

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

***AFRICA INTERNATIONAL CAPITAL LTD - ANGOLA INTERNATIONAL
CAPITAL***

For the nine months ended 30 September 2015

Company information

AFRICA INTERNATIONAL CAPITAL LTD - ANGOLA INTERNATIONAL CAPITAL For the nine months ended 30 September 2015

1. **Date of Incorporation of Africa International Capital Ltd - Angola International Capital:**
12 March 2014

2. **Directors of Africa International Capital Ltd - Angola International Capital:**

	Appointed
Christopher Darnell (Chief Executive Officer)	18 March 2014
Evan Behrens	25 July 2014
Gerhard Greif	25 July 2014
Garth Lorimer Turner	25 July 2014
Tracy Packwood	25 July 2014
Dilek Macit	23 January 2015
Matthew Milller	23 January 2015
Pavlos Papageorgiou	16 July 2015

3. **Registered Office of Africa International Capital Ltd - Angola International Capital:**
Clarendon House, 2 Church Street,
Hamilton, HM 11,
Bermuda

4. **Secretary of Africa International Capital Ltd - Angola International Capital:**
Codan Services Limited
Clarendon House, 2 Church Street,
Hamilton, HM 11,
Bermuda

5. **Auditors of Africa International Capital Ltd - Angola International Capital:**
Ernst & Young Incorporated
102 Rivonia Road
Sandton
Johannesburg
South Africa

Interim condensed consolidated statement of comprehensive income
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

	Notes	1 Jan 2015 to 30 Sept 2015	1 Jan 2014 to 30 Sept 2014
		Unaudited USD 000's	Unaudited USD 000's
Rental income	5	2,429.1	-
Property operating expenses	6	(309.8)	-
Net rental income		2,119.3	-
Other income	5	318.0	-
Administration expenses	6	(660.1)	-
Operating profit		1,777.2	-
Gain from exchange rate differences		2.7	-
Finance costs	7	(488.3)	-
Transition costs	8	(92.6)	-
Transaction costs	9	(772.6)	-
Net loss before taxation		426.4	-
Taxation	10	(243.3)	-
Profit for the period		183.1	-
Other comprehensive income			
Exchange differences on translation		(8,127.4)	-
Other comprehensive income		(8,127.4)	-
Total comprehensive loss for the period, net of tax		(7,944.3)	-
Earnings/loss per share (USD)			
Basic and diluted earnings/(loss) for the period attributable to ordinary equity holders of the Company and its subsidiaries (dollars)	11	0.37	-

Notes:

This statement is to be read in conjunction with the Notes to the Financial Statements on pages 7 to 17.

Interim condensed consolidated statement of financial position
Africa International Capital Ltd - Angola International Capital
As at 30 September 2015

		30 Sept 2015	31 Dec 2014
		Unaudited	Audited
		USD 000's	USD 000's
Assets	Notes		
Non-current assets			
Investment property	12	23,344.7	-
Property plant & equipment	13	3.8	-
Total non-current assets		23,348.5	-
Current assets			
Trade and other receivables	14	949.4	-
Cash and cash equivalents	15	368.9	3.2
Total current assets		1,318.3	3.2
Total assets		24,666.8	3.2
Equity and liabilities			
Equity			
Issued capital	16	500.0	500.0
Preference shares	16	30,000.0	-
Reserves		(8,127.4)	-
Retained earnings		(488.5)	(671.6)
Total equity		21,884.1	(171.6)
Non-current liabilities			
Provision		-	-
Total non-current liabilities		-	-
Current liabilities			
Trade and other payables	17	921.4	-
Deferred revenue	18	568.2	-
Deposits from tenants	19	275.5	-
Promissory note	20	-	-
Amounts due to related parties	22	1,017.6	174.8
Total current liabilities		2,782.7	174.8
Total equity and liabilities		24,666.8	3.2

Notes:

This statement is to be read in conjunction with the Notes to the Financial Statements on pages 7 to 17.

Interim condensed consolidated statement of changes in equity
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

	Issued Capital (Note 14) USD 000	Foreign Currency Translation Reserve USD 000	Preference Shares USD 000	Retained earnings USD 000	Total USD 000
As at 1 January 2015	500.0	-	-	(671.6)	(171.6)
Profit for the quarter	-	-	30,000.0	183.1	30,183.1
Other comprehensive income	-	(8,127.4)	-	-	(8,127.4)
As at 30 September 2015	500.0	(8,127.4)	30,000.0	488.5	21,884.1
As at 18 June 2014	-	-	-	-	-
Issuance of share capital	500.0	-	-	-	500.0
Profit for the quarter	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
As at 30 September 2014	500.0	-	-	-	500.0

Notes:

This statement is to be read in conjunction with the Notes to the Financial Statements on pages 7 to 17.

Interim condensed consolidated statement of cash flows
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 June 2015

	Notes	1 Jan 2015 to 30 Sept 2015	1 Jan 2014 to 30 Sept 2014
		USD 000's	USD 000's
Cash flows from operating activities			
Received from customers		1,828.7	-
Payments made to suppliers		(1,448.9)	-
Other receipts/(payments)		(143.0)	-
Net cash outflows from operating activities		236.8	-
Cash flows from investing activities			
Inflows from acquisition of subsidiary (As at 23 January 2015)		1,595.8	-
Proceeds from sale of motor vehicle		30.1	-
Net cash inflows from investing activities		1,625.9	-
Cash flows from financing activities			
Loan from related party		255.0	3.2
Payment on account		(1,305.5)	-
Transaction costs		(261.6)	-
Net cash inflows from financing activities		(1,312.1)	3.2
Net decrease in cash and cash equivalents		550.6	3.2
Loss on foreign currency translation		(184.9)	-
Cash and cash equivalents at beginning of period		3.2	-
Cash and cash equivalents at end of period	15	368.9	3.2

Notes:

This statement is to be read in conjunction with the Notes to the Financial Statements on pages 7 to 17.

Notes accompanying the interim condensed consolidated financial statements

Africa International Capital Ltd - Angola International Capital

For the nine months ended 30 September 2015

1. Corporate information

Africa International Capital Ltd (herein called the Company) was incorporated in Bermuda under the Companies Act 1981 on 12 March 2014 having unlimited duration with registration number 48815. The Company was registered as a segregated accounts company under the Segregated Accounts Companies Act 2000 on 18 June 2014.

Angola International Capital (referred to herein as the Angola Business Unit) was established by the Company as a segregated account of the Company on 18 June 2014 and named 'Angola International Capital' in respect of the Company's intended investment and operations in Angola. The Angola Business Unit was admitted to the Bermuda Stock Exchange on 15 August 2014. The registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

The financial statements are presented in US dollar (USD). USD is the presentational currency of Angola Business Unit and its subsidiaries (herein called the Group) and are rounded to the nearest thousand. As at 30 September 2015, USD is the functional currency of the Group.

The Group is principally engaged in real estate management in Angola and intends to acquire and operate investment properties to generate rental income.

2. Summary of significant accounting policies and disclosures

a) Basis of preparation

These interim condensed consolidated financial statements for the nine months ended 30 September 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Africa International Capital Ltd- Angola International Capital annual audited financial statements as at 31 December 2014.

These interim condensed consolidated financial statements for the nine months ended 30 September 2015 have not been audited or reviewed.

b) New policies, standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new policies, standards and interpretations effective as of 1 January 2015.

Investment property

Investment property comprises completed property that is held to earn rentals or for capital appreciation or both. Property held under an operating lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property is measured initially at cost.

Subsequent to initial recognition, investment property is stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any. The group assesses the residual value of the building at each reporting period and applies depreciation if the residual value is less than the carrying value of the business on a straight line basis over the estimated useful life of the property, usually between 15 to 30 years.

Investment property is derecognised when it has been disposed of, or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of investment property. Any gains or losses are recognised in the profit or loss in the year of retirement or disposal.

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

2. Summary of significant accounting policies and disclosures (continued)

Investment property (continued)

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

c) Impact of standards, interpretations and amendments issued but not yet effected by the Group

Revenue recognition

“Revenue from Contracts with Customers” (“IFRS 15”), provides a comprehensive five-step revenue recognition model for all contracts with customers. The IFRS 15 revenue recognition model requires management to exercise significant judgment and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after 1 January 2017, with earlier application permitted. The Group is currently evaluating the impact of adopting this standard on the consolidated financial statements.

Financial instruments

Financial Instruments” (“IFRS 9”), was issued by the IASB in July 2014 and will replace IAS 39, “Financial Instruments: Recognition and Measurement”. IFRS 9 introduces a model for classification and measurement, a single, forward-looking “expected loss” impairment model, and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses.

It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity’s own credit risk on such liabilities are no longer recognised in profit or loss. IFRS 9 is effective for annual periods beginning on or after 1 January 2018; however, it is available for early adoption. In addition, the own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. The Group is currently evaluating the impact of adopting this standard on the consolidated financial statements.

d) Critical accounting estimates and judgements

The preparation of interim financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates and judgments. Estimates and judgments are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2014 except for:

Provision for doubtful debts

A provision for doubtful debts has been raised based on a review of the outstanding trade receivable accounts as at the time of preparation of the financial statements which relate to the end of the reporting period. Given the nature of the business and the climate in which Angola operates, balances that are outstanding for more than 90 days at the reporting date have been written off and a provision raised for balances which remain outstanding for more than 30 days. Management believes that it is highly unlikely that these amounts will be recovered in the future, however, should the Group be able to recover some amounts these amounts will potentially increase revenue in future periods.

3. Operating segments

The Group operates one segment with one business activity: operating and managing residential and commercial real estate in Angola. All investment properties are held in Angola.

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

4. Asset Acquisition

On 23 January 2015, the Group acquired 100% of the voting shares of ADV Holding Ltd and its subsidiaries (ADV Group), an unlisted company based in the British Virgin Islands. The Group has acquired the ADV Group because it holds prominent real estate assets in Angola. The acquisition has been accounted for under the asset acquisition method (refer note 19). The interim condensed consolidated financial statements include the results of the ADV Group for the five month period from the acquisition date.

The fair value of identifiable assets and liabilities as at the date of acquisition were:

	Fair value recognised on acquisition
	USD 000
Assets	
Investment property	30,669.0
Cash	1,595.8
Trade and Other Receivables	2,972.2
Liabilities	
Trade and Other Payables	(2,000.8)
Working capital payable to vendor	(2,567.2)
Total identifiable net assets at fair value	30,669.0

From the date of acquisition, the ADV Group has contributed USD 2.7 million of revenue and USD 2.3 million to the net profit before tax from the continuing operations of the Group. If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been USD 3.3 million and the profit from continuing operations for the period would have been USD 2.4 million.

Transition costs of USD 0.09million have been expensed and are included in the statement of comprehensive income and are part of operating cash flows in the statement of cash flows.

5. Income

	1 Jan 2015 to 30 Sept 2015	1 Jan 2014 to 30 Sept 2014
	USD 000	USD 000
Rental income	2,429.1	-
Other Income	318.0	-
Total	2,747.1	-

Rental income is recorded Net of Imposto Predial Urbano (IPU) (Real estate income tax). IPU is currently set at 15%.

Other income contains a reversal of a provision for duty payable on rentals contracts and Real Estate Income Tax (IPU) owing to the Angolan Government amounting to \$228,467 (December 2014 \$-).

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

6. Property operating and administrative expenses

	1 Jan 2015 to 30 Sept 2015	1 Jan 2014 to 30 Sept 2014
	USD 000	USD 000
Property operating expenses		
Bad debt expense	32.3	-
Other property operating expenses	277.5	-
Total	309.8	-
Administrative expenses		
Other administrative expenses	660.1	-
Total	660.1	-

7. Finance costs

	1 Jan 2015 to 30 Sept 2015	1 Jan 2014 to 30 Sept 2014
	USD 000's	USD 000's
Interest expense	488.3	-
Total	488.3	-

Finance costs relate primarily to the variable interest rate charged by the vendor of the ADV Group for the period from 1 January 2015 to 30 September 2015 (refer to note 20).

8. Transition costs

	1 Jan 2015 to 30 Sept 2015	1 Jan 2014 to 30 Sept 2014
	USD 000's	USD 000's
Transition costs	92.6	-
Total	92.6	-

Transition costs relate to legal and other costs incurred during the acquisition process of the properties by the ADV Group.

9. Transaction costs

	1 Jan 2015 to 30 Sept 2015	1 Jan 2014 to 30 Sept 2014
	USD 000's	USD 000's
Transaction costs	772.6	-
Total	772.6	-

Transaction costs relate to legal and other costs incurred in connection with the issuance of the Corporate Bond (See subsequent events note 23).

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

10. Taxation

The group's revenues are subject to either corporate income tax or real estate income tax (IPU). Income that is subject to IPU is not subject to corporate income tax.

An overview of the Angolan tax that the group is subject to is listed below:

Corporate income tax

Corporate Income Tax is levied on all profits derived from Angola business activities carried out in Angola by resident or non-resident entities.

The tax rate applicable is 30%.

Tax payment obligations should be fulfilled under the following conditions: Companies have to file form Modelo 1 up to 31 May of the following year and advance payments of tax shall be made in July of the year.

Operating losses incurred by resident companies, or by a branch of a non-resident company, may be carried forward to set off against taxable profits for 3 years.

Real estate income tax (IPU)

IPU is levied on rental income earned by individuals or companies owning real estate assets on actual rental income when assets are leased. IPU is currently set at 15% and is payable by the end of the following month.

Withholding tax

Withholding tax is applied on payments made to persons and companies carrying out, occasionally or permanently, contracting services, subcontracting services or rendering of services, regardless of whether or not they have a head office, permanent office or permanent establishment in Angola.

The tax rate applicable is 6.5%

Tax collection/(payment) method: The tax shall be withheld by the contracting party for each payment made and paid over to the Tax Office within the following month, accompanied by a complete official document. The tax shall be paid in the currency which is determined in the respective contract and converted into Kwanzas.

Consumption tax

This tax is levied on the supply of goods and services as well as on the import of goods into Angola. The tax rate ranges from 2% to 30%, depending on the goods or service. The standard rate of consumption tax is 10%.

Several types of services that are not subject to taxation are subject to consumption tax at a rate of 5% or 10% are consultant services, dispatch services and the transportation of goods and passengers inside the Angolan territory. Whenever an Angola company provides a service subject to consumption tax, this tax should be included in the invoice issued with the tax cost being borne by the purchaser of the service. However, if these services are acquired to a non-resident entity, the Angola company shall self-assess consumption tax over the acquisition price and deliver it to the Angola tax authorities.

The Group has been subject to the following tax expense:

	1 Jan 2015 to 30 Sept 2015	1 Jan 2014 to 30 Sept 2014
	USD 000's	USD 000's
Corporate income tax	193.3	-
Consumption tax	7.2	-
Withholding tax	7.0	-
Other taxes	35.8	-
Total	243.3	-

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

10. Taxation (Continued)

Withholding tax and other tax expense relates to the payment of tax on behalf of non-resident Angolan companies.

In the previous year the Group was not liable for corporate income tax as the main revenue of the Group was rental income which was taxed with IPU. However, during the current year, the Group is also liable for corporate income tax as a result of the service income earned.

11. Earnings per share

Earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares.

Basic and diluted loss per share

	Nine months ended 30 Sept 2015	Nine months ended 30 Sept 2014
	USD '000	USD '000
Profit attributable to ordinary shareholders	183.1	-
Weighted average number of ordinary Shares (thousands)	500	-
Basic and diluted loss per share (dollars)	0.37	-

12. Investment property

	30 Sept 2015	31 Dec 2014
	USD 000's	USD 000's
Opening Balance	-	-
Acquisition of assets	30,669.0	-
Movement due to devaluation of Angolan Kwanza	(7,324.3)	-
Closing Balance	23,344.7	-

Upon acquisition, all investment properties are measured at cost. Originally the assets were acquired at USD 30.7m and recorded at the appropriate spot rate on the date of acquisition in the local company's books and records. On translation to the Group's presentation currency, the asset value has declined as a result of a depreciation of the Angolan Kwanza. The difference is taken through the foreign currency translation reserve.

13. Property plant & equipment

	30 Sept 2015	31 Dec 2014
	USD 000's	USD 000's
Opening Balance as at 1 January 2015	-	-
Additions	3.8	-
Depreciation	-	-
Closing Balance	3.8	-

Depreciation expense for the nine months ended 30 September 2015 of \$113 (30 September 2014 \$-) is included in administration expenses.

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

14. Trade and other receivables

	30 Sept 2015	31 Dec 2014
	USD 000's	USD 000's
Trade receivables	406.3	-
Provision for impairment of trade receivables	(6.6)	-
Net trade receivables	399.7	
Payment on account	401.3	-
Other receivables	148.4	-
Total	949.4	-

We foresee no further reduction in the carrying amount of other receivables.

Payment on account represents payments made to the vendor for the acquisition of Isha and Pina properties. This entire amount will be deducted from the amount owing to the vendor on settlement of the promissory note.

15. Cash and cash equivalents

	30 Sept 2015	31 Dec 2014
	USD 000	USD 000
Cash at bank and in hand	368.9	3.2
Total	368.9	3.2

16. Share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction in equity from the proceeds.

	Par Value	Shares authorised	Issued and fully paid shares	Issued but not fully paid shares
Share capital				
Ordinary Shares	\$1.00	250,500.0	500.0	-
Preference Shares	\$1.00	30,000.0	30,000.0	-
		280,500.0	30,500.0	-

	Africa International Capital Ltd- Angola International Capital Shares	
Reconciliation of shares outstanding	30 Sept 2015	31 Dec 2014
Opening balance	500	-
Issued and fully paid shares	30,000	500
Issued but not fully paid shares	-	-
Closing balance	30,500	500

Crescat Ventures Ltd owns 100% of the issued ordinary shares of the Angola Business Unit. Please refer to note 22 – Related Parties for information on the consideration provided by Crescat Ventures Ltd for 500,000 ordinary shares and 1 Series A Preference Share. Christopher Darnell, Chief Executive Officer of the Company, is the sole shareholder of Crescat Ventures Ltd.

On 08 September 2015, 30,000,000 Series B preference shares (par value \$1.0 per share) in exchange for the settlement of the outstanding promissory note.

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

17. Trade and other payables

	30 Sept 2015	31 Dec 2014
	USD 000's	USD 000's
Trade payables	389.1	-
Tax liability	187.7	-
Accrued expenses	200.0	-
Other liabilities	144.6	-
Total	921.4	-

Tax liabilities include:

- a) Corporate income tax accrued not yet due
- b) Corporate income tax withheld from suppliers payments

18. Deferred revenue

	30 Sept 2015	31 Dec 2014
	USD 000's	USD 000's
Deferred revenue	568.2	-
Total	568.2	-

Rent received in advance is deferred on the balance sheet and the total minimum lease payments are amortised on a straight-line basis in the profit or loss over the lease terms.

19. Deposits from tenants

	30 Sept 2015	31 Dec 2014
	USD 000's	USD 000's
Deposits from tenants	275.5	-
Total	275.5	-

Deposits from tenants represent amounts held as security in case of damages to the property and represent one months' rent. Deposits are refunded once a tenant vacates the property and the property inspection confirms that the property has been left in a satisfactory state.

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

20. Promissory note

	30 Sept 2015	31 Dec 2014
	USD 000's	USD 000's
Opening balance	-	-
Promissory note issued	30,669.0	-
Interest	488.3	-
Preference shares issued	(30,000.0)	-
Transfer to payment on account	(1,157.3)	-
Total	-	-

On 23 January 2015, in order to acquire the Isha and Pina properties, the Group acquired 100% of the voting shares of ADV Holding Ltd (ADV), an unlisted company based in the British Virgin Islands, in exchange with the vendor, the Angola Business Unit has executed a promissory note.

On 08 September 2015, 30,000,000 Series B preference shares (par value \$1.0 per share) were issued in exchange for the settlement of the outstanding promissory note.

21. Financial risk

The Group does not trade in financial instruments but, in the normal course of its operations, the Group is primarily exposed to credit, currency and liquidity risks.

In order to manage these risks, the Group may enter into transactions that make use of financial instruments. The Group has developed a comprehensive risk management process to facilitate, control and monitor these risks. This process includes normal documentation of policies, including limits, controls and reporting structures. The executive management and the Board of Directors are responsible for risk management activities within the Group.

a) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. The exposure to credit risk is monitored by management on an on-going basis. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience. The Group has no significant concentration of credit risk which has not been provided against at the period end.

The Group's cash and cash equivalents and short-term deposits are placed with high credit quality financial institutions

The carrying amount of the financial assets represents the Group's maximum exposure to credit risk without taking into consideration any collateral provided:

	30 Sept 2015	31 Dec 2014
	USD 000's	USD 000's
Trade receivables	399.7	-
Cash and cash equivalents	368.9	3.2
Total	768.6	3.2

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

21. Financial risk (continued)

b) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet a financial commitment in any location or currency. This risk is minimised through the holding of cash balances and regular cash flow forecasts prepared and reviewed so that the cash needs of the Group are managed according to its requirements.

The following table details the Group's contractual maturity for its non-derivative financial liabilities. The table has been compiled based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to repay the liability:

	Less than 1 year	More than 1 and less than 2 years	Total
	USD 000's	USD 000's	USD 000's
Trade payables	389.0	-	389.0
Deposits from tenants	275.5	-	275.5
Total	664.5	-	664.5

c) Currency risk

The Group is exposed to the risk that the exchange rate of the Angolan Kwanza relative to the currencies in which the Group transacts may change in a manner which has a material effect on the reported values of its assets and liabilities. Currencies derivatives are not used to manage this risk.

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

	30 Sept 2015	31 Dec 2014
	USD 000's	USD 000's
Cash and cash equivalents	368.9	3.2
Total	368.9	3.2

22. Related parties

Crescat Ventures Limited (Crescat)

As at 30 September 2015, Crescat was the manager of Africa International Capital Ltd. There was a management agreement in place between Africa International Capital Ltd and Crescat to provide certain management and strategic advisory services to help ensure Africa International Capital Ltd and its accounts meet their stated investment objectives.

Crescat's shareholders as at the date of the Statement of Financial Position are Christopher Darnell, Chief Executive Officer of Africa International Capital Ltd and of the Angola Business Unit; and the Phoenix Trust.

As part of its management agreement with Africa International Capital Ltd a fee amounting to USD 500,000 fell due and payable upon the successful listing of the Angola Business Unit on the Bermuda Exchange.

The USD 500,000 fee payable to Crescat was offset, by way of a Netting and Offsetting Agreement between Africa International Capital Ltd on behalf of Angola International Capital and Crescat, against the receivable due from Crescat for a USD 500,000 issue of shares.

Africa International Capital – General Account

The Company and the Angola Business Unit, a segregated account of the Company, entered into an agreement for the provision of services by the Company to the Angola Business Unit. The Company will provide, inter alia: transaction coordination services; strategic advisory services; cash flow management service; and financial reporting services; in return for a fee payable by the Angola Business Unit. For the nine months ended 30 September 2015, the Company charged fees to the Angola Business Unit totalling USD 367,029 (31 December 2014 – 171,430).

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the nine months ended 30 September 2015

22. Related parties (continued)

As of reporting date the Angola Business Unit has a payable of USD 671,751 (31 December 2014 – 171,430) to the Company.

The following table provides the total amount of transactions that have been entered into with related parties during the nine months ended 30 September 2015, as well as balances with related parties as at 30 September 2015 and 31 December 2014

	Interest paid		Amounts owed to related parties
	USD 000's		USD 000's
Entity with significant influence over the Group:			
Crescat Ventures Ltd	2015	-	133.3
	2014	-	-
Africa International Capital – General Account	2015	-	884.3
	2014	-	345.8

23. Subsequent events

Corporate Bond issuance

On 4 December 2015, the Company listed a Corporate Bond on the Irish Stock Exchange. The initial issue size is USD \$30 million with a coupon of 10 per cent per annum, maturing in December 2019.

Termination of Crescat management agreement

The company terminated the current management agreement in place between Africa International Capital Ltd and Crescat on 03 November 2015.

As consideration for the termination of the management agreement, Angola International Capital issued one Series A non-voting preference shares providing the right to receive 7.5% of income distributable to shareholders, the payment of USD 1 million and the issuance of a further five hundred thousand fully paid up shares of par value USD\$1.00.

24. Acquisition of share capital

On 11 August 2015 the Group's subsidiary Ques-Com-Construcao e Prestacao de Servicos, Lda acquired the outstanding residual share capital of AGPV Lda. At the date of the report Africa International Capital - Angola International Capital and its subsidiaries holds 100% of the share capital of AGPV Lda.

The initial agreement to acquire ADV Holding Ltd and its subsidiaries and thereby acquire the real estate projects (a portfolio of cash-flow generating residential and commercial buildings) was executed on 27 July 2014 and amended on 23 January 2015 and on 19 February 2015. Under the conditions precedence of these agreements, Angola Development Ventures Inc. (the vendor) was to arrange AGPV Lda and its subsidiaries for acquisition by transferring the investment properties and surface rights into the Group

On 3 September 2015 an agreement between Angola International Capital Ltd and Africa International Capital Ltd – Angola International Capital was executed transferring all of the ADV Holding Ltd Shares to Angola International Capital Ltd in exchange for all of the shares in the Angola International Capital Ltd.

Further, on 7 September 2015 a tripartite agreement between Angola International Capital Ltd, Africa International Capital Ltd – Angola International Capital and Angola Development Ventures Inc (the vendor) was executed novating all accrued and future rights and obligations from Africa International Capital Ltd – Angola International Capital to Angola International Capital Ltd including the promissory notes that were issued under the acquisition agreement.