

**LANDSOURCE CORP LLP
MEMBER'S REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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Landsource Corp LLP
Member's Report and Financial Statements
For The Year Ended 31 March 2017

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**Landsource Corp LLP
Member's Report
For The Year Ended 31 March 2017**

The members present their report and the financial statements for the year ended 31 March 2017.

Principal Activity

The LLP's principal activity continues to be that of international trading of goods and related services

Fair review of the business

The year ended 31 March 2017 saw an increase in sales turnover of 25% to \$ 23,949,938. As a result of an equivalent increase in the cost of sales, gross profit increased to \$275,511 compared to \$210,001 on last year and profit for the year available for distribution increased to \$207,969 compared to \$142,648 in last year.

Principal risks and uncertainties

The management evaluates quarterly the Company risk appetite. The principal risks and uncertainties facing the Company are broadly grouped as – competitive, legislative and financial instrument risk.

- **Competitive Risks:** In the MERCOSUR the Company is exposed to certain authorities changes that can become on a loss of competitive. This risks can be summarised on a flexibility on the exchange control, fiscal changes on the suppliers countries and restrictions on the exports.
- **Legislative Risks:** The Company mainly transact with commodities, and the risk of the local authorities of the import countries protection to the local industry is uncertain when can be in force. This risk is considerably low in general terms due to the nature of the products.
- **Financial Risks:** There's a financial risk for a lack of payment of a client. This risk is mitigated by delivering the bill of lading after the payment.
- **Transport Risks:** The Company is exposed to the risk of damage or lost of the goods during the transportation to the buyer. This risk is mitigated with the insurance policies hired.

Members' drawings, contributions and repayments

The members' drawing policy allows each members to draw a proportion of their profit share, subject to the cash requirements of the business. A members' capital requirement is linked to their share of profit and the financing requirement of the LLP.

Statement of Member's Responsibilities

The members are responsible for preparing the financial statements in accordance with applicable law and regulations. Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to Limited Liability Partnerships the members 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 LLP and of the profit or loss for that period. In preparing the financial statements the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of Information to Auditors

The members of the LLP who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information of which the LLP's auditors are unaware; and
- they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

(Continued)

**Landsource Corp LLP
Member's Report
For The Year Ended 31 March 2017**

Members

The designated members who held office during the year were as follows:

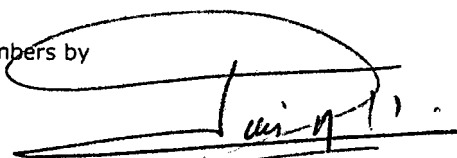
MERITRAMS ENTERPRISES S.A.

LEPAN GROUP INC.

Auditors

Glaziers were appointed as auditor to the limited liability partnership and in accordance with section 485 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) regulations 2008), a resolution proposing that they be re-appointed will be put at a General Meeting.

Signed on behalf of the members by



p LEPAN GROUP INC.

16/02/2018

W. S. A. 602067

**Landsource Corp LLP
Independent Auditor's Report
For The Year Ended 31 March 2017**

Independent Auditor's Report to the Members of Landsource Corp LLP

We have audited the financial statements of Landsource Corp LLP for the year ended 31 March 2017 which comprise the Profit and Loss Account, Balance Sheet, The Reconciliation of Members' Interests, Cash Flows Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the LLP's members, as a body, in accordance with the Companies Act 2006 as applied to limited liability partnerships by Chapter 3 of Part 16 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Members and Auditors

As explained more fully in the Statement of Members' Responsibilities, the members 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). Those standards require us to comply with the Auditing Practices Board (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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; 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 financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2017 and of its profit/(loss) for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 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 Act 2006 as applied to limited liability partnerships 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;
- the financial statements are not in agreement with the accounting records or returns;
- we have not received all the information and explanations we require for our audit.

Other matter

The prior year comparative figures were not audited due to the limited liability partnership being below the audit threshold and qualifying for small limited liability partnership exemption.

Landsource Corp LLP
Auditor's Report (continued)
For The Year Ended 31 March 2017

Philippe Herszaft (Senior Statutory Auditor)
for and on behalf of Glazers, Statutory Auditor

16/02/2018

843 Finchley Road
London
NW11 8NA

Landsource Corp LLP
Profit and Loss Account
For The Year Ended 31 March 2017

	Notes	2017 \$	2016 \$
TURNOVER	3	23,949,938	19,099,429
Cost of sales		<u>(23,674,427)</u>	<u>(18,889,428)</u>
GROSS PROFIT		275,511	210,001
Administrative expenses		<u>(71,919)</u>	<u>(67,840)</u>
OPERATING PROFIT		203,592	142,161
Other interest receivable and similar income		<u>4,377</u>	<u>487</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u><u>207,969</u></u>	<u><u>142,648</u></u>

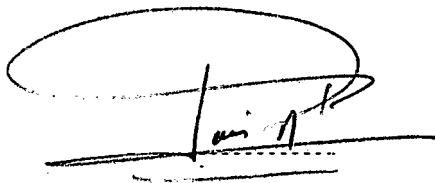
The notes on pages 9 to 10 form part of these financial statements.

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

Landsource Corp LLP
Balance Sheet
As at 31 March 2017

		2017		2016	
	Notes	\$	\$	\$	\$
CURRENT ASSETS					
Debtors	7	7,681,904		8,555,965	
Cash at bank and in hand		<u>10,308</u>		<u>47,032</u>	
		7,692,212		8,602,997	
Creditors: Amounts Falling Due Within One Year	8	<u>(7,688,188)</u>		<u>(8,379,481)</u>	
NET CURRENT ASSETS (LIABILITIES)			<u>4,024</u>		<u>223,516</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,024</u>		<u>223,516</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			<u>4,024</u>		<u>223,516</u>
REPRESENTED BY:					
Equity					
Members' other interests					
Other reserves		<u>4,024</u>		<u>223,516</u>	
			<u>4,024</u>		<u>223,516</u>
			<u>4,024</u>		<u>223,516</u>
TOTAL MEMBERS' INTEREST					
Members' other interests			<u>4,024</u>		<u>223,516</u>
			<u>4,024</u>		<u>223,516</u>

The financial statements were approved by the members and authorised for issue on 16. Feb, 2018 and are signed on their behalf by:



LEPAN GROUP INC.
Designated Member

WIS 11. 6011047

Landsource Corp LLP
Reconciliation of Members' Interests
For The Year Ended 31 March 2017

Reconciliation of Members' Interests

	EQUITY
	Members'
	other
	interests
	Other
	Reserves
	\$
Balance at 1 April 2015	222,448
Profit/(loss) for the financial year available for discretionary division among members	142,648
Members' interests after profit/(loss) for the year	365,096
Drawings	(141,580)
Members' interests at 31 March 2016	223,516
Profit/(loss) for the financial year available for discretionary division among members	207,969
Members' interests after profit/(loss) for the year	431,485
Drawings	(427,461)
Members' interests at 31 March 2017	4,024
Amounts due to members	4,024

Landsource Corp LLP**Statement of Cash Flows****For The Year Ended 31 March 2017**

	Notes	2017 \$	\$	2016 \$	\$
Cash flows from operating activities					
Profit before tax		207,969		142,648	
Net changes in working capital					
Cash received from customers		874,061		(6,827,983)	
Cash paid to suppliers		(691,293)		6,286,170	
Cash paid to members		-		-	
Cash generated from/(absorbed by) operations		<u>390,737</u>		<u>(399,165)</u>	
Investing activities					
Proceeds from investment loans and receivables		-		-	
Repayment of investment loans and receivables		-		-	
Proceeds on disposal of other investments		-		-	
Loss on investments		-		-	
Net cash used in investing activities		<u>-</u>		<u>-</u>	
Financing activities					
Payments to members that represent a return on amounts subscribed or otherwise contributed		(427,461)		(141,580)	
Net cash used in financing activities		<u>(427,461)</u>		<u>(141,580)</u>	
Net decrease in cash and cash equivalents		<u>(36,724)</u>		<u>(540,745)</u>	
Cash and cash equivalents at beginning of year		47,032		587,777	
Cash and cash equivalents at end of year		<u>10,308</u>		<u>47,032</u>	

Landsource Corp LLP
Notes to the Accounts
For The Year Ended 31 March 2017

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 for small limited liability partnerships regime - The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in January 2017 (SORP) and the Companies Act 2006 (as applied to LLPs).

The financial statements are prepared in US Dollars which is the functional currency of the LLP. Monetary amounts in these financial statements are rounded to the nearest \$.

1.2. Turnover

Turnover comprises the invoiced value of goods and services supplied by the LLP, net of Value Added Tax and trade discounts.

1.3. Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4. Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation right including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

1.5. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6. Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Landsource Corp LLP
Notes to the Accounts (continued)
For The Year Ended 31 March 2017

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised.

Derecognition of financial assets Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow limited liability partnership companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the limited liability partnership.

Landsource Corp LLP
Notes to the Accounts (continued)
For The Year Ended 31 March 2017

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. Turnover

An analysis of the limited liability partnership's turnover is as follows:

	2017	2016
	\$	\$
Turnover analysed by class of business		
Sales	23,297,143	17,277,699
Fee income	652,795	1,821,730
	<u>23,949,938</u>	<u>19,099,429</u>
	2017	2016
	\$	\$
Turnover analysed by geographical market		
Europe	23,089,857	16,082,506
America	403,880	1,638,861
ROW	456,201	1,378,062
	<u>23,949,938</u>	<u>19,099,429</u>

4. Operating profit

Operating profit for the year is stated after charging:

Fees payable to the LLP's auditor for the audit of the LLP's financial statements

2017	2016
\$	\$
4,387	-

5. Average number of employees

Average number of employees during the year, including members, during the year was as follows: 0

6. Financial instruments

	2017	2016
	\$	\$
Carrying amount of financial assets		
Debt instruments measured at amortised cost	7,681,904	8,555,965
Instruments measured at fair value through profit or loss	-	-
Carrying amount of financial liabilities		
Measured at amortised cost	7,688,188	8,379,481

7. Debtors

	2017	2016
	\$	\$
Due within one year		
Trade debtors	7,096,221	8,504,451
Other Debtors	585,683	51,514
	<u>7,681,904</u>	<u>8,555,965</u>

Landsource Corp LLP
Notes to the Accounts (continued)
For The Year Ended 31 March 2017

8. Creditors: Amounts Falling Due Within One Year

	2017	2016
	\$	\$
Trade creditors	7,098,578	8,325,125
Other creditors	585,223	2,842
Accruals	4,387	51,514
	<u>7,688,188</u>	<u>8,379,481</u>

9. Controlling Party

The LLP's controlling parties are its designated members: Lepad Group Inc. and Meritrams Enterprises S.A. The ultimate controlling party is not known.

10. General Information

Landsource Corp LLP Registered number OC391621 is a limited liability partnership incorporated in England & Wales. The Registered Office is 1st Floor, Midas House, 2 Knoll Rise, Orpington, Kent, BR6 0EL.

Landsource Corp LLP
Trading Profit and Loss Account
For The Year Ended 31 March 2017

Profit and Loss Account

	2017		2016	
	\$	\$	\$	\$
TURNOVER				
Sales		23,297,143		19,099,429
Other trading income		652,795		-
		<u>23,949,938</u>		<u>19,099,429</u>
COST OF SALES				
Purchases	23,231,470		18,889,428	
Commissions payable	<u>442,957</u>		<u>-</u>	
		<u>(23,674,427)</u>		<u>(18,889,428)</u>
GROSS PROFIT		275,511		210,001
Administrative Expenses				
Professional fees	67,730		66,820	
Bank charges	<u>4,189</u>		<u>1,020</u>	
		<u>(71,919)</u>		<u>(67,840)</u>
OPERATING PROFIT		<u>203,592</u>		<u>142,161</u>
Other interest receivable and similar income				
Other interest receivable	<u>4,377</u>		<u>487</u>	
		<u>4,377</u>		<u>487</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u><u>207,969</u></u>		<u><u>142,648</u></u>