

LAKE MINERALS (MAURITIUS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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COMPANY NAME

LAKE MINERALS (MAURITIUS) LIMITED

DIRECTORS: -

	Date of appointment	Date of resignation
Mehul K Patel	1 November 2010	-
Virrsing Ramdeny	1 November 2010	-
Koosoom Newoor	1 November 2010	-

SECRETARY: -

Associated Consultants Ltd

REGISTERED OFFICE: -

Suite G12
St. James Court
St. Denis Street
Port Louis
Mauritius

BANKERS

SBM Bank (Mauritius) Ltd

AUDITORS: -

BIT Associates
Chartered Certified Accountants & Registered Auditors
1 E Ground Floor, Buswell Avenue,
St Jean Road,
Quatre Bornes,
Republic of Mauritius.

FOR THE YEAR ENDED MARCH 31, 2017

COMMENTARY OF THE DIRECTORS

The directors present their report, together with the audited consolidated financial statements of Lake Minerals (Mauritius) Limited and its subsidiary for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as investment holding.

The principal activity of the subsidiary is the manufacture of extra neutral alcohol for industrial purposes.

RESULTS

The results for the year of the Group are set out in the statement of comprehensive income.

The directors have not recommended payment of dividend for the year under review {2016: dividend of USD994,746}.

DIRECTORS

The present composition of the Board is set out on page 1.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Group's and Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the consolidated statements of financial position at 31 March 2017, and the consolidated statement of comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, and the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the Companies Act 2001.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Group's and Company's ability to continue as a going concern and have all reasons to believe the business will continue as going concern in the forthcoming year.

AUDITORS

The auditors, BIT Associates, have expressed their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual Meeting of Shareholders.

By order of the Board



SECRETARY

Date: 19 MAY 2017

**CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166(d) OF THE COMPANIES ACT 2001**

We certify that, to the best of our knowledge and belief, the Company has filed with The Registrar of Companies, during the financial year ended March 31, 2017 all such returns as are required for a company under the Companies Act 2001.

K Newman

.....
For and on behalf of Associated Consultants Ltd
Company Secretary

Date: 19 MAY 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF
LAKE MINERALS (MAURITIUS) LIMITED****Report on the Audit of the Financial Statements**

This report is made solely to the members of LAKE MINERALS (MAURITIUS) LIMITED (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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.

Opinion

We have audited the consolidated financial statements of LAKE MINERALS (MAURITIUS) LIMITED (the Company), set out on pages 4 to 21 which comprise the statement of financial position as at March 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The financial statements of the Company are prepared in all material respects, in accordance with the basis of accounting described in note 3 to the financial statements and the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence.

In our opinion, the financial statements on pages 4 to 21 give a true and fair view of the financial position of the company as at March 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants 'Code of Ethics for Professional Accountants (IESBA Code)' together with ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence, as described in note 3 to the financial statements and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF
LAKE MINERALS (MAURITIUS) LIMITED*****Responsibilities of the Directors for the Financial Statements (continued)***

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

3(b)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF
LAKE MINERALS (MAURITIUS) LIMITED**

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company, other than in our capacity as auditors, and dealings in the ordinary course of business.

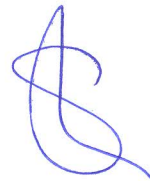
We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



BIT ASSOCIATES
Chartered Certified Accountants
& Registered Auditors

Quatre Bornes,
Mauritius



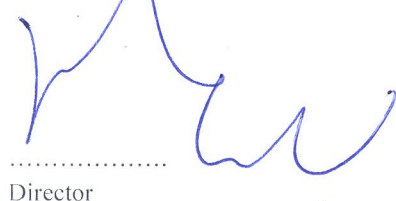
DWARKA SOOCHIT, FCCA, FCMA, CGMA
Licensed by FRC

Date: 19 MAY 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

	Notes	THE GROUP		THE COMPANY	
		2017 USD	2016 USD	2017 USD	2016 USD
ASSETS					
Non-Current Assets					
Intangible Assets	5	802,460	802,460	-	-
Investments in subsidiary	6	-	-	3,535,300	3,535,300
Property, plant & equipment	7	4,845,967	6,078,898	-	-
Preliminary Expenses		80,664	112,817	-	-
		<u>5,729,091</u>	<u>6,994,175</u>	<u>3,535,300</u>	<u>3,535,300</u>
Current Assets					
Inventories	8	445,867	676,027	-	-
Accounts Receivable	9	1,069,999	998,255	-	-
Cash and cash equivalents	10(a)	3,587,511	3,275,761	27,842	523,562
		<u>5,103,377</u>	<u>4,950,043</u>	<u>27,842</u>	<u>523,562</u>
Total Assets		<u>10,832,468</u>	<u>11,944,218</u>	<u>3,563,142</u>	<u>4,058,862</u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Share Capital	11	2,675,000	2,675,000	2,675,000	2,675,000
Revenue reserve		5,585,061	4,717,728	878,848	892,068
Translation reserves		136,799	395,101	-	-
Equity attributable to owners of the Company		<u>8,396,860</u>	<u>7,787,829</u>	<u>3,553,848</u>	<u>3,567,068</u>
Non-controlling Interest		391,528	345,183	-	-
TOTAL EQUITY		<u>8,788,388</u>	<u>8,133,012</u>	<u>3,553,848</u>	<u>3,567,068</u>
Non Current Liabilities					
Deferred Tax	12	587,541	803,872	-	-
		<u>587,541</u>	<u>803,872</u>	<u>-</u>	<u>-</u>
Current Liabilities					
Accounts Payable	13	715,669	718,489	9,294	10,294
Bank Overdraft	10(b)	606,507	1,678,589	-	-
Dividends	14	-	481,500	-	481,500
Current tax liabilities	15	134,363	128,756	-	-
TOTAL LIABILITIES		<u>1,456,539</u>	<u>3,007,334</u>	<u>9,294</u>	<u>491,794</u>
Total Equity and Liabilities		<u>10,832,468</u>	<u>11,944,218</u>	<u>3,563,142</u>	<u>4,058,862</u>

Approved by the Board of Directors on 1.9 MAY 2017 and signed on its behalf by:



 Director



 Director

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2017

	Notes	THE GROUP		THE COMPANY	
		2017 USD	2016 USD	2017 USD	2016 USD
SALES		7,428,494	8,345,020	-	-
COST OF SALES		(3,781,309)	(4,745,494)	-	-
GROSS PROFIT		3,647,185	3,599,526	-	-
OTHER INCOME					
Interest income		116,458	-	-	-
Profit on foreign exchange		103,213	303,802	-	-
		<u>3,866,856</u>	<u>3,903,328</u>	<u>-</u>	<u>-</u>
EXPENSES:					
Administrative expenses		7,300	66,241	7,300	11,714
Professional fees		-	49,413	-	-
Salaries, wages and other staff costs		499,117	554,645	-	-
Bank charges and other charges		31,753	40,952	420	2,426
Loan interest		-	74,155	-	-
Accounting and audit fees		5,500	11,979	5,500	6,000
Loss on sale of assets and liabilities		-	1,618	-	-
Other expenses		1,130,049	886,877	-	-
		<u>1,673,719</u>	<u>1,685,880</u>	<u>13,220</u>	<u>20,140</u>
Profit/(loss) before tax		2,193,137	2,217,448	(13,220)	(20,140)
Taxation	15	(661,907)	(670,791)	-	-
Profit/(loss) for the year		<u>1,531,230</u>	<u>1,546,657</u>	<u>(13,220)</u>	<u>(20,140)</u>
Other comprehensive income					
Translation difference		(617,552)	-	-	-
Total comprehensive income/(loss) for the year		<u>913,678</u>	<u>1,546,657</u>	<u>(13,220)</u>	<u>(20,140)</u>
Profit/(loss) for the year attributable to:					
Equity holders of the parent		1,460,001	1,468,317	(13,220)	(20,140)
Non-controlling interests		71,229	78,340	-	-
		<u>1,531,230</u>	<u>1,546,657</u>	<u>(13,220)</u>	<u>(20,140)</u>
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		867,333	1,468,317	(13,220)	(20,140)
Non-controlling interests		46,345	78,340	-	-
		<u>913,678</u>	<u>1,546,657</u>	<u>(13,220)</u>	<u>(20,140)</u>

The notes on pages 8 to 21 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2017

	Ordinary share capital	Preference share capital	Revenue reserve	Non- controlling interest	Translation reserves	Total
	USD	USD	USD	USD	USD	USD
<u>THE GROUP</u>						
Balance at April 1, 2015	2,675,000	1,400,000	4,244,157	266,843	395,101	8,981,101
Redemption of shares	-	(1,400,000)	-	-	-	(1,400,000)
Total comprehensive income for the year	-	-	1,468,317	78,340	-	1,546,657
Dividends	-	-	(994,746)	-	-	(994,746)
Balance at March 31, 2016	2,675,000	-	4,717,728	345,183	395,101	8,133,012
Total comprehensive income for the year	-	-	867,333	46,345	-	913,678
Translation reserves	-	-	-	-	(258,302)	(258,302)
Balance at March 31, 2017	2,675,000	-	5,585,061	391,528	136,799	8,788,388
<u>THE COMPANY</u>						
Balance at April 1, 2015	2,675,000	1,400,000	1,906,954	-	-	5,981,954
Redemption of shares	-	(1,400,000)	-	-	-	(1,400,000)
Total comprehensive loss for the year	-	-	(20,140)	-	-	(20,140)
Dividends	-	-	(994,746)	-	-	(994,746)
Balance at March 31, 2016	2,675,000	-	892,068	-	-	3,567,068
Total comprehensive loss for the year	-	-	(13,220)	-	-	(13,220)
Balance at March 31, 2017	2,675,000	-	878,848	-	-	3,553,848

The notes on pages 8 to 21 form an integral part of these financial statements.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2017

	Notes	THE GROUP		THE COMPANY	
		2017	2016	2017	2016
		USD	USD	USD	USD
Operating activities					
Cash generated from/(used in) operations	16(a)	2,929,056	4,908,256	(14,220)	1,548,801
Net cash generated from/(used in) operating activities		2,929,056	4,908,256	(14,220)	1,548,801
Taxation					
Tax paid		(760,715)	(652,567)	-	-
Investing activities					
Acquisition of property, plant & equipment		(375,755)	(133,593)	-	-
Proceeds from sale of property, plant & equipment		40,592	2,888	-	-
Preliminary expenses		32,154	21,153	-	-
Net Cash flow from investing activities		(303,009)	(109,552)	-	-
Financing activities					
Redemption of preference shares		-	(1,400,000)	-	(1,400,000)
Dividend paid		(481,500)	(513,246)	(481,500)	(513,246)
Repayment of loan		-	(1,996,667)	-	-
Net cash flow from financing activities		(481,500)	(3,909,913)	(481,500)	(1,913,246)
Net cash and cash equivalents		1,383,832	236,224	(495,720)	(364,445)
Movements in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		1,597,172	1,360,948	523,562	888,007
Cash and cash equivalents at end of the year	16(b)	2,981,004	1,597,172	27,842	523,562
Net cash and cash equivalents		1,383,832	236,224	(495,720)	(364,445)

The notes on pages 8 to 21 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

1. COMPANY PROFILE

Lake Minerals (Mauritius) Limited is a limited liability company incorporated and domiciled in Mauritius and has been granted a Category 1 Global Licence under the Financial Services Act, 2007.

The address of its registered office is Suite G12, St. James Court, St. Denis Street, Port Louis, Mauritius.

The principal activity of the Company is to act as investment holding.

The principal activity of the subsidiary is the manufacture of extra neutral alcohol for industrial purposes.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

(a) Adoption of New and Revised IFRSs

During the current financial year, there are no new and revised IFRSs that are relevant to the Company's operations and mandatory for annual period beginning on 1 January 2015 and accordingly, there is no financial impact on the financial position of the Company.

(b) New and Revised IFRSs issued but not yet effective

As at the date of these financial statements, the following new and revised IFRSs that are relevant to the Company's operations have been issued but are not yet effective:

	Effective for annual periods beginning on or after
IFRS 9, Financial Instruments	1/Jan/2018
IFRS 15, Revenue from Contracts with Customers	1/Jan/2018
Amendment to IAS 1, Presentation of Financial Statements: Disclosure Initiative	1/Jan/2016
Amendment to IAS 7, Statement of Cash Flows	1/Jan/2017
Amendment to IAS 12, Income taxes – Recognition of deferred tax assets for unrealised losses	1/Jan/2017
Improvement to IFRSs (2014)	1/Jan/2016
• IFRS 7, Financial Instruments: Disclosure	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The consolidated financial statements have been prepared under International Financial Reporting Standards and on the historical cost basis except that available-for-sale of financial assets are stated at their fair values. The directors have determined that the functional currency of the Group is the US Dollar (USD). The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Although these estimates are based on management's knowledge of current events and actions, actual results ultimately may differ from those estimates.

(b) Investment in subsidiaries

Subsidiaries, are those entities (including special purpose entities) in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity.

Investment in subsidiary is shown at cost. Where the carrying amount of the investment is greater than its estimated recoverable amount, then it is written down immediately to its recoverable amount and the difference is transferred to the profit or loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is either charged or credited to the profit or loss.

(c) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at 31 March 2017 (commonly referred to as the "Group").

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Acquisitions of non-controlling interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognised in goodwill.

Disposals to non-controlling interest results in gains and losses for the group and are recorded in equity.

(d) Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition, irrespective of the extent of any non-controlling interest.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(e) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in United States dollar ("USD"), which is also the currency of the primary economic environment in which the Company operates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is decided based on the primary source of funding of the Company's operations, the economic environment in which the Company operates.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The assets and liabilities of foreign operations are translated into United States dollar at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in other comprehensive income.

Group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the subsidiaries are expressed in USD using the exchange rate prevailing at the reporting date. The following exchange rates were

As at 31 March 2017 USD/ Tanzanian Shilling 0.00044

Income and expense items are translated at the average exchange rate for the year unless exchange rates fluctuated significantly during the year, in which case the exchange rate at the dates of the transactions are used. The average exchange rate used during the current year was as follows:

Average rate for the year USD/ Tanzanian Shilling 0.00044

(f) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(g) Stated capital

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) **Financial instruments**

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group has become a party to the contractual provisions of the financial statements.

Financial instruments are initially measured at fair value. Subsequent to the initial recognition, they are measured as set out below:

(i) *Accounts receivable*

Accounts receivables are classified at fair value

(ii) *Borrowings*

Borrowings are recorded at the proceeds received net of capital repayment.

(iii) *Trade and other payables*

Trade and other payables are stated at their nominal value.

Derecognition of financial instruments

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Group's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(i) **Impairment of financial assets**

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Impairment of non-financial assets

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Group estimates the recoverable amount of the asset being higher of the asset's net selling price and its value in use, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to the profit or loss.

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Provision is made where necessary for obsolescent, slow moving and defective stocks.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(l) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight line method based on the purchase date, at rates estimated to write off the assets over their expected useful lives. The annual rates used are:

Motor vehicles	20%
Office equipments	25%
Plant and machinery	10%
Buildings	5%
Furniture and fittings	25%
IT equipment	25%

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. Revenue exclude value added taxes and is arrived at after deduction of trade discounts. The following specific recognition criteria must also be met before the revenue is recognised:

Sale of goods

Revenue comprises of amounts invoiced during the year excluding value added tax and discounts.

Dividend income

Dividend income is recognised when the company's right to receive payment is established.

Interest income

Interest income is recognised when the amount is actually credited in the company's account.

(o) **Expense recognition**

Expenses are accounted for in the profit or loss on an accrual basis.

(p) **Related parties**

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(q) **Taxation**

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statements because of items of income or expense that are taxable and deductible in other years and items that are never taxable or deductible. The Group's and the company's liability for current tax are calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Determination of functional currency

The determination of the functional currency of the Group is critical since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. As described in Note 3, the directors have considered those factors described therein and have determined that the functional currency of the Group is the USD.

5. INTANGIBLE ASSETS

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD	USD	USD	USD
As at April 01,	802,460	802,460	-	-
Acquisition/(disposal)	-	-	-	-
As at March 31,	802,460	802,460	-	-

The intangible assets are composed of goodwill acquired on acquisition of the subsidiary.

6. INVESTMENT IN SUBSIDIARY

	THE COMPANY	
	2017	2016
	USD	USD
At April 01 ,	3,535,300	3,535,300
Acquisition	-	-
At March 31,	3,535,300	3,535,300

The directors estimate the fair value of the investments to be not less than USD3,535,300 as at the date of statement of financial position.

Details of investment in subsidiary are as follows:

Name of Company	Country of Incorporation	Type of Share	2016 and 2017	
			Number of Shares	Percentage holding
Kilimanjaro Biochem Limited	Tanzania	Equity	42,923	95.00%

LAKE MINERALS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

7(a). PROPERTY, PLANT AND EQUIPMENT

	Land	Motor vehicles	Buildings	Furniture & fixtures	Office Equipments	Plant and Machinery	IT equipment	Total
	USD	USD	USD	USD	USD	USD	USD	USD
COST								
At April 01, 2016	156,617	798,131	2,366,479	49,198	51,941	6,843,103	26,586	10,292,055
Addition during the year	3,520	314,454	-	-	2,383	54,708	690	375,755
Disposal	-	-	-	-	-	(40,592)	-	(40,592)
Translation difference	(18,794)	(95,776)	(283,977)	(5,904)	(6,233)	(821,172)	(3,191)	(1,235,047)
At March 31, 2017	141,343	1,016,809	2,082,502	43,294	48,091	6,036,047	24,085	9,392,171
DEPRECIATION								
At April 01, 2016	-	599,010	487,472	48,344	39,467	3,019,871	18,993	4,213,157
Charge for the year	-	123,817	104,125	467	4,750	602,548	2,918	838,625
Disposal	-	-	-	-	-	-	-	-
Translation difference	-	(71,881)	(58,497)	(5,801)	(4,736)	(362,385)	(2,278)	(505,578)
At March 31, 2017	-	650,946	533,100	43,010	39,481	3,260,034	19,633	4,546,204
NET BOOK VALUE								
At March 31, 2017	141,343	365,863	1,549,402	284	8,610	2,776,013	4,452	4,845,967

LAKE MINERALS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

7(b). PROPERTY, PLANT AND EQUIPMENT

	Land	Motor vehicles	Buildings	Furniture & fixtures	Office Equipments	Plant and Machinery	IT equipment	Total
	USD	USD	USD	USD	USD	USD	USD	USD
COST								
At April 01, 2015	156,617	784,590	2,353,797	49,010	46,150	6,751,235	19,951	10,161,350
Addition during the year	-	16,429	12,682	188	5,791	91,868	6,635	133,593
Disposal	-	(2,888)	-	-	-	-	-	(2,888)
Translation difference	-	-	-	-	-	-	-	-
At March 31, 2016	156,617	798,131	2,366,479	49,198	51,941	6,843,103	26,586	10,292,055
DEPRECIATION								
At April 01, 2015	-	441,173	369,542	41,397	31,236	2,340,539	14,890	3,238,777
Charge for the year	-	157,837	117,930	6,947	8,231	679,332	4,103	974,380
Disposal	-	-	-	-	-	-	-	-
Translation difference	-	-	-	-	-	-	-	-
At March 31, 2016	-	599,010	487,472	48,344	39,467	3,019,871	18,993	4,213,157
NET BOOK VALUE								
At March 31, 2016	156,617	199,121	1,879,007	854	12,474	3,823,232	7,593	6,078,898

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

8. INVENTORIES	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD	USD	USD	USD
Raw materials	407,356	622,235	-	-
Finished goods	38,511	53,792	-	-
	445,867	676,027	-	-

9. ACCOUNTS RECEIVABLE	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD	USD	USD	USD
Trade receivables	413,582	470,983	-	-
Tax recoverable	4,407	6,472	-	-
Advances to creditors	501,360	359,182	-	-
Loans, advances and deposits	83,071	138,192	-	-
Other receivables	67,579	23,426	-	-
	1,069,999	998,255	-	-

The carrying amount of trade and other receivables approximate their fair value.

10. CASH AND CASH EQUIVALENT	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD	USD	USD	USD
(a) Cash at bank	3,587,511	3,275,761	27,842	523,562
(b) Bank Overdraft	606,507	1,678,589	-	-

National Bank of Commerce has issued an overdraft to the Company for working capital requirement. The Overdraft limit is USD2,500,000 at an interest rate of NBC USD base rate i.e 7.60% per annum.

11. SHARE CAPITAL	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD	USD	USD	USD
At April 01,	2,675,000	2,675,000	2,675,000	2,675,000
Issue of shares during the year	-	-	-	-
At March 31,	2,675,000	2,675,000	2,675,000	2,675,000

Fully paid up ordinary shares have a par value of US\$ 100 each and carry one voting right and a right to dividend.

12. DEFERRED TAX	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD	USD	USD	USD
At April 01,	(803,872)	(864,680)	-	-
Translation difference	96,465	-	-	-
Movement in deferred tax	119,866	60,808	-	-
At March 31,	(587,541)	(803,872)	-	-

13. ACCOUNTS PAYABLE	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD	USD	USD	USD
Trade payables	359,718	532,145	-	-
Advances from customers	128,782	55,663	-	-
Other payables & accruals	227,169	130,681	9,294	10,294
	715,669	718,489	9,294	10,294

The carrying amounts of payables approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

14. DIVIDENDS	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD	USD	USD	USD
Amount due as at April 01,	481,500	-	481,500	-
<u>Interim</u>				
Equity shareholder	-	428,000	-	428,000
Redeemable Preference shareholder	-	85,246	-	85,246
<u>Final</u>				
Equity shareholder	-	481,500	-	481,500
	481,500	994,746	481,500	994,746
Paid during the year	(481,500)	(513,246)	(481,500)	(513,246)
Amount due at March 31,	-	481,500	-	481,500
15. TAXATION	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
(a) Statement of financial position	USD	USD	USD	USD
Provision for the year	781,773	731,599	-	-
Tax payable/(overpaid) in previous year	128,756	49,724	-	-
Tax paid	(760,715)	(652,567)	-	-
Translation difference	(15,451)	-	-	-
Tax payable	134,363	128,756	-	-
(b) Statement of Comprehensive income	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD	USD	USD	USD
Current tax on adjusted profit	781,773	731,599	-	-
Movement in deferred tax (note 12)	(119,866)	(60,808)	-	-
Tax charge	661,907	670,791	-	-

The Company being the holder of a Category 1, Global Business Licence, is liable to pay income tax in Mauritius on its chargeable income at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of the Mauritian tax chargeable on its foreign source income.

The company having a tax loss carried forward is not liable to tax for the year ending 31 March 2017.

The provision for tax made in the current year refers to provision for tax for the subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

16. NOTES TO THE STATEMENT OF CASH FLOW

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD	USD	USD	USD
(a) Cash generated from/(used in) operations				
Reconciliation of profit/(loss) before taxation to cash generated from/(used in) operations:				
Profit/(Loss) for the year	2,193,137	2,217,448	(13,220)	(20,140)
Adjustments for:				
Depreciation	838,625	974,380	-	-
Translation difference	(258,302)	-	-	-
Changes in working capital:				
- Accounts payable	(2,820)	308,741	-	-
- Accounts receivable	(71,744)	1,269,150	(1,000)	1,568,941
- Inventories	230,160	138,537	-	-
Cash generated from/(used in) operations	<u>2,929,056</u>	<u>4,908,256</u>	<u>(14,220)</u>	<u>1,548,801</u>
(b) Cash and cash equivalents				
	2017	2016	2017	2016
	USD	USD	USD	USD
Cash at Bank	3,587,511	3,275,761	27,842	523,562
Bank Overdraft	(606,507)	(1,678,589)	-	-
	<u>2,981,004</u>	<u>1,597,172</u>	<u>27,842</u>	<u>523,562</u>

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

(a) *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings.

	USD
Current	
Bank overdraft	606,507
	<u>606,507</u>

THE COMPANY

The Company's income and operating cash flows are substantially independent of changes in interest rates. The Company's only significant interest earning financial asset is cash and cash equivalents. Interest income from cash and cash equivalents may fluctuate in amount, in particular due to changes in market interest rates. In view of the small average balance held in money market assets, the directors are of opinion that interest rate changes will not have a material impact on the Company's net profit and equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Foreign currency risk*

The Company has investments which is denominated in foreign currencies. Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to the foreign currencies may change in a manner which has a material effect on the reported values of the Company's investments.

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

As at 31 March, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD	USD	USD	USD
Tanzanian Shilling				
Investments	-	-	3,535,300	3,535,300
Fixed assets	4,845,967	6,078,898	-	-
Cash and cash equivalents	3,559,669	2,752,199	-	-
Trade and other receivables	1,069,999	998,255	-	-
Trade and other payables	(706,375)	(708,195)	-	-
Gross balance sheet exposure	<u>8,769,260</u>	<u>9,121,157</u>	<u>3,535,300</u>	<u>3,535,300</u>

(c) *Credit risk*

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The credit risk arises from cash and cash equivalents. At the statement of financial position date, the Group has no significant credit risk.

(d) *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of trade and other accounts receivables is taken to approximate the carrying value.

As at 31 March 2017, the financial assets and liabilities have fair values that do not differ significantly from the amounts recorded in the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

18. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

19. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period which may have a material effect on the financial statements as at 31 March 2017.

20. HOLDING COMPANY

The Company is controlled by Banco Products (India) Ltd, a Company listed on the Bombay Stock Exchange and National Stock Exchange of India which owns 100% of the Company's share capital.