

Company Registration No. 009753V (Isle of Man)

LONDON NUSANTARA PLANTATIONS PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

LONDON NUSANTARA PLANTATIONS PLC

COMPANY INFORMATION

Directors

M Subramaniam	(Chief Executive Officer)
H Bin Abdul Jalil	(Non-executive Director)
S Rothschild	(Non-executive Director)

Secretary Cavendish Secretaries Limited

Company number 009753V (Isle of Man)

Registered office

34 North Quay
Douglas
Isle of Man
IM1 4LB

Auditors

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

Bankers

AmInvestment Bank Group
55 Jalan Raja Chulan
Kuala Lumpur
Malaysia
50200

Corporate advisor

Peterhouse Corporate Finance Limited
3rd Floor
New Liverpool House
15 Eldon Street
London
EC2M 7LD

Registrars

Computershare Investor Services (Jersey) Limited
Queensway House,
Hilgrove Street
St. Helier
Jersey
JE1 1ES

LONDON NUSANTARA PLANTATIONS PLC

CONTENTS

	Page
Chairman's statement	1 – 4
Directors' report	5 – 7
Independent auditors' report	8
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10
Company statement of financial position	11
Consolidated statement of cash flows	12
Company statement of cash flows	13
Statements of changes in equity	14
Notes to the financial statements	15 – 25

LONDON NUSANTARA PLANTATIONS PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

I am pleased to present the Group's audited financial results for the year ended 31 December 2016. With no operating business as yet, the Group made a consolidated pre-tax loss for the year of £113,438 (2015: £165,706). The parent company loss for the year amounted to £112,944 (2015: £165,706). Cash at bank at the end of December 2016 was £82,633 (2015: £191,097). During the financial year 2016, a new subsidiary entity – Lonmus (M) Sdn Bhd – was incorporated in Malaysia. Our net assets stood at £178,629 (2015: 292,067) as at 31 December 2016.

The Company remains quoted on the NEX Exchange Growth Market (formerly ISDX Growth Market), as an investment vehicle seeking to identify and secure potential acquisition opportunities within the agriculture sector, primarily in oil palm plantations (upstream and downstream) and also vacant land suitable for oil palm cultivation.

Principal Activities and Review of the Business

The principal activity of the Company is to invest in companies, or assets, in the agriculture sector primarily in oil palm plantations and/or vacant land suitable for oil palm cultivation. The Company has continued this activity since listing on the NEX Exchange Growth Market since June 2014.

Subsequent to the financial year end, the Company entered into a Share Sale Agreement ("SSA") dated 29 May 2017 to dispose of its investment in Next Oasis Sdn Bhd for RM683,000 (£124,181). The sale averaged a return of 8.1% (before capital gains tax) which is an above average return on capital asset disposals.

During the year we expanded our investment horizon to include Indonesia as the rebound in palm oil prices resulted in an increase in capital values of estates in Malaysia. Negotiations with estate owners have been difficult in 2016, on the back of a challenging 2015. Capital raising from conventional bank borrowings and equity placements have also proved difficult. We have now embarked on looking at further downstream opportunities in varying our investment strategy for 2017. These include the possibility of investing in the palm oil mill sector, which includes production of crude palm oil and renewable energy businesses from oil palm waste monetisation. We also intend to capitalise on the joint venture business model as it allows us to tap into the experience of more established players, possibly working together to raise conventional bank loans to finance investments.

We are constantly looking for investment opportunities in the region and our plan is to embark on an aggressive fund raising exercise in 2017 in conjunction with an expanded investment plan in the palm oil industry.

Financial Review

The audited results for the year show a loss of £113,438. About 40% of the Company's primary expenses are largely to maintain its listing status, and professional fees. The other expenses are related to business development incurred in identifying potential investment targets, directors' fees and office rentals. In a more positive note the Group recorded a foreign exchange gain of £26,668 compared to the loss in 2015 of £44,955 attributable to the improving Ringgit vs. the British Sterling. We also recorded revenue of £4,901 from interest received from our treasury fund placements. Our cash position as at 31 December 2016 stood at £82,633. As noted above, the Group is disposing of its interest in Next Oasis Sdn Bhd and we expect to undertake a further capitalisation during the year 2017 in order to maintain the listing status and continue seeking further investments.

LONDON NUSANTARA PLANTATIONS PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors consider the results for the year to be satisfactory despite the adverse conditions faced during the year 2016.

Industry outlook 2017

This year, Malaysia is celebrating 100 years of oil palm planting. In 1917, Henri Fauconnier, established Malaysia's first commercial oil palm planting at Tennamaram Estate, Selangor, in a bid to replace an unsuccessful coffee estate. The industry has played a large part in the development of the economy and will continue to be one of the main pillars for Malaysia's economy.

Prolonged dry weather conditions and below average rainfall brought about by the El-Nino weather phenomena during the second half of 2015 and into the first half of 2016 had impacted the Malaysian oil palm industry performance in 2016. Prices of all oil palm products were traded higher and Crude Palm Oil ("CPO") price was traded higher by 23.2% or RM499 (£91) per tonne. The average CPO price in 2016 was higher by 23.2% to reach RM2,653 (£482) per tonne as compared to RM2,153.50 (£391) per tonne in 2015. The year 2016 saw CPO production recording a decline of 13.2% to 17.32 million tonnes, as against 19.96 million tonnes produced in 2015. This double-digit, decline drew down palm oil stocks and pushed up palm oil prices. The decrease was due to lower Fresh Fruit Bunches ("FFB") processed; down by 12.0% arising from lower FFB yield. The FFB yield for 2016 was also lower, down by 13.9% to 15.91 tonnes per hectare as against 18.48 tonnes per hectare achieved in 2015. CPO production in Peninsular Malaysia, Sabah and Sarawak decreased by 15.7%, 15.3% and 3.2% to 8.89 million tonnes, 4.85 million tonnes and 3.59 million tonnes respectively compared to 2015. High palm oil prices had influenced exports to major markets as the discount of CPO to soyabean oil narrowed. Higher palm oil prices also helped to increase export revenue by 7.3% to RM64.58 billion (£11.7 billion) from RM60.17 billion (£10.9 billion) in 2015 for Malaysia.

The El-Nino phenomenon beginning in the second half of 2015, with prolonged dry weather conditions and below average rainfall had impacted the production of FFB in 2016. FFB yield for Peninsular Malaysia declined by 16.0% to 15.77 tonnes per hectare, against 18.77 tonnes per hectare achieved in 2015. Sabah registered a decline of 14.5% to 17.10 tonnes per hectare, against 19.99 tonnes per hectare achieved in the previous year. Sarawak's FFB yield was relatively lower at 14.86 tonnes per hectare or down by 8.3% as compared to 16.21 tonnes per hectare achieved in 2015. Palm oil stocks closed at 1.67 million tonnes, a decline of 36.7% from 2.63 million tonnes recorded in December 2015. The lower closing stocks was mainly due to lower CPO production, down by 13.2% or 2.64 million tonnes and lower palm oil imports by 59.6% or 612,743 tonnes.

The highest traded price was in December 2016 at RM3,200 per tonne and the lowest price was in January at RM2,250 (£409) per tonne. The higher CPO price during the year was mainly due to lower CPO production as dryness caused by El-Nino weather phenomena, which lowered FFB yield, thus boosting palm oil prices, coupled with firmer competing vegetable oil prices, i.e. Soybean Oil ("SBO") price and weaker Ringgit, against the US Dollar, which made palm oil cheaper as compared to other vegetable oils in the world market. (Source: Malaysian Palm Oil Board).

Malaysia's economic growth expanded at 4.5 per cent in the fourth quarter of 2016, which was flat when compared to a year ago, underpinned by the manufacturing and services sector, according to Bank Negara Malaysia. The central bank said for 2016, the gross domestic product reported lower growth of 4.2%, which was slightly lower from 5%. In the agriculture sector, economic activity contracted at a slower pace at -2.4%, reflecting the diminishing impact of El Niño on crude palm oil yields.

LONDON NUSANTARA PLANTATIONS PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The global economy is on the recovery path after bottoming out last year. Better-than-expected performance in major economies, particularly the United States, China, Japan and Euro area, and the recovery of larger emerging and low income economies as commodities prices improved provided the impetus for global growth (Malaysian Institute of Economic Research).

Leading analysts have forecast 2017 to be a positive year for palm oil prices, at least for the first half. Global palm oil production is forecast to increase by 6 million tonnes in 2017, according to leading vegetable oils analysts. Last October 2016, it had been estimated global palm oil output for 2016/2017 to grow by 5.5 million tonnes. Malaysian palm oil output is forecast to increase to 19.85 million tonnes this year from 17.32 million tonnes, a year ago, while production of Indonesian palm oil will rise to 35 million tonnes in 2017 from 32.10 million tonnes last year.

Most oil palm analysts agree that palm oil prices have peaked, but due to insufficient supplies and a prospective strong world import demand, prices are likely to remain at current levels. Yields are expected to recover, but remain below average, adding that last year, the average annual oil yield fell to a 19-year-low. Replenishment of vegetable oil stocks will take time and will not be possible in 2016/2017 as good weather and high production is required. It is anticipated that palm oil production would stay below soybean oil for much of 2017. World imports of vegetable oils have to increase by at least 3.3 million tonnes to 3.6 million tonnes in January/September 2017, to ensure sustainable supplies to meet the current demand.

Stocks will remain low during these lower production months, plantations bounce back from El Niño perhaps more slowly than many traders expect, and exports to India recover from the current issues surrounding the availability of large denomination currency, which will likely exaggerate the already decreasing levels of in-country palm oil stocks in the short-term. In the other main export markets for palm oil, Chinese stocks are already at historic low levels, although we wait to see whether this is indeed a low or a new normal. The Chinese government appears to be focusing more on rival soybean oil through increased imports and encouragement to increase its own modest levels of domestic production. However, the election of Donald Trump in the US may swing this focus back towards palm oil, given his articulated views on China and China's own moves to take the initiative away from the US with regards to South East Asia trade.

Towards the back end of 2017, and into 2018, it is possible we may see some softening of palm oil prices as the US soybean crop is harvested and the impact of El Niño is finally removed from palm oil estates, which may result in a prolonged period of flush production.

Therefore it's predicted the CPO price outlook for 2017 is expected to average RM2,700 (£491) per tonne compared with RM2,653 (482) per tonne in 2016. CPO prices can be expected to trade within a low of RM2,500 (£454) per tonne and a high of RM2,900 (£527) per tonne this year.

Principal Risks and Uncertainties

The principal risks and uncertainties lie in the investments the Group holds. The agriculture sector means that returns are influenced by external factors that include weather patterns, suitability and availability of arable land and global demand and supply.

LONDON NUSANTARA PLANTATIONS PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

Given the nature of the business and activity of the Group, the Directors believe that the Group is more specifically exposed to the following risks:

Agricultural risk

The primary risk factors that affect most agricultural operations are usually related to agro climatic conditions, pests and diseases that may affect the crop production and the crop itself. To mitigate the abovementioned risk factors, companies need to be cognizant of their Agricultural practices which can mitigate the risk of outbreaks of pests and diseases. Adverse climatic conditions including drought or excessive rainfall or unusually low levels of rainfall required for the normal development of the oil palms may lead to a reduction in subsequent crop levels.

London Nusantara will consider the above risk factors and mitigating factors which would be part of its agronomic due diligence process before deciding on the investment.

Commodity and Crude Palm Oil ("CPO") prices

Oil palm production companies depend on sales of Fresh Fruit Bunches ("FFBs") to mills or Crude Palm Oil ("CPO") if the Company owns its own mill as its primary source of revenue. The price of the commodity is dependent on the demand and supply of the product globally and other competing edible oil supplies, especially soybean oil. The price of edible oils depends generally on the production levels of all other edible oils including palm oil, which are substitutable by users. Therefore the price fluctuation is influenced by factors beyond the Group's control.

These factors include global supply and demand of CPO and other macro-economic factors related to the global commodity market. A significant prolonged decline in CPO prices could impact the viability of some or all of the Group's investments.

Liquidity risk

The Group's continued future operations depend on the ability to hold sufficient working capital to be able to meet its financial obligations. The Directors are confident that there is adequate funding to finance future immediate working capital requirements for the next 12 months.

Financial Risk Management

The Group's principal financial instruments are cash and cash equivalents. No bank loans or other financing arrangements have been entered into. No borrowings have been raised to finance working capital. Therefore the Group's exposure to credit risk, liquidity risk and market risk is not deemed significant.



M Subramaniam
Chief Executive Officer



H Bin Abdul Jalil
Non-Executive Director

30 May 2017

LONDON NUSANTARA PLANTATIONS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report on the affairs of the Group, together with the financial statements and auditors' report, for the year ended 31 December 2016.

Principal activities

London Nusantara Plantations plc is a company registered in the Isle of Man. The Company was incorporated on 5 June 2013. On 30 June 2014, the Company's shares were admitted to trading on the NEX Exchange Growth Market (formerly known as ISDX Growth Market) in London. The Company's principal activity is investment within the agriculture sector, primarily in the palm oil sector.

The principal activity of the subsidiary company is to manage receipts and payments in Malaysia on behalf of the parent company.

Results

The loss for this year after taxation was £113,438 (2015: £165,706) and company level £112,944 (2015: £165,706). The Directors do not recommend the payment of a dividend.

Going concern

As at the balance sheet date the Group had £82,633 (2015: £191,097) cash and cash equivalents. Subsequent to the year end the Group has agreed the sale of its investment in Next Oasis Sdn Bhd for an amount of £124,181. The directors prepared detailed working capital forecasts to ensure that the Group would have sufficient funds available for the foreseeable future. Having reviewed the Group's forecasts, the directors believe that the Group is well placed to manage its business risks successfully. Thus, they have adopted the going concern basis in preparing these financial statements.

Subsequent events

Subsequent events affecting the Group have been set out in the Chairman's Statement under the heading Principal Activities and Review of the Business.

Directors

The directors, who served throughout the period and to the date of this report, are as follows:

M Subramaniam
H Bin Abdul Jalil
S Rothschild

Directors' interests

The beneficial interests in the Company's shares of the Directors and their families were as follows:

	Held at 31 December 2016	Held at 31 December 2015
M Subramaniam	25,220,003*	32,720,003
H Bin Abdul Jalil	473,234	473,234
S Rothschild	-	-

* includes 10,270,000 held by Super Eight Universal Inc., company controlled by M Subramaniam.

LONDON NUSANTARA PLANTATIONS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Directors' remuneration

Details of the Directors' emoluments for the year are as follows:

	2016 £	2015 £
M Subramaniam	27,000	22,500
H Bin Abdul Jalil	10,774	8,231
S Rothschild	13,200	12,600

Substantial shareholders

The Directors are aware of the following shareholdings of 3% or more of the issued share capital of the Company as of 26 May 2017:

	Number of Ordinary shares	% of Share Capital
Lim Kuan Yew	20,779,336	11.5
Araluen Point Assets Limited	19,650,000	10.9
DAK Investments Inc.	17,000,000	9.4
Khalid Bin Yusoff	16,750,000	9.3
Manichelvam Subramaniam	14,950,003	8.3
Super Eight Universal Inc.	10,270,000	5.7
Perlington Limited	7,212,739	4.0
Mohd Haniff Bin Abdul Aziz	6,991,172	3.9
Teh Gaik Looi	6,892,937	3.8

Statement of directors' responsibilities

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the group's ability to continue as a going concern.

LONDON NUSANTARA PLANTATIONS PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

UHY Hacker Young LLP has expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board



**S Rothschild
Director**

30 May 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LONDON NUSANTARA PLANTATIONS PLC

We have audited the financial statements of London Nusantara Plantations plc for the year ended 31 December 2016 which comprise the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statement of cash flows, the consolidated and parent company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with section 15 of the Companies Act 1982. 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 6 – 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion 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's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2016 and of the group's loss for the year then ended;
- have been prepared in accordance with the requirements of International Financial Reporting Standards; and
- have been prepared in accordance with the requirements of the Companies Acts of 1931 to 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Acts 1931 to 2006 requires us to report to you if, in our opinion:

- proper books of account have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the books of account and returns; or
- we have not received all the information and explanations we require for our audit.



Colin Wright (Senior Statutory Auditor)

for and on behalf of UHY Hacker Young LLP
Chartered Accountants and Statutory Auditors

Quadrant House
4 Thomas More Square
London
E1W 1YW

30 May 2017

LONDON NUSANTARA PLANTATIONS PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administration expenses		(118,339)	(174,357)
Operating loss	4	(118,339)	(174,357)
Finance income	6	4,901	8,651
Loss before taxation		(113,438)	(165,706)
Taxation	7	-	-
Loss for the year		(113,438)	(165,706)
Other comprehensive income		-	-
Total comprehensive loss		(113,438)	(165,706)
Loss attributable to:			
Equity holders of the company		(113,438)	(165,706)
Loss per share	8	(0.06)p	(0.09)p

LONDON NUSANTARA PLANTATIONS PLC

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	31 December 2016 £	31 December 2015 £
Non-Current Assets			
Office equipment	9	151	230
Investments	10	111,772	111,772
Total non-current assets		<u>111,923</u>	<u>112,002</u>
Current assets			
Prepayments	11	24	-
Cash and cash equivalents	12	82,633	191,097
Total current assets		<u>82,657</u>	<u>191,097</u>
Total assets		<u>194,580</u>	<u>303,099</u>
Current liabilities			
Accruals	13	(15,951)	(11,032)
Total liabilities		<u>(15,951)</u>	<u>(11,032)</u>
Net assets / (liabilities)		<u>178,629</u>	<u>292,067</u>
Capital and reserves			
Share capital	14	669,438	669,438
Retained losses	15	(490,809)	(377,371)
Total equity		<u>178,629</u>	<u>292,067</u>

The financial statements of London Nusantara Plantations plc, registered number 009753V (Isle of Man), were approved by the board of directors and authorised for issue on 30 May 2017. They were signed on its behalf by:



M Subramaniam
Director

LONDON NUSANTARA PLANTATIONS PLC

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	31 December 2016 £	31 December 2015 £
Non-Current Assets			
Office equipment	9	151	230
Investments	10	111,954	111,772
Total non-current assets		<u>112,105</u>	<u>112,002</u>
Current assets			
Amounts receivable from related parties	11	862	-
Prepayments	11	24	-
Cash and cash equivalents	12	81,969	191,097
Total current assets		<u>82,855</u>	<u>191,097</u>
Total assets		<u>194,960</u>	<u>303,099</u>
Current liabilities			
Accruals	13	(15,837)	(11,032)
Total liabilities		<u>(15,837)</u>	<u>(11,032)</u>
Net assets / (liabilities)		<u>179,123</u>	<u>292,067</u>
Capital and reserves			
Share capital	14	669,438	669,438
Retained losses	15	(490,315)	(377,371)
Total equity		<u>179,123</u>	<u>292,067</u>

The financial statements of London Nusantara Plantations plc, registered number 009753V (Isle of Man), were approved by the board of directors and authorised for issue on 30 May 2017. They were signed on its behalf by:



M Subramaniam
Director

LONDON NUSANTARA PLANTATIONS PLC**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Year ended 31 December 2016 £	Year ended 31 December 2015
Cash flow from operating activities		
Loss for the year	(113,438)	(165,706)
Adjusted for:		
Depreciation	79	78
Interest received	(4,901)	(8,651)
(Increase) / decrease in receivables	(24)	750
Increase / (decrease) in payables	4,919	(15,226)
Net cash outflow from operating activities	<u>(113,365)</u>	<u>(188,755)</u>
Cash flow from investing activities		
Interest received	4,901	8,651
Purchase of investment	-	(1,275)
Net cash inflow from investing activities	<u>4,901</u>	<u>7,376</u>
Net decrease in cash and cash equivalents	(108,464)	(181,379)
Cash and cash equivalents at the beginning of the year	191,097	372,476
Cash and cash equivalents at the end of the year	<u><u>82,633</u></u>	<u><u>191,097</u></u>

LONDON NUSANTARA PLANTATIONS PLC**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Cash flow from operating activities		
Loss for the year	(112,944)	(165,706)
Adjusted for:		
Depreciation	79	78
Interest received	(4,901)	(8,651)
(Increase) / decrease in receivables	(728)	750
Decrease / (increase) in payables	4,647	(15,226)
Net cash outflow from operating activities	<u>(113,847)</u>	<u>(188,755)</u>
Cash flow from investing activities		
Interest received	4,901	8,651
Purchase of investment	(182)	(1,275)
Net cash inflow from investing activities	<u>4,719</u>	<u>7,376</u>
Net decrease in cash and cash equivalents	(109,128)	(181,379)
Cash and cash equivalents at the beginning of the year	191,097	372,476
Cash and cash equivalents at the end of the year	<u><u>81,969</u></u>	<u><u>191,097</u></u>

LONDON NUSANTARA PLANTATIONS PLC

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

Group	Share capital £	Retained losses £	Total equity £
As at 1 January 2016	669,438	(377,371)	292,067
Loss for the year	-	(113,438)	(113,438)
At 31 December 2016	669,438	(490,809)	178,629
As at 1 January 2015	659,438	(211,665)	447,773
Loss for the year	-	(165,706)	(165,706)
Shares issued in the year	10,000	-	10,000
At 31 December 2015	669,438	(377,731)	292,067
Company	Share capital £	Retained losses £	Total equity £
As at 1 January 2016	669,438	(377,371)	292,067
Loss for the year	-	(112,944)	(112,944)
At 31 December 2016	669,438	(490,315)	179,123
As at 1 January 2015	659,438	(211,665)	447,773
Loss for the year	-	(165,706)	(165,706)
Shares issued in the year	10,000	-	10,000
At 31 December 2015	669,438	(377,731)	292,067

LONDON NUSANTARA PLANTATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Significant accounting policies

1.1 Basis of preparation

The financial statements are presented as required by the Companies Act 2006 (Isle of Man). As permitted by that Act, the financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted that have been adopted by the company in the preparation of these financial statements are set out below.

1.2 Going concern

On admission to NEX Exchange on 30 June 2014, the company raised £532,428 in gross proceeds from a share placing, of which net proceeds after costs of the IPO of £452,160 were received. As part of the admission process, the directors prepared detailed working capital forecasts to ensure that the company would have sufficient funds available for the foreseeable future.

Subsequent to the year-end the group entered into a Share Sale agreement for the disposal of its interest in Next Oasis Sdn Bhd for an amount of £124,181. Having reviewed the group's forecasts, the directors believe that the group is well placed to manage its business risks successfully. Thus, they have adopted the going concern basis in preparing these financial statements.

1.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertaking. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All business combinations are accounted for using the acquisition method of accounting.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

1.4 Foreign currencies

The results and financial position of the company are expressed in Pounds Sterling (£) which is the presentation currency for the company financial statements. The functional currency of the company is the Malaysian Ringgit (RM), which is the currency of the environment in which the company principally operates. At the year-end, the exchange rate applying to these financial statements was £1 = RM5.5122 (2015 £1 = RM6.366).

The assets and liabilities of the company's foreign operations are translated at exchange rates prevailing on the date of the accounts. Income and expense items are translated at exchange rates ruling at the date of the transactions. Exchange differences arising, if any, are classified as income or as expenses in the period in which they arise.

LONDON NUSANTARA PLANTATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Significant accounting policies (continued)

1.5 Office equipment

Office equipment is stated at cost, less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over this expected useful life, as follows:

Office equipment	25% per annum on a straight line basis
------------------	--

1.6 Investments

Investments are stated at cost less any provision for impairment.

1.7 Trade and other receivables

Trade and other receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. Provisions for impairment of receivables are included in the income statement.

1.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand only.

1.9 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the company prior to the financial year, which are unpaid. Current liabilities represent those amounts falling due within one year.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the financial reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination, which at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that are expected to apply when the related deferred tax asset is realised or when the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

LONDON NUSANTARA PLANTATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Significant accounting policies (continued)

1.11 New standards and interpretations

The following new standards and amendments are mandatory for the first time for financial periods commencing on or after 1 January 2016:

Annual improvements to IFRSs 2010 - 2012

These annual improvements to IFRSs impact a number of standards including IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

Annual improvements to IFRSs 2011 - 2013

These annual improvements to IFRSs impact a number of standards including IFRS 1, IFRS 3, IFRS 13 and IAS 40.

Annual improvements to IFRSs 2012 - 2014

These annual improvements to IFRSs impact a number of standards including IFRS 5, IFRS 7, IAS 19 and IAS 34.

The directors consider that the above amendments to standards do not have any impact on these financial statements.

1.12 IFRS Standards and interpretations in issue but not yet effective

The IASB and IFRIC have issued new standards and interpretations with an effective date after the date of these financial statements. Of these, only the following are expected to be relevant to the group:

International Financial Reporting Standards (IFRS)

IFRS 9 Financial instruments

IFRS 15 Revenue from contracts with customers

IFRS 16 Leases

Amendments to IAS 7 – Disclosure initiative

Amendments to IFRS 2 – Classification of share-based payment transactions

Clarifications to IFRS 15 – Revenue from contracts with customers

Annual improvements to IFRSs 2014 – 2016

IFRIC Interpretation 22 – Foreign currency translations and advance consideration

The directors do not expect that the effect of the annual improvements to standards will have a material impact on the preparation of the financial statements and have not considered early adoption to be necessary.

2. Critical accounting judgements and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Management believes that there are no areas that involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements.

LONDON NUSANTARA PLANTATIONS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. Segmental information

The group's assets and activities are based in Malaysia within the palm oil investment sector. This is the only business segment in which the group operates as identified by management.

4. Operating loss	2016	2015
	£	£
Operating loss has been arrived at after charging:		
Depreciation of office equipment	79	78
Gain / (loss) on foreign exchange	26,668	(44,955)
Auditors' remuneration:		
- Audit fees	9,772	7,000
- Interim announcement	-	1,500
	=====	=====

5. Employees

The only employees of the group during the year were the Directors. Directors' remuneration is separately disclosed in the Directors' Report on page 5.

6. Finance income	Year ended	Year ended
	31 December	31 December
	2016	2015
	£	£
Bank interest received	4,901	8,651
	=====	=====

7. Taxation	Year ended	Year ended
	31 December	31 December
	2016	2015
		£
Current tax	-	-
Deferred tax	-	-
	=====	=====

No reconciliation of the factors affecting the tax charge has been presented as the company is incorporated in the Isle of Man, which has a corporation tax rate of 0%. No provision for deferred tax assets arising on losses incurred in the subsidiary company have been included in the financial statements as there is no certainty over when such losses would be recovered.

8. Loss per share

The basic loss per share of 0.06p (2015 - 0.09p) is calculated by dividing the loss for the period by the weighted average number of ordinary shares in issue of 180,458,336 (2015 - 180,266,254).

LONDON NUSANTARA PLANTATIONS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9. Office equipment Group and company	Office equipment £
Cost	
At 1 January 2015	315
Additions	-
	<hr/>
At 1 January 2016	315
Additions	-
	<hr/>
At 31 December 2015	315
	<hr/>
Depreciation	
At 1 January 2015	7
Charge for the year	78
	<hr/>
At 1 January 2016	85
Charge for the year	79
	<hr/>
At 31 December 2016	164
	<hr/>
Net book value	
At 31 December 2015	230
	<hr/> <hr/>
At 31 December 2016	151
	<hr/> <hr/>

LONDON NUSANTARA PLANTATIONS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. Investments Group	Unlisted investments £
Cost	
At 1 January 2015	20
Additions	111,752
	<hr/>
At 1 January 2016	111,772
Additions	-
	<hr/>
At 31 December 2016	111,772
	<hr/>
Net book value	
At 31 December 2015	111,772
	<hr/> <hr/>
At 31 December 2016	111,772
	<hr/> <hr/>

On 26 November 2014, the company acquired an 11% interest in the ordinary share capital of Next Oasis Sdn Bhd, a company incorporated in Malaysia. Next Oasis was incorporated on 26 November 2014 for the purpose of acquiring two companies that hold parcels of vacant land in Malaysia which are suitable for oil palm cultivation.

Subsequent to the year-end, the company entered into a Share Sale Agreement for the disposal of the investment in Next Oasis Sdn Bhd for an amount of £124,181. Further details are set out in note 19. On this basis, the directors consider that no provision for impairment of the investment is required at 31 December 2016.

LONDON NUSANTARA PLANTATIONS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. Investments (continued)	Unlisted	Investment	Total
Company	Investments	in	
	£	Subsidiary	£
Cost		£	
At 1 January 2015	20	-	20
Additions	111,752	-	111,752
	-----	-----	-----
At 1 January 2016	111,772	-	111,772
Additions	-	182	182
	-----	-----	-----
At 31 December 2016	111,772	182	111,954
	-----	-----	-----
Net book value			
At 31 December 2015	111,772	-	111,772
	=====	=====	=====
At 31 December 2016	111,772	182	111,954
	=====	=====	=====

During the year to 31 December 2016, the company incorporated a subsidiary company in Malaysia – Lonnus (M) Sdn Bhd. The subsidiary company is wholly owned and has been incorporated in order to facilitate the management of payments and receipts on behalf of the parent. At 31 December 2016 the subsidiary company had net liabilities of £313 and made a loss of £495 for the year.

11. Receivables	31 December	31 December
Group	2016	2015
	£	£
Prepayments	24	-
	-----	-----
	24	-
	=====	=====
Company	31 December	31 December
	2016	2015
	£	£
Amounts due from related parties	704	-
Prepayments	24	-
	-----	-----
	728	-
	=====	=====

LONDON NUSANTARA PLANTATIONS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. Cash and cash equivalents

Cash and cash equivalents comprise cash held at bank. The carrying amount of these assets is approximately equal to their fair value.

**13. Payables
Group**

	31 December 2016 £	31 December 2015 £
Accruals	15,951	11,032
	<u>15,951</u>	<u>11,032</u>
	=====	=====

Company

	31 December 2016 £	31 December 2015 £
Accruals	15,837	11,032
	<u>15,837</u>	<u>11,032</u>
	=====	=====

14. Share capital

	Number of shares	£
Authorised: 500,000,000 Ordinary Shares of £nil par value	500,000,000	500,000,000
Allotted and called up and fully paid: Ordinary Shares at 31 December	<u>180,458,336</u>	<u>180,458,336</u>
	=====	=====

**15. Retained losses
Group**

	31 December 2016 £	31 December 2015 £
Balance at 1 January 2015	377,371	211,665
Loss for the year	113,439	165,706
	<u>490,809</u>	<u>377,371</u>
Balance at 31 December 2016	=====	=====

LONDON NUSANTARA PLANTATIONS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. Retained losses (continued)			
Company		31 December 2016	31 December 2015
		£	£
Balance at 1 January 2015		377,371	211,665
Loss for the year		112,944	165,706
		<hr/>	<hr/>
Balance at 31 December 2016		<u>490,315</u>	<u>377,371</u>

16. Financial instruments

The group holds the following financial instruments:

		31 December 2016	31 December 2015
		£	£
Finance assets			
Cash at bank		81,969	191,097
		<hr/>	<hr/>
		<u>83,037</u>	<u>191,097</u>
		<hr/>	<hr/>
Financial liabilities			
Payables		15,837	11,032
		<hr/>	<hr/>

The company holds the following financial instruments:

		31 December 2016	31 December 2015
		£	£
Finance assets			
Receivables		704	-
Cash at bank		81,969	191,097
		<hr/>	<hr/>
		<u>82,673</u>	<u>191,097</u>
		<hr/>	<hr/>
Financial liabilities			
Payables		15,837	11,032
		<hr/>	<hr/>

LONDON NUSANTARA PLANTATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

16. Financial instruments (continued)

Financial risk management objectives

The group is exposed to a variety of financial risks which include capital risk management and currency risk.

The group has determined the guidelines in managing the financial risks and seeks to minimise potential adverse effects on the financial performance of the group. As described below, the group constantly monitors the financial risks to which it is exposed, in order to detect those risks in advance and take the necessary action to mitigate them.

The directors recognise that this is an area in which they may need to develop specific policies should the group become exposed to further financial risks as the business develops.

The following section provides qualitative disclosures on the effect that these risks may have upon the group.

Capital risk management

The group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the equity balance. The capital structure of the group consists of equity attributable to equity holders, comprising issued capital, reserves and retained losses as disclosed in notes 14 and 15.

Externally imposed capital requirement

The group is not subject to externally imposed capital requirements.

Foreign currency risk

It is anticipated that the group will undertake a significant proportion of its activities in Malaysia. Foreign currency risks will be monitored by the Board.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets	Liabilities	Assets	Liabilities
	2016	2016	2015	2015
	£	£	£	£
Malaysian Ringgit	194,580	15,951	303,099	11,032

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets	Liabilities	Assets	Liabilities
	2016	2016	2015	2015
	£	£	£	£
Malaysian Ringgit	194,960	15,837	303,099	11,032

The group is mainly exposed to the currency fluctuations of the Ringgit. No sensitivity analysis has been prepared on the basis that the effects are immaterial.

LONDON NUSANTARA PLANTATIONS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. Financial instruments (continued)

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

17. Related party transactions

Amounts due from related parties at the year-end are receivable from the wholly owned subsidiary company Lonnis (M) Sdn Bhd.

Key management personnel of the group are considered to be the directors. Details of the director's remuneration for the year are set out in the Directors' Report.

18. Controlling party

At 31 December 2016 the group was not under the control of any one entity or individual.

19. Subsequent events

Subsequent to the financial year end, the company has entered into a Share Sale Agreement ("SSA") dated 29 May 2017 to dispose of its investment in Next Oasis Sdn Bhd for RM683,000 (£124,181). The sale averaged a gross return of 8.1% (before capital gains tax) which is an average return on capital asset disposals in Malaysia.