31st December 2015 $ '000	2014 Period 12 months to 30th June 2014 $ '000
Financial assets at floating rates - Cash and cash equivalents	1,450	3,132

Currency risk

The Group holds cash balances and has transactions denominated in currencies other than the reporting currency and which therefore are subject to fluctuations in exchange rates. These risks are monitored by the board on a regular basis.

The Group does not hedge against the effects of exchange rates.

The exposure of the Group's financial assets and liabilities to currency risk is as follows:

	Sterling	USD	Other	Total
	$ '000	$ '000	$ '000	$ '000
Cash and cash equivalents	44	1,395	11	1,450
Trade and other receivables	157	37	-	194
Total financial assets at 31 December 2015	201	1,433	11	1,644
Trade payables	(32)	(60)	(290)	(382)
Other payables	(260)	(74)	(61)	(395)
Total financial liabilities at 31 December 2015	(292)	(134)	(351)	(776)

Fair values

The Directors have reviewed the financial statements and have concluded that there is no significant difference between the carrying values and the fair values of the financial assets and liabilities of the Group as at 31 December 2015.

Capital risk management

The Group assess capital requirements regularly. The capital structure of the Group comprises its net debt (the borrowings after deducting cash and bank balances) and equity of the Group as shown in the balance sheet. The requirement for capital is satisfied by the issue of shares.

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group places funds which are not required in the short term on deposit at the best interest rates it is able to secure from its bankers.
The Group is under no obligation to meet any externally imposed capital requirements.

Sensitivity analysis

Financial instruments affected by market risk include cash and cash equivalents, trade and other receivables and payables. The following analysis, required by IFRS 7 Financial Instruments: Disclosures, is intended to illustrate the sensitivity of the Group's financial instruments (at period end) to changes in market variables, being exchange rates and interest rates.

	Income Statement $ '000	Equity $ '000
+5% US$ Sterling	(5)	(5)
-5% US$ Sterling	5	5

The following assumptions were made in calculating the sensitivity analysis:
- all income statement sensitivities also impact equity
- translation of foreign subsidiaries and operations into the Group's presentation currency have been excluded from this sensitivity.

Interest Rates
The following table details the Group and Company's exposure to interest rate changes, all of which affect profit and loss only with a corresponding effect on accumulated losses. The sensitivity has been prepared assuming the liability outstanding at the balance sheet date was outstanding for the whole period. In all cases presented, a positive number in profit and loss represents an increase in interest income / decrease in finance expense. The sensitivity is presented assuming interest rates increase by either 20bp or 50bp.

	Income Statement $ '000	Equity $ '000
+ 20 bp increase in interest rates	2	2
+ 50 bp increase in interest rates	4	4
- 20 bp increase in interest rates	(2)	(2)
- 50 bp increase in interest rates	(4)	(4)

The above sensitivities are calculated with reference to a single moment in time and will change due to a number of factors including:
- fluctuating trade receivable and trade payable balances
- fluctuating cash balances
- changes in currency mix

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS as adopted in the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

6. GOING CONCERN

The board has prepared forecasts for the Group covering the period of 12 months from the date of approval of these financial statements.

The directors believe that, the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

7. SEGMENT REPORTING

The directors consider that during the period the Group operated primarily in Kenya and Mauritius. Segment information about these businesses is presented below:

	2015	2015	2015	2015
	Kenya	Mauritius	Unallocated	Total
	$ '000	$'000	$ '000	$ '000
Revenue				
External Sales	-	2,138	1,009	3,147
Inter-segment sales	-	-	-	-
Total revenue	-	2,138	1,009	3,147
Segment results				
Operating profit/(loss) by segment	-	646	(12,714)	(12,068)
Share option charge	-	-	(2,720)	(2,720)
Share of results of associates	-	88	-	88
Operating profit/(loss)	-	734	(15,434)	(14,700)
Finance costs	-	-	-	-
Loss before taxation	-	734	(15,434)	(14,700)
Tax	-	(24)	(61)	(85)
Loss for the period from Continuing Operations	-	710	(15,495)	(14,785)
Loss for the period from Discontinued Operations	(19,400)	-	-	(19,400)
Loss for the period	(19,400)	710	(15,495)	(34,185)
Consolidated Total Assets	**-**	**161**	**3,714**	**3,875**
Consolidated Total Liabilities	**-**	**(24)**	**(878)**	**(902)**

8. LOSS FOR THE PERIOD

Operating expenses include:

	2015 Period 18 months to 31st December 2015 $ '000	2014 Period 12 months to 30th June 2014 $ '000
Foreign exchange (gains)/losses	1,288	(406)
Consultancy fees	1,230	446
Staff Costs (see note 9)	2,130	315

Amounts payable to Meralis Chartered Accountants and Registered Auditors in respect of services are as follows:

	2015 $ '000	2014 $ '000
Audit services - statutory audit of the company's financial statements	75	59
Corporate transactions services	-	95

9. STAFF COSTS

The average monthly number of employees (including executive directors) employed by the Group during the period was 900 (2014: 5)

The aggregate remuneration comprised:

	2015 Period 18 months to 31st December 2015 $ '000	2014 Period 12 months to 30th June 2014 $ '000
Directors Fees	1,535	371.6

The remuneration of the Directors, who are the key management personnel of the Group are set out below:

	2015 Period 18 months to 31st December 2015 $ '000	2014 Period 12 months to 30th June 2014 $ '000
P H Edmonds	-	78.3
A S Groves	80	78.3
A R Burns	-	78.3
J W Wright	40	40.0
I H Mann	40	40.0
C J Esprey	401	56.7
L Monro	535	-
B Lobel	439	-
Total Directors Fees	1,535	371.6

No contributions were made to pension schemes for any of the directors or employees (2014: nil).

10. INCOME TAX EXPENSE

The Company is resident for taxation purposes in Guernsey and its income is subject to Guernsey income tax, presently at a rate of zero.

	2015 Period 18 months to 31st December 2015 $ m	2014 Period 12 months to 30th June 2014 $ m
Loss before tax	(34.1)	(1.4)
Loss before tax	(0.1)	(0.4)
Tax (credit)/charge reported for continuing operations (**)	0.1	-
Difference	(0.2)	0.4
Difference explained as:		
Losses not allowable (in Guernsey)	-	0.7
Effect of accounting for associate	(0.2)	(0.3)
	(0.2)	0.4

Although the Company has incurred a loss in the period there is no carried forward tax losses given the nil rate.

** The associate has reported a $0.2m (2014:$0.3m) tax charge for the period since acquisition, a 49% share of which is included in the $0.2m (2014:$1.1m) post-tax profits reported by Ardan Risk and Support Services.

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	2015 Period 18 months to 31st December 2015 $ '000	2014 Period 12 months to 30th June 2014 $ '000
Loss for the purposes of basic loss per share from continuing operations	(14,785)	(1,425)
Loss for the purposes of basic loss per share from continued and discontinued operations	(34,185)	(1,425)

Number of shares

	2015 Period 18 months to 31st December 2015 $ '000	2014 Period 12 months to 30th June 2014 $ '000
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	414,537,392	283,720,834
Loss per Share from continuing operations	(3.58) cents	(0.5) cents
Loss per Share from continuing and discontinued operations	(8.21) cents	(0.5) cents

No options or instruments which might give rise to dilution were in issue during the period.

Share options have not been included in the calculation of EPS because their exercise is contingent on the satisfaction of certain criteria that had not been met at 31 December 2015. The total number of options in issue is disclosed in Note 22.

12. PROPERTY, PLANT AND EQUIPMENT

COST	Plant & Equipment $ '000	Motor Vehicles $ '000	Total $ '000
As at 1 July 2014	7	174	181
Additions	2,321	13	2,334
As at 31 December 2015	2,328	187	2,515
DEPRECIATION			
As at 1 July 2014	(1)	(6)	(7)
Charge for the period	(444)	(19)	(463)
As at 31 December 2015	(445)	(25)	(470)
NET BOOK VALUE at 31 December 2015	1,883	162	2,045
NET BOOK VALUE at 30 June 2014	6	168	174

13. DISCONTINUED OPERATIONS (ARDAN LOGISTICS KENYA)

The Board identified Ardan Risk & Support Services, ("ARSS") as an appropriate acquisition target and on 5 August 2013 the Company entered into an acquisition agreement pursuant to which the Company agreed to acquire a 49% interest in the ARSS for a consideration of US$4m, satisfied by the issue of new Ordinary Shares. In addition, the Company was granted a period of exclusivity with a view to entering into an agreement to acquire the remaining 51% interest in ARSS.

On 28 March 2014, the Company entered into a Framework and Option Agreement pursuant to which ARSS, overseen by the Company, undertook a corporate and contractual restructuring programme to rationalise operational management, and implementation, planning and reporting. The Company was also granted a three year conditional call option to acquire 100% of Ardan Logistics Kenya, ("ALK"), a separate and new 'shell' company from which the restructured business would be operated.

On 26 September 2014 the Company exercised the call option granted to it pursuant to the framework and option agreement announced on 28 March 2014, to acquire the entire issued share capital of ALK. Following receipt of shareholder approval for the Acquisition granted at a general meeting held on 22 October 2014 the Company completed the acquisition of ALK.

Consideration Paid

	$ '000
Cash	-
Shares Issued	4,000
Conversion of Loans to associate into equity	8,545
Total Consideration Paid	12,545

The transfer of business (including the novation of contracts and the transfer of net assets etc) was completed on 1 January 2015. The identifiable assets acquired are:

	$ '000
Property plant and equipment	11,749
Inventories	253
Trade receivables	8,011
Other receivables	833
Cash and cash equivalents	3,226
Loans and borrowings	(6,145)
Trade payables	(4,263)
Other payables	(5,292)
Net Assets Acquired	8,371

Goodwill was recognised as a result of the acquisition as follows:

	$ '000
Total Purchase Price	12,545
less: Net Assets Acquired	8,371
Goodwill	4,174

On 30 November 2015, the Company took the decision to place its Kenyan subsidiaries (ALK, Ardan (Civil Engineering) Limited and Ardan (Medical Services) Limited) into liquidation by way of a Creditors Voluntary Liquidation. The downturn in the oil and gas industry, market adjustments and the failure of certain key clients to settle debts, together with increasing creditor pressure has led to the decision to close its Kenyan operations.

The Loss relating to the Discontinued Operations are as follows:

	$ '000
Revenue	10,218
Expenses	(16,057)
Finance expense	(155)
Loss before Tax	(5,994)
Tax	(69)
Loss after Tax	(6,063)

Impairment of Investment	(3,470)
Impairment of Goodwill	(4,174)
Impairment of Loans Receivables	(5,692)
Total Loss Attributable to Discontinued Operations	(19,400)

14. ACQUISITION OF SUBSIDIARIES

On 19 November 2015 the Company announced the creation of an industrial division with an initial focus on consumer based industrial projects to broaden its business offering. The industrial division will allow the Company to take advantage of unique on the ground access to highly prospective industrial projects in exciting growth markets. As part of the Company's first project within the industrial division, Atlas signed an acquisition agreement on 3 December 2015 to acquire East Africa Packaging Holdings Limited ('EAPH'), a company established to build a new state-of-the-art glass bottle manufacturing facility 45 kilometres north of Addis Ababa, Ethiopia (the 'Chancho Project').

EAPH has two investments, TEAP Glass plc and Kalamu Management Services Limited.

TEAP Glass plc, a 100% Ethiopian subsidiary and the trading entity from which the Chancho Project will operate. The identifiable assets acquired in EAPH (inclusive of TEAP Glass plc) are:

	$ '000
Property plant and equipment	95
Intangible Assets	186
Trade receivables	3
Cash and cash equivalents	9
Loans and borrowings	(890)
Trade payables	(6)
Net Assets Acquired	(603)

Goodwill was recognised as a result of the acquisition as follows:

	$ '000
Total Purchase Price	-
less: Net Assets Acquired	(603)
Goodwill	603

Kalamu Management Services Limited is a Mauritian Management Services entity, of which EAPH owns 33%. Separately to this investment, the Company has a direct investment in Kalamu Management Services Limited for 33% and as a result of the purchase of EAPH, the Company now owns 66% of Kalamu Management Services Limited, henceforth acquiring control of the entity and accordingly goodwill is recognised at such point. Up to 19 November, Kalamu was treated as an investment in an associate, after which it has been treated as a subsidiary

The identifiable assets acquired in Kalamu Management Services Limited at acquisition are:

	$ '000
Property plant and equipment	53
Trade and other receivables	17
Cash and cash equivalents	13
Loans and borrowings	(366)
Trade payables	(2)
Net Assets Acquired	(284)
66% acquired by the Group	(187)

Goodwill was recognised as a result of the acquisition as follows:

	$ '000
Total Purchase Price	-
less: Net Assets Acquired	(187)
Goodwill	187

15. INVESTMENTS IN SUBSIDIARIES

Investments include:

	Country of registration / incorporation	Class of Shares held	% ownership	Principal Activity
ADSS Holdings Limited (formerly Ardan Risk Holdings)	Mauritius	Ordinary	100	Investment Holding
ADSS Trading Limited (formerly Ardan Risk Trading)	Mauritius	Ordinary	100	Trading Entity
East Africa Packaging Holdings Limited	Mauritius	Ordinary	100	Investment Holding
TEAP Glass plc	Ethiopia	Ordinary	100	Trading Entity
Atlas Development (Engineering) PLC	Ethiopia	Ordinary	100	Trading Entity
ADSS Extractive Mining Oil and Gas Supportive Services	Ethiopia	Ordinary	50	JV Trading Entity
Kalamu Development & Support Services	Tanzania	Ordinary	100	Trading Entity
Ardan Servicos Medicos Limitada	Mozambique	Ordinary	100	Dormant Entity
Ardan Servicos Logisticos Limitada	Mozambique	Ordinary	100	Dormant Entity
Kalamu Management Services Limited	Mauritius	Ordinary	66	Trading Entity
Subsidiaries liquidated during period				
Ardan Logistics Kenya Limited	Kenya	Ordinary	Liquidated on 30 Nov 2015	
Ardan (Civil Engineering) Limited	Kenya	Ordinary	Liquidated on 30 Nov 2015	
Ardan (Medical Services) Limited	Kenya	Ordinary	Liquidated on 30 Nov 2015	

The Directors consider the carrying amount of investment in subsidiaries has not suffered any impairment loss.

16. INTEREST IN ASSOCIATE COMPANIES

	31 December 2015 $ '000	30 June 2014 $ '000
Investment in Associate	-	4,000
Share of Profit for Period	88	1,075
TOTAL	88	5,075

The investment in associate refers to the investment in Ardan Risk & Support Services, ("ARSS"), which is detailed in Note 13 and Kalamu Management Services Limited which is reference in Note 14.

17. TRADE AND OTHER RECEIVABLES

All non-current receivables are due within five years from the end of the reporting period.

	2015 Period 18 months to 31st December 2015 $ '000	2014 Period 12 months to 30th June 2014 $ '000
Trade receivables	-	-
Other Receivables	5	2,369
Prepayments	166	-
Rental Deposits	23	-
Loans to associate	-	8,545
	194	10,914
Less non-current portion: loans to associate	-	(8,545)
TOTAL CURRENT ASSETS	194	2,369

The effective interest rates on non-current receivables were 2.2%.

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

There are no significant amounts past due.

18. CASH AND CASH EQUIVALENTS

	2015 Period 18 months to 31st December 2015 $ '000	2014 Period 12 months to 30th June 2014 $ '000
Cash and cash equivalents	1,450	3,132

19. FINANCIAL LIABILITIES

TRADE AND OTHER PAYABLES	2015 Period 18 months to 31st December 2015 $ '000	2014 Period 12 months to 30th June 2014 $ '000
Trade Payables	369	262
Other Payables	407	115
TOTAL TRADE AND OTHER PAYABLES	776	377

Other payables principally comprise amounts outstanding for trade purchases and ongoing costs.

The Directors consider that the carrying amount of financial liabilities approximates their fair value.

20. SHARE CAPITAL

	Allotted and fully paid	
Ordinary shares of no par value	Number	$'000
At 30 June 2014	315,773,366	20,508
Issue of shares	117,289,827	16,104
Total share Capital:		
At 31 December 2015	433,063,193	36,616

The Company has one class of ordinary share which carries no right to fixed income.

On 15 August 2014, 77.8 million ordinary shares were issued for cash at a price of 9.0 pence per ordinary share.

On 23 October 2014, the Company issued 350,000 ordinary shares in part payment for services rendered by an advisor.

Between 24 October 2014 and 31 December, the Company issued 39.1 million ordinary shares at a price of 6.0-7.0 pence per ordinary share.

21. MOVEMENT IN RETAINED EARNINGS

	2015 $ '000	2014 $ '000
Prior Period Losses	(1,580)	(155)
Loss for the period	(34,182)	(1,425)
Retained Earnings	(35,762)	(1,580)

22. SHARE-BASED PAYMENTS

The Group operates a share plans relating to shares in the parent company known as the AOL Share Option Scheme 2013. The Group recognised total expenses of $2,720k related to equity-settled share based payment transactions.

Share Options
The exercise price of the options granted under the share option scheme is determined at every grant date and set for each grant. There is generally no vesting period but in certain instances vesting periods of 6-30 months has been included. Options are forfeited if the employee leaves the Group before the options vest.

The following information relates to these share option scheme:

	2015 Options	2015 Weighted average exercise price (in GBp)
Outstanding at beginning of period	-	-
Granted during the period	64,000,000	0.07
Lapsed during the period	-	-
Exercised during the period	-	-
Outstanding at the end of the period	64,000,000	0.07
Exercisable at the end of the period	30,000,000	0.06
Weighted average remaining contractual life	9.2	9.2
Weighted average share price for options exercised at the date of exercise	-	-

The fair value was calculated using the Monte Carlo and Black Scholes models. In valuing the options, the following assumptions were used:

	2015	2014
Weighted average share price	9.12pence	-
Weighted average exercise price	9.35pence	-
Expected volatility	31.53%	-
Risk-free rate	1.80%	-

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

23. CONTROLLING PARTY

The Directors believe that there is no ultimate controlling party.

24. CONTINGENCIES

A subsidiary, Kalamu Development & Support Services has a contingent liability relating to Input VAT claimed on expenditure. The VAT Returns were not filed within the required 6 month period and as such the Company may be denied such claim and have an additional VAT liability of $87k.

25. OTHER MATTERS

A subsidiary, Kalamu Development & Support Services operating in Tanzania has ceased operations during the period under review. Operations in Tanzania commenced in January 2015 and were scheduled to continue for 12 months however the contract was terminated in October 2015 by the Company due to non-payment by the contracting client.

The Loss relating to the ceased operations are as follows:

	$ '000
Revenue	1,009
Expenses	(813)
Provision for Doubtful Debts	(620)
Finance Expense	(2)
Loss before Tax	(426)
Tax	(59)
Loss after Tax	(485)

26. RELATED PARTIES

C Esprey, L Monro and B Lobel, Directors of the Group during the period, are also members of Calary Services Limited ("Calary"). Related party transactions are entered into on an arm's length basis. No provisions have been made in respect of amounts owed by or to related parties. During the period Atlas provided loans to Calary of $305k for the purposes of establishing treasury and administrative services for the Group. Calary subsequently provided loans to Kalamu Management Services Limited of $115k, resulting in a net receivable by the Company at 31 December 2015 of $190k. Post period end, these loans have been fully repaid to the Company.

After the period end, commission of US$172k was paid to Ocelot Investment Group Limited, a company controlled by AS Groves.

The remuneration of the Directors, who are the key management personnel of the Group, is set out in note 9.

27. POST BALANCE SHEET EVENTS

On 15 February 2016, the Board announced its intention to raise US$5m through an issue of new Ordinary Shares by way of a Placing at a Placing Price of 0.325 pence per Ordinary Share. The proceeds of the Placing are be used to fund a full feasibility study for the Company's Chancho Project in Ethiopia, a new state-of-the art glass manufacturing facility 45km north of the capital, Addis Ababa, as well as initial construction works. The Board also announced the posting of a notice and circular convening a General Meeting to vote on resolutions relating to the Placing and to the proposed change of name to 'Atlas African Industries Limited'.

On 16 February 2016 the Board announced that it has successfully raised US$5m before expenses by way of an issue of 1,064,307,692 new ordinary shares of no par value in the Company at a price of 0.325 pence per ordinary share.

On 17 March 2016 the Company announced a change of name from Atlas Development & Support Services Limited to Atlas African Industries Limited.

During the first quarter of 2016 the Company announced various updates and completion of key milestones relating to the Chancho Project in Ethiopia, including the following:

- Granted a 100 year land lease certificate and construction licence covering an area of 5.5 ha of the Chancho site
- Commenced ground breaking at the Chancho site
- Appointment of design consultant, MH Engineering to advance Ethiopian bottling project
- MOU with Ethiopian Brewery to Supply Glass Bottles

COMPANY INFORMATION AND ADVISORS

Directors

Ian Mann,	Non-Executive Chairman
Carl Esprey,	Chief Executive Officer
Barry Lobel,	Chief Financial Officer
Lachlan Monro,	Chief Operating Officer
Andrew Groves,	Non-Executive Director
Jonathan Wright,	Non-Executive Director

Secretary

Philip Enoch MA (Oxon)

Registered Office

Richmond House
St Julian's Avenue
St Peter Port
Guernsey GY1 1GZ

UK Nominated Adviser and Sole Broker

Stifel Nicolaus Europe Limited
150 Cheapside
London, EC2V 6ET

Kenyan Nominated Adviser

Kenya:
Burbidge Capital
4th Floor Nivina Towers, Westlands Road
Museum Hill, Westlands
Nairobi, Kenya

Auditor

Meralis Chartered Accountants and Registered Auditors
Chartered Accountants
Scottish Provident House, 76/80 College Road,
Harrow, HA1 1BQ.

Solicitors

As to Guernsey Law
Carey Olsen LLP
8–10 Throgmorton Avenue, London EC2N 2DL

Bankers

Metro Bank PLC, London, United Kingdom
CfC Stanbic Centre, Museum Hill/Chiromo Road, Nairobi

Registrars

Capita Registrars (Guernsey) Limited
Mont Crevelt House, Bulwer Avenue, St Sampson
Guernsey GY2 4LH

Financial Public Relations

St Brides Partners
3 St. Michael's Alley, London, EC3V 9DS