Consolidated Interim Financial Statements

Leni Gas Cuba Ltd.
(An Investment Company)

For the three and nine-month periods ended June 30, 2016
(Unaudited)

INDEX

NOTICE TO READER

Management has compiled the unaudited consolidated interim financial statements of Leni Gas Cuba Ltd. as at June 30, 2016 and for the three and nine-month periods then ended. These consolidated interim financial statements have not been audited or reviewed by the Corporation's independent auditors.

CHAIRMAN'S REPORT

I am pleased to present the unaudited consolidated interim financial statements for the nine month period ended on June 30, 2016 (the "**Period**") of Leni Gas Cuba Limited (the "**Company**" or "**Leni Gas Cuba**"), the wholly-owned subsidiary of LCG Capital Ltd. ("**LGC**") (formerly Knowlton Capital Inc.). LGC will file on SEDAR its audited financial statements for the year ended June 30, 2016 on October 28, 2016. Following the completion of the reverse take-over transaction between LGC and Leni Gas Cuba on July 12, 2016, and pursuant to the securities legislation and accounting rules, the fiscal year end of LGC was automatically changed to the fiscal year of Leni Gas Cuba, being September 30. Accordingly, the first consolidated financial statements of LGC, post the completion of the RTO, will be for the year ended September 30, 2016, which will include historical comparatives for Leni Gas Cuba only.

LGC is in a unique position for shareholders to participate in a diversified investment company primarily focused on exposure to the growing Cuban economy.

The reporting Period and subsequent period, has been a very active and productive time for the Company, with highlights being:

- strong growth from our Cuban centric international travel business, In Cloud 9, with revenues for the nine-month Period rising strongly to US$871,000 (£596,000) with a gross profit of US$170,000 (£116,000) and net profit of US$21,000 (£14,000);

- significant boost in the value of our oil investments to £1.96 million (C$3.41 million) at June 30, 2016 and £3.51 million (C$5.62 million) at the time of this report, driven by our 14.8% exposure to the significant uplift in the share price of Australian listed MEO Australia, after they reported positive updates from their onshore Block 9 oil activities in Cuba, new oil assessments from their shallow water off-shore Beehive oil project off Western Australia and positive developments on their Tassie Shoals LNG/Methonal Project off-shore northern Australia;

- establishment of a 50/50 joint venture with international sports consulting and management group Rushmans for the development of Cuban Sport and the recent news that Rushmans has signed a landmark deal with Cuba to market Cuban TV sport content worldwide. The Company anticipates that this Rushmans JV has the potential to be cash generative before the end of 2016;

- first imports of machinery and equipment to Cuba under the 50/50 joint venture with Groombridge Trading Corp and the establishment of relationships and infrastructure to handle potentially significant orders expected by the end of 2016; and

- our investment in the Cuban coffee sector through our 10% interest in Cuba Mountain Coffee Company ("**CMC**") received a boost, with the news that CMC expects to complete its formal deals with the Cuban authorities later this year and is hopeful that its coffee project in the Cuban province of Guantanamo will begin in 2017. In addition, CMC announced it had also signed a Memorandum of Understanding with Nestlé Nespresso and TechnoServe, to boost the production and quality in some of the Guantanamo micro-regions of Cuba.

Following completion of the RTO on July 12, 2016, the Company became a wholly-owned subsidiary of Knowlton Capital Inc. ("**Knowlton**") and delisted from London's ISDX Growth Market. Knowlton subsequently changed its name to LGC Capital Ltd., to reflect the transaction with Leni Gas Cuba, and commenced trading on the TSX Venture Exchange as a Tier 2 investment company on July 19, 2016 under the stock symbol "QBA".

The completion of the RTO has the potential to deliver significant benefits to shareholders, by providing greater access to the very significant North American capital markets, where there is considerable investment interest in

Cuba through tourism, business and Government to Government relations. Given the historically strong trade and tourism ties between Canada and Cuba, the TMX Group and its TSX Venture Exchange is therefore the most logical market for LGC.

Outlook

The Company has invested significant capital in establishing the necessary infrastructure and support teams to build a strong foundation and presence for growing the business in Cuba. The Company has invested considerable working capital in associated companies and joint ventures backed by management with a wealth of experience and contacts in Cuba. We see these investments well positioned for significant growth going forward. We see the forthcoming year to be a very productive period, not only in respect to the Company's existing investments and joint ventures in Cuba, but also in sourcing new investments that fit within the Company's stated business investment strategy.

Cuban Oil Investments

On February 29, 2016, the Company agreed to a strategic investment in Australian listed Cuban oil explorer MEO Australia Limited ("**MEO**"), executing a placing agreement to become the largest shareholder in MEO, with an initial 15.8% interest. This has been an excellent investment for LGC Capital with the price rising significantly from its original entry level and the Company foresees significant upside from current levels as MEO continues to develop its Block 9 oil licence in Cuba, it's Beehive off-shore oil project in Australia and its Tassie Shoals LNG/Methanol Project in Australia.

MEO is uniquely prequalified as a foreign onshore and shallow water operator in Cuba and was awarded a 100% interest in the 2,380 square kilometres onshore oil block, Block 9 PSC in Cuba on September 3, 2015. The Company also holds a 15% interest in Petro Australis Limited (Petro Australis), which holds a conditional 40% back-in option in to Block 9. Accordingly, the investment in Petro Australis significantly increased the Company's underlying interest in Block 9.

On August 15, 2016, MEO provided a significant update on Cuba Block 9:

- Following on from the assessment of the resource potential of the Lower Sheet play, the Company's assessment of the resource potential of the remaining two plays, the Upper Sheet and Shallow Tertiary plays, is progressing as planned. MEO expects to complete the preliminary stage of this assessment in the fourth quarter of 2016. These resources are in addition to the previously announced resource potential of the Lower Sheet play.

- MEO has also commenced the work required to accelerate the potential for early drilling in Block 9 based on the significant resource potential identified in the Lower Sheet play. MEO has identified the A2 Lead and follow up to the Marti-5 oil recovery as targets which could potentially be drilled on existing data. MEO is aiming to finalise a drilling plan by the first quarter of 2017 for up to two wells in Block 9.

- Sherritt International Corporation plans this year to drill a high impact well on neighbouring Block 10 PSC which, if successful, will provide further validation of the significant prospectivity of MEO's Block 9 PSC in Cuba.

- To support these activities, MEO has opened a representative office in Havana and appointed former Cupet Exploration Director Dr Rafael Tenreyro as its representative in Cuba.

On September 12, 2016, MEO provided the following update on its 100% owned Beehive Oil Prospect in Australia:

- "Following conclusion of the recent successful seismic reprocessing and inversion project which has reinvigorated interest from major players, MEO commenced a farm out process to secure funding partners to progress the technical assessment of, and ultimately drill, the Beehive prospect. To date, four substantial companies have engaged in the process and are actively reviewing the technical data for WA-488-P. MEO is seeking responses from these potential farminees by the end of October 2016, but timing remains subject to ongoing market conditions and the addition of any new parties to the process."

On August 4, 2016, MEO provided the following update on its 100% owned Tassie Shoals Project in Australia:

- MEO Australia's 100% owned strategic Tassie Shoal Projects (proposed for offshore Northern Australia) with its LNG Project received updated environmental approvals that extend the approvals period for the LNG Project to 2052, and increase the flexibility to process gas of varying qualities into LNG. MEO Australia has also stated that, under full development, the LNG Project has a design capacity of 3 million tonnes per year and the two Methanol plants would use 440 million cubic feet per day, or 4 trillion cubic feet of raw gas over 25 years.

Cuban Sport Joint Venture:

On April 26, 2016, the Company announced the execution of a 50/50 unincorporated joint venture with Rushmans ("the **Rushmans JV**"), to explore the opportunities available for international entities to participate in the development funding for Cuban sport.

Rushmans, with whom the Company has an existing introductory and advisory arrangement, has more than 25 years' experience in world sport and has advised and supported sports governing bodies and played a key role in planning and delivering a host of major events including European Championships in Football and World Cups in Cricket and Rugby. The company has also acted as a strategic advisor to sport and corporations worldwide.

The Rushmans JV has been formed to help Cuban sport build upon its massive potential from social / grassroots to international competition level.

Cuba has a rich sporting heritage. Its baseball players, boxers and athletes have achieved international acclaim and status while the passion of its people for sport is reflected in the enthusiasm for the number of teams visiting to play exhibition games.

While baseball remains the national sport, football is growing exponentially and the nation's sports development programme helps identify and foster emerging talent with the potential to become world class performers in many sports.

However, Cuba's sports sector has been hit by the US embargo making it difficult to maintain required levels of investment enjoyed by other successful sporting nations.

The Rushmans JV has been granted an exclusive licence to use the Rushmans brand and intellectual property in respect to Cuban sporting opportunities, in consideration for LGC paying £100,000. LGC will fund any Rushmans JV projects accepted by LGC, as well as providing an initial £40,000 in working capital. The funding provided by LGC to the Rushmans JV will be first deducted from the joint venture revenue and repaid to LGC before any pro-rata distributions to the Rushman JV parties.

On September 19, 2016, LGC announced that Rushmans had signed a landmark deal with Cuba to market Cuban TV sport content worldwide**.**

Cuba is world renowned for baseball, boxing and other Olympic sports and has enjoyed considerable success in international events. In the first deal of its type, RTVC, the Commercial Enterprise of Audiovisual contents in Cuba, is making an active commitment to expose Cuban sport to a wider global audience.

In a groundbreaking move, RTVC has contracted with Rushmans to distribute, market and co-produce Cuban sports content and events both live and recorded, from the country to the world.

Coverage of Cuba's National Baseball Series, boxing and other major international sports events to be staged in Cuba will now be available to international audiences.

Cuban Travel Investment

We are pleased by the solid trading performance of the In Cloud 9 Group ("**iC9**") bespoke Cuban centric travel and concierge business, in which the Company holds a 40% interest. The Company has supported the development of iC9 with working capital and additional resources to leverage it's established (but previously under-capitalized) presence in Cuba for strong future growth. We look forward to updating on the results of these initiatives to potentially drive significant growth in revenues and earnings in the forthcoming year and beyond.

iC9 posted unaudited revenues for the nine months ended June 30, 2016 of US$871,000 (£596,000) with a gross profit of US$170,000 (£116,000) and net profit of US$21,000 (£14,000).

iC9 (www.incloud9.com) handles bespoke itinerary visitors to Cuba, providing them with multiple Cuban destinations such as specialist cigar tours, fly and deep sea fishing, scuba diving, sailing, horse riding, cycling and cultural tours. Many high net worth clients of inCloud9 are repeat business customers with some returning multiple times per year. In addition, iC9 operates bespoke travel and film, TV and music production services in Cuba. The iC9 Group of companies have a long established history in Cuba, having successfully operated in the country for in excess of ten years.

LGC Capital continues to support iC9 with working capital, strategy and the implementation of management systems whilst IC9 grows to handle the increase in business and the opportunities presented in the strong growth of tourism to Cuba.

Cuban Import & Export Joint Venture

The Company sees significant potential of its unincorporated 50/50 joint venture with Groombridge Trading Corporation ("**GTC**"), a Cuban centric trading company. The joint venture with GTC (the "**GTC JV**") is designed to expand GTC's business of supplying products, machinery and equipment to the fast growing Cuban tourism sector and exporting agricultural products from Cuba.

GTC, established in 2013, is a Canadian registered company that is approved to trade in Cuba by the Cuban Ministry of Foreign Trade and Investment and the Ministry of Agriculture and is further authorised to trade with other Cuban Government entities. GTC's President, Christopher Murphy, has considerable experience doing business in Cuba and has an extensive network of contacts and relationships in-country. He started doing business in Cuba in 1991, when he established and grew the sugar business of ED & F Man.

The GTC JV will assist GTC with its significant pipeline of opportunities for imports for the hotels and tourism sector. The GTC JV has an exclusive, first right of refusal to participate on a deal by deal, 50/50 basis, in any current and new transactions originated and operated by GTC. In addition to supporting the growth of GTC's current trading activities, the GTC JV will also work with GTC to develop a number of agricultural projects and initiatives currently under negotiation in country and assist with new export orders of agricultural products to Europe and Canada.

The Company has supported the development of the GTC JV with working capital for the development of its office and in-country activities in Cuba. It can take significant time to build the foundations with for key Cuban import contracts, and the Company believes the GTC JV is well positioned to leverage these benefits and crystalize its potential order pipeline in the forthcoming year and beyond.

Coffee Investment

On June 20, 2016, the Company announced that it had acquired a 10% interest in Cuba Mountain Coffee Company Ltd ("**CMC**") with the aim of assisting CMC's efforts in boosting Cuba's coffee production and exporting this valuable premium product to the world.

CMC is an English company founded in 2012 to promote, on a worldwide basis, single-origin gourmet coffee from Cuba's famous Guantanamo Region, both as green beans and also via CMC's own bespoke coffee brand, "Alma de Cuba".

On July 6, 2016, the Company announced that CMC had achieved a milestone in its negotiations with the Cuban authorities and was hopeful that its coffee project in the Cuban province of Guantanamo would begin in 2017.

CMC also advised that a visit to Guantanamo by CMC directors in June 2016 resulted in agreement on the principal terms for co-operation with the Asdrubal Lopez coffee processing plant in Guantanamo, CMC's counter-party in Cuba. Crucial approvals have already been achieved and the project is now in its final negotiating stage before ministerial presentation, expected before January 2017.

In April 2016, CMC also announced that it had signed a Memorandum of Understanding with Nestlé Nespresso with the ambition to explore how to work together with the non-profit organization, TechnoServe, to boost production and quality in some of the Guantanamo micro-regions for the benefit of Cuban farmers and the protection of their environment, subject to the approval of the Cuban authorities and compliance with applicable laws.

Reverse takeover of TSX-V listed Knowlton Capital Inc. (renamed LGC Capital Ltd.)

Post the reporting period, on July 12, 2016, the Company completed the RTO of Knowlton. In connection with the RTO, Knowlton's corporate name was changed to LGC Capital Ltd, so as to reflect the transaction with Leni Gas Cuba, and LGC Capital consolidated its 46,575,500 issued and outstanding common shares on the basis of one common share for every 1.27795529 shares issued and outstanding. At the closing of the RTO, LGC Capital issued an aggregate of 197,600,000 common shares to the shareholders of Leni Gas Cuba in exchange for their shares, on the basis of one LGC Capital share for every 2.5 shares of Leni Gas Cuba. As a result of completion of the RTO, LGC Capital owns 100% of the shares of Leni Gas Cuba, and there are 234,045,328 common shares of the LGC Capital issued and outstanding, of which the former shareholders of Leni Gas Cuba held an aggregate of 197,600,000 shares, representing 84.43% of the outstanding LGC Capital shares.

On completion of the RTO, Donald Strang, Jeremy Edelman and Darren Smith stepped down from the Board of the Company, and I would like to take this opportunity to thank them for their contribution. Also in-conjunction with completion, David Lenigas and Anthony Samaha were appointed to the Board of LGC Capital, which now comprises David Lenigas (Co-Chairman and Chief Executive Officer), Mazen Haddad (Co-Chairman), Anthony Samaha (Chief Financial Officer), Rafi Hazan (Secretary), Guy Charette and Sébastien Bellefleur.

Financial Review

The loss of the Company for the 9 months ended June 30, 2016 was £2.35 million (C$4.08 million) (loss for period ended September 30, 2015: £0.05 million), which includes costs of £0.33 million associated with listing on the ISDX, a share based payments charge of £0.54 million in respect to options and warrants issued on admission to the ISDX as prescribed under the UK accounting system, and costs of £0.15 million in respect to the RTO. The loss also reflects the significant start-up costs of establishing a presence in Cuba and laying the foundations for a diversified investment company, in a country where significant start-up costs are usually experienced. The loss doesn't include the significant increase in value of the Company's investment in MEO in the amount of £0.45 million as at June 30, 2016.

As at June 30, 2016 the Company had net assets of £2.92 million (C$5.07 million) (September 30, 2015 £4.09 million) including cash and listed securities totalling £2.12 million (C$3.69 million).

The Board would like to take this opportunity to thank our shareholders, staff and consultants for their continued support and I look forward to reporting further significant progress over the next period and beyond, as part of TSX-V listed LGC Capital.

David Lenigas
Chairman

October 26, 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended June 30, 2016

	Note	**3 months Apr-01-16 to Jun-30-16 (Unaudited) £**	3 months Apr-01-15 to Jun-30-15 (Unaudited) £	**9 months Oct-01-15 to Jun-30-16 (Unaudited) £**	Period end Mar-03-15 to Sep-30-15 (Audited) £
Revenue		**-**	-	**-**	-
Administrative costs	5	**(410,681)**	-	**(1,292,238)**	(50,188)
Listing costs	5	**-**	-	**(328,705)**	-
Share based payments	17	**-**	-	**(537,860)**	-
RTO costs	5	**(149,154)**	-	**(149,154)**	-
Impairment	9	**(39,183)**	-	**(39,183)**	-
Operating Loss	5	**(599,018)**	-	**(2,347,140)**	(50,188)
Share of associates and joint ventures results	9, 10	**(14,662)**	-	**(5,120)**	-
Loss before taxation		**(613,680)**	-	**(2,352,260)**	(50,188)
Taxation	7	**-**	-	**-**	-
Loss for the period attributable to equity holders of the Company		**(613,680)**	-	**(2,352,260)**	(50,188)
Other comprehensive income:					
Other comprehensive income Items that may be subsequently reclassified to profit or loss:					
Increase in value of available for sale assets	12	**194,141**	-	**450,499**	-
Currency translation gain		**-**	-	**-**	-
Total other comprehensive income		**194,141**	-	**450,499**	-
Total comprehensive income for the period attributable to equity holders of the Company		**(419,539)**	-	**(1,901,761)**	(50,188)

Earnings per share					
Attributable to the equity holders of the Company					
		Pence	**Pence**	**Pence**	**Pence**
Earnings per share – basic and diluted	**8**	**(0.12)**	-	**(0.48)**	(0.03)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2016

	Note	**As at Jun-30-16 (Unaudited) £**	As at Sep-30-15 (Audited) £	As at Jun-30-15 (Unaudited) £
ASSETS				
NON-CURRENT ASSETS				
Interest in associates and joint ventures	9, 10	**136,060**	38,679	-
Available for sale investments	12	**817,546**	790,246	-
		953,606	828,925	-
CURRENT ASSETS				
Cash and cash equivalents	14	**952,006**	3,246,801	112,366
Available for sale investments	12	**1,172,938**	-	-
Trade and other receivables	13	**53,868**	57,000	6,000
Loans to associates and joint ventures	13	**214,965**	-	-
		2,393,777	3,303,801	118,366
TOTAL ASSETS		**3,347,382**	4,132,726	118,366
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	15	**(427,005)**	(36,948)	(6,000)
Deferred consideration payable	15	**-**	-	-
TOTAL LIABILITIES		**(427,005)**	(36,948)	(6,000)
NET ASSETS		**2,920,377**	4,095,778	112,366
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	16	**-**	-	-
Share premium	16	**4,334,466**	4,145,966	-
Advance received for shares to be issued		**-**	-	112,366
Share based payment reserve	17	**537,860**	-	-
Revaluation reserve for available for sale assets	12	**450,499**	-	-
Retained earnings		**(2,402,448)**	(50,188)	-
TOTAL EQUITY		**2,920,377**	4,095,778	112,366

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the period ended June 30, 2016

	Share capital	Share premium	Share based payments	Available for sale asset reserve	Foreign exchange reserve	Retained Earnings	Total equity
	£	£	£	£	£	£	£
Balance at April 1, 2015	-	-	-	-	-	-	-
Transactions with owners							
Shares issued	-	-	-	-	-	-	-
Advance received for shares to be issued	-	124,500	-	-	-	-	124,500
Share issue costs	-	(12,134)	-	-	-	-	(12,134)
Total transactions with owners	-	112,366	-	-	-	-	112,366
Loss & total comprehensive loss for the period	-	-	-	-	-	-	-
Balance at June 30, 2015	**-**	**112,366**	**-**	**-**	**-**	**-**	**112,366**
Transactions with owners							
Shares issued	-	4,525,000	-	-	-	-	4,525,000
Advance received for shares to be issued	-	(124,500)	-	-	-	-	(124,500)
Share issue costs	-	(366,900)	-	-	-	-	(366,900)
Total transactions with owners	-	4,033,600	-	-	-	-	4,033,600
Loss & total comprehensive loss for the period	-	-	-	-	-	(50,188)	(50,188)
Balance at September 30, 2015	**-**	**4,145,966**	**-**	**-**	**-**	**(50,188)**	**4,095,778**
Transactions with owners							
Shares issued	-	200,000	-	-	-	-	200,000
Share issue costs	-	(11,500)	-	-	-	-	(11,500)
Share based payments	-	-	537,860	-	-	-	537,860
Total transactions with owners	-	188,500	537,860	-	-	-	726,360
Loss for the period	-	-	-	-	-	(2,352,260)	(2,352,260)
Increase in value of available for sale asset	-	-	-	450,499	-	-	450,499
Currency translation differences	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	450,499	-	(2,352,260)	(1,901,761)
Balance at June 30, 2016	**-**	**4,334,466**	**537,860**	**450,499**	**-**	**(2,402,448)**	**2,920,377**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended June 30, 2016

	3 months Apr-01-16 to Jun-30-16 (Unaudited) £	3 months Apr-01-15 to Jun-30-15 (Unaudited) £	**9 months Oct-01-16 to Jun-30-16 (Unaudited) £**	Period end Mar-03-15 to Sep-30-15 (Audited) £
Cash flow from operating activities				
(Loss) from operations	**(599,018)**	-	**(2,347,140)**	(50,188)
Share based payments	**-**	-	**537,860**	-
Impairment	**39,183**	-	**39,183**	-
Decrease/(increase) in loans to associates & joint ventures	**(69,003)**	-	**(214,965)**	-
Decrease/(increase) in trade & other receivables	**141,683**	(6,000)	**3,132**	(57,000)
Increase/(decrease) in trade and other payables	**354,152**	6,000	**390,057**	36,948
Net cash (outflow) from operating activities	**(131,015)**	-	**(1,591,872)**	(70,240)
Cash flows from investing activities				
Payments to acquire interest in associates & joint ventures	**(100,000)**	-	**(141,684)**	(38,679)
Payments to acquire available for sale assets	**(27,300)**	-	**(749,739)**	(790,246)
Net cash (outflow) from investing activities	**(127,300)**	-	**(891,423)**	(828,925)
Cash flows from financing activities				
Proceeds from issue of share capital	**-**	124,500	**-**	4,525,000
Share issue costs	**-**	(12,134)	**-**	(379,034)
Net cash (outflow)/inflow from financing activities	**-**	112,366	**-**	4,145,966
Net (decrease)/increase in cash and cash equivalents	**(258,315)**	112,366	**(2,294,795)**	3,246,801
Foreign Exchange differences on translations	**-**	-	**-**	-
Cash and cash equivalents at beginning of period	**1,210,321**	-	**3,246,801**	-
Cash and cash equivalents at end of period	**952,006**	112,366	**952,006**	3,246,801

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

Leni Gas Cuba Limited (the "**Company**") was registered as Leni Gas & Oil Limited in the British Virgin Islands, having been incorporated on March 3, 2015 under the BVI *Business Companies Act 2004* with registered number 1864325. On April 23, 2015 a resolution was passed to change the name of the Company to Leni Gas Cuba Limited. The Company's shares were traded on the ISDX Growth market until July 12, 2016 upon completion of the reverse takeover of Knowlton Capital Inc., a corporation listed on the TSX Venture Exchange.

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

These interim condensed consolidated financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2015 annual financial statements.

The figures presented for the period ended September 30, 2015 have been extracted from the statutory accounts for the period ended September 30, 2015, which contained an unqualified audit report.

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the Company's latest annual audited financial statements, with additional information in respect of significant accounting policies disclosed below.

The IASB has issued a number of IFRS and IFRIC amendments or interpretations since the last annual report was published. It is not expected that any of these will have a material impact on the Company.

The preparation of interim consolidated financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

Going concern

After making enquiries and considering the impact of risks and opportunities on expected cash flows, the Directors of the Company have a reasonable expectation that the Group has adequate cash to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the quarterly financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The Interim Group Financial Statements incorporate the financial statements of the Company and the subsidiary undertakings controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The results of subsidiary undertakings acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal as appropriate. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The "Group" is defined as the Company and its subsidiary Leni Gas Holdings Spain, S.L.U.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Revised Business Combinations are recognized at their fair values at the acquisition date.

Investment in associate

An associate is an entity over which the Company is in a position to exercise significant influence, but not control or jointly control, through participation in the financial and operating policy decisions of the investee.

Investments in associates are recognized in the financial statements using the equity method of accounting. The Company's share of post-acquisition profits or losses is recognized in profit or loss and its share of post-acquisition movements in other comprehensive income are recognized directly in other comprehensive income. The carrying value of the investment, is tested for impairment when there is objective evidence of impairment. Losses in excess of the Company's interest in those associates are not recognized unless the Company has incurred obligations or made payments on behalf of the associate.

Where the Company transacts with an associate, unrealised gains are eliminated to the extent of the Company's interest in the relevant associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

Where the Company's holding in an associate is diluted, the Company recognises a gain or loss on dilution in profit and loss. This is calculated as the difference between the Company's share of proceeds received for the dilutive share issue and the value of the Company's effective disposal.

Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is, when the strategic, financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The Group reports its interests in jointly controlled entities using the equity method of accounting. Under the equity method, investments in joint ventures are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of the investment. Losses of a joint venture in excess of the Group's interest in that investment are not recognized. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Foreign currency translation

(i) Functional and presentation currency

Items included in the individual financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in pounds Sterling, which is also the functional currency of the Company.

(ii) Transactions and balances

Transactions denominated in a foreign currency are translated into the functional currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the functional currency at rates of exchange ruling at balance date. Gains or losses arising from settlement of transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement for the period.

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each income statement are translated at the average exchange rate; and
- all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Share based payments

The Group issues equity-settled share-based payments to certain directors, officers and employees. Equity-settled share-based payments are measured at fair value at the date of grant. The equity-settled share-based payments are expensed to the profit or loss or capitalised to investments or intangibles in the statement of financial position over a straight line basis over the vesting period based on the Group's estimate of shares that will eventually vest. Where equity instruments are granted to persons other than directors, officers and employees, the profit or loss is charged with the fair value of goods and services received over a straight line basis over the vesting period based on the Group's estimate of shares that will eventually vest, except where it is in respect to costs associated with the issue of securities, in which case it is charged to the share premium account.

Available for sale investments at fair value

Fair value estimation

Marketable (Listed) Securities – Where an active market exists for the security, the value is stated at the bid price on the last trading day in the period. Marketability discounts are not applied unless there is some contractual, governmental or other legally enforceable restriction preventing realisation at the reporting date.

Unlisted Investments – Where the Company has investments in equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured these are carried at historic cost.

Fair value hierarchy

IFRS 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can readily observe;

- Level 2 - inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly; and

- Level 3 - inputs that are not based on observable market data (unobservable inputs).

Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	***Description and purpose***
Share capital	The nominal value of the shares issued.
Share premium	Amount subscribed for share capital in excess of nominal value less any attributable costs of these issues, and other specific capital related costs.
Share based payment reserve	Represents the cumulative amount which has been expensed in the income statement in connection with share based payments, less any amounts transferred to retained earnings on the exercise of share options.
Revaluation reserve for available for sale assets	Represents the unrealised gain or loss on fair/market value movement on available for sale investments which are valued at their fair value at the balance sheet date.
Foreign exchange reserve	Represents the exchange translation gains/(losses) on converting overseas subsidiaries.
Retained earnings	Cumulative net gains and losses recognized in the consolidated income statement and consolidated statement of comprehensive income.

3. USE OF ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, as described in note 2, management has made the following judgements that have the most significant effect on the amounts recognized in the financial statements.

Valuation of share based payments

The Company has estimated the fair value of share based payments in the form of options and warrants to directors, consultants and corporate advisors', which has been charged through the income statement in the period of issue. The fair value has been estimated using the Black-Scholes valuation model which requires a number of assumptions to be made such as share price volatility.

4. SEGMENTAL REPORTING

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available. The chief operating decision maker has defined that the Group's only reportable operating segment during the period is in respect to its principal activity as an investment company in respect to Cuba. Subject to further investments and/or acquisitions, the Group expects to further review its segmental information during the forthcoming financial year.

5. OPERATING LOSS

Operating loss has been arrived at after charging:

	3 months Apr-01-16 to Jun-30-16	3 months Apr-01-15 to Jun-30-15	**9 months Oct-01-15 to Jun-30-16**	Period end Mar-03-15 to Sep-30-15
	£	£	**£**	£
Auditor’s remuneration for audit of the Company’s annual accounts	**-**	-	**-**	10,000
Listing costs	**-**	-	**328,705**	-
Director remuneration	**104,167**	-	**264,423**	-
Share based payments	**-**	-	**537,860**	-
RTO costs	**149,154**	-	**149,154**	-
Impairment	**39,183**	-	**39,183**	-
Foreign exchange loss	**5,567**	-	**6,241**	-

6. DIRECTORS’ REMUNERATION

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

	3 months Apr-01-16 to Jun-30-16	3 months Apr-01-15 to Jun-30-15	**9 months Oct-01-15 Jun-30-16**	Year end Mar-03-15 to Sep-30-15
	£	£	**£**	£
Director emoluments	**104,167**	-	**264,423**	-
Share based payments	**-**	-	**265,924**	-
	104,167	-	**530,347**	-

The Directors did not receive any remuneration in the period to September 30, 2015. Their remuneration for services commenced on the completion of admission of the Company to the ISDX Growth market on 2 November 2015.

7. TAXATION

	3 months Apr-01-16 to Jun-30-16	3 months Apr-01-15 to Jun-30-16	**9 months Oct-01-15 to Jun-30-16**	Year end Mar-03-15 to Sep-30-15
	£	£	**£**	£
Tax on ordinary activities	**-**	-	**-**	-

As an International Business, the British Virgin Islands imposes no corporate taxes or capital gains tax. However, the Company may be liable for taxes in the jurisdictions of any of the underlying investments.

8. EARNINGS PER SHARE

The calculation of loss per share is based on the loss after taxation divided by the weighted average number of shares in issue during the period:

	3 months Apr-01-16 to Jun-30-16	3 months Apr-01-15 to Jun-30-15	**9 months Oct-01-15 to Jun-30-16**	Year end Mar-03-15 to Sep-30-15
	£	£	**£**	£
Retained loss for the period (£)	**(613,018)**	-	**(2,352,260)**	(50,188)
Weighted average number of ordinary shares of nil par value in issue	**494,000,001**	1	**493,213,116**	169,146,920
Loss per share – basic (pence)	**(0.12)**	-	**(0.48)**	(0.03)

As inclusion of the potential ordinary shares would result in a decrease in the earnings per share they are considered to be anti-dilutive, as such, a diluted earnings per share is not included.

9. INVESTMENT IN ASSOCIATES

	3 months Apr-01-16 to Jun-30-16	3 months Apr-01-15 to Jun-30-15	**9 months Oct-01-15 to Jun-30-16**	Year end Mar-03-15 to Sep-30-15
	£	£	**£**	£
Balance at the beginning of the period	**194,103**	-	**38,679**	-
Additions	**-**	-	**145,882**	38,679
Adjustments	**(106,512)**	-	**(106,512)**	-
Share of profit/(loss)	**(6,571)**	-	**2,971**	-
Impairment	**(38,869)**	-	**(38,869)**	-
	44,151	-	**44,151**	38,679

The table below presents the Company's associates, which are accounted for using the equity method.

Associate	**Country of registration**	**Nature of business**	**Holding Jun-30-16**	Holding Sep-30-15
Travelwelcome Limited	England and Wales	Non-trading	40%	40%
IC9 S.A.	Panama	Cuban travel business	40%	-
IC9 OU	Estonia	Cuban travel business	40%	-
Cuba Professionals Inc.	Panama	Cuban human resources	49%	-

Unaudited financial information for the period ended Jun-30-16:	Travelwelcome £	IC9 OU £	IC9 S.A. £
Total assets	-	34,378	121,622
Total liabilities	-	(34,378)	(96,393)
Net assets	-	-	25,229
Share of net assets	-	-	10,091
Revenue	-	-	595,824
Profit/(loss)	-	-	13,681
Share of profit/(loss)	-	-	5,473

In September 2015, the Company acquired a 40% interest in Travelwelcome Ltd, a private limited company incorporated in England and Wales, for a total consideration of US$60,000 (£38,679). In November 2015, Travelwelcome Ltd agreed to merge with the InCloud9 Group, which operates a bespoke Cuban travel and concierge business, effective from September 2015.

In March 2016, the Company acquired a 49% interest in Cuba Professionals Inc, a Panama incorporated company, operating in Cuba, providing human resources, mainly in the field of Culture, and also consulting services. Pursuant to the binding term sheet signed between LGC and Cuba Professionals, LGC subscribed for new ordinary shares representing 49% of Cuba Professionals' enlarged capital in consideration of EUR180,000 cash, payable in instalments over a nine month period. Specifically, LGC will be issued with its 49% interest on payment of an initial EUR50,000 on signing of the binding term sheet followed by further payments of EUR50,000 three months thereafter, EUR50,000 six months thereafter, and EUR30,000 nine months thereafter. Subsequently, the Company is of the view that the deferred consideration of EUR130,000 to Cuba Professionals is not payable (refer Note 20), and has adjusted accordingly the carrying value of the investment and impaired it in full. For the period ended March 31, 2016, the share of loss contributed by Cuba Professionals was £2,501, prior to its impairment in full in the period ended June 30, 2016.

10. JOINT VENTURES

	3 months Apr-01-16 to Jun-30-16 £	3 months Apr-01-15 to Jun-30-16 £	**9 months Oct-01-15 to Jun-30-16 £**	Year end Mar-03-15 to Sep-30-15 £
Balance at the beginning of the period	**-**	-	**-**	-
Additions	**100,000**	-	**100,000**	-
Net share of joint venture loss	**(8,091)**	-	**-**	-
Balance at the end of the period	**91,909**	-	**100,000**	-

The table below presents the Company's unincorporated joint ventures, which are accounted for using the equity method.

Joint venture	**Place of business**	**Nature of business**	**Interest Jun-30-16**	Interest Sep-30-15
Groombridge Trading Corp.	Cuba/Canada	Trading	50%	-%
Rushmans	Cuba/International	Cuban Sport	50%	-%
Commercial Funded Solar	Cuba/International	Renewable Energy	50%	-%

Unaudited financial information for the period ended Jun-30-16:	Rushmans JV £	GTC JV £
Total assets	-	9,906
Total liabilities	(16,181)	(117,346)
Net assets/(liabilities)	(16,181)	(107,440)
Share of net assets/(liabilities)	(8,091)	(53,770)
Revenue	-	9,187
Profit/(loss)	(16,181)	(107,440)
Share of profit/(loss)	(8,091)	(53,770)

The share of losses of the GTC JV have not been recognized as they would reduce the investment below zero. The Group's share of losses totalled £53,770.

On May 12, 2016, the Company announced it had entered into an agreement with UK Solar power and storage specialists, Commercial Funded Solar Ltd., to establish an unincorporated joint venture ("the CFS JV") to assess the potential for installing and operating renewable energy and hybrid power solutions (solar power, energy storage and integrated power management systems) in Cuba. During the Period, the CFS JV was only involved in minimal preliminary activities.

11. INVESTMENT IN SUBSIDIARIES

The following subsidiary was incorporated and acquired by the Company during the reporting period. During the reporting period, the only results consolidated within the Consolidated financial statements are costs of £2,314.

Subsidiaries of the Company	**Country of registration**	**Nature of business**	**Holding Jun-30-16**	Holding Sep-30-15
Direct				
Leni Gas Holdings Spain, S.L.U.	Spain	Dormant	100%	-

12. AVAILABLE FOR SALE INVESTMENTS

	Jun-30-16	Sep-30-15	Jun-30-15
	£	£	£
Balance at the beginning of the period	**790,246**	-	-
Additions	**749,739**	790,246	-
Movement in market value	**450,499**	-	-
Balance at the end of the period	**1,990,484**	790,246	-
The available-for-sale investments split is as below:			
Non-current assets – unlisted share holdings	**817,546**	790,246	-
Current assets – listed share holdings	**1,172,938**	-	-
Balance at the end of the period	**1,990,484**	790,246	-

In July and August 2015, the Company acquired a total of 10,961,667 ordinary shares in Petro Australis Limited, an unlisted Australian public company, at a total cost of A$1,644,250 (£790,246).

In March 2016 the Company completed the subscription for 140,716,573 new ordinary shares at A$0.01 per share in MEO Australia Limited for a total cash consideration of A$1,407,166 (£722,439). The Company's shareholding represented on acquisition a 15.8% interest in MEO, an Australian incorporated public company listed on the Australian Stock Exchange. The closing share price of MEO on June 30, 2016 was A$0.015, resulting in an increase in market value of the Company's holding of A$703,583 (£450,499).

In June 2016 the Company acquired a 10% interest in The Cuba Mountain Coffee Company Ltd for an investment of £27,300.

13. TRADE AND OTHER RECEIVABLES

Current trade and other receivables	**Jun-30-16** **£**	Sep-30-15 £	Jun-30-15 £
Other receivables	**42,974**	42,000	-
Loans due from associates	**88,783**	-	-
Loans due from joint ventures	**126,183**	-	-
Prepayments	**10,893**	15,000	6,000
	268,833	57,000	6,000

The loans provided to associates and joint ventures are provided on an unsecured, interest free basis. The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

14. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts for the reporting periods:

	Jun-30-16 **£**	Sep-30-15 £	Jun-30-15 £
UK Sterling (£) bank accounts	**952,006**	3,246,801	112,366
	952,006	3,246,801	112,366

15. TRADE AND OTHER PAYABLES

Current trade and other payables	**Jun-30-16** **£**	Sep-30-15 £	Jun-30-15 £
Trade payables	**(337,605)**	(11,948)	(6,000)
Accruals	**(89,400)**	(25,000)	-
	(427,005)	(36,948)	(6,000)

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

16. SHARE CAPITAL

Ordinary Shares of no par value	Number of ordinary shares	Nominal Value £
Issued at March 3, 2015 on incorporation	1	-
On July 15, 2015, shares issued for cash at 0.01p per share	250,000,000	-
On July 20, 2015, shares issued for cash at 1.00p per share	30,000,000	-
On July 24, 2015, shares issued for cash at 2.00p per share	210,000,000	-
In issue at September 30, 2015	**490,000,001**	**-**
On November 2, 2015 shares issued for cash at 2.00p per share	4,000,000	-
In issue at June 30, 2016	**494,000,001**	**-**

During the Period 4,000,000 shares were issued (Period ended September 30, 2015: 490,000,001 shares issued).

17. SHARE BASED PAYMENTS

The Company periodically grants share options and warrants to employees, consultants and Directors, as approved by the Board.

During the nine months ended June 30, 2016, the Company issued 95 million options (Period ended September 30, 2015: nil) and no options were exercised, lapsed or cancelled. The total share options on issue as at June 30, 2016 are set out below:

Grant date	Expiration date	Number of options outstanding at beginning of the period	Issued in period	Forfeited / expired / cancelled	Number of options outstanding at March 31, 2016	Exercise price (£)
October 23. 2015	December 31, 2020	-	10,000,000	-	10,000,000	0.02
October 23, 2015	December 31, 2020	-	55,000,000	-	55,000,000	0.05
October 23, 2015	December 31, 2020	-	10,000,000	-	10,000,000	0.10
October 23, 2015	December 31, 2020	-	10,000,000	-	10,000,000	0.15
October 23, 2015	December 31, 2020	-	10,000,000	-	10,000,000	0.20
		-	95,000,000	-	95,000,000	

During the period ended June 30, 2016, the Company issued 4,940,000 warrants (Period ended September 30, 2015: nil) and no warrants were exercised, lapsed or cancelled. The total warrants on issue as at June 30, 2016 are set out below:

Grant date	Expiration date	Number of warrants outstanding at beginning of the period	Issued in period	Forfeited / expired / cancelled	Number of warrants outstanding at March 31, 2016	Exercise Price (£)
October 23, 2015	November 2, 2022	-	4,940,000	-	4,940,000	0.05

The assessed fair value of the options and warrants granted during the period ended March 31, 2016 was determined using the Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The following inputs to the model were used for the options and warrants issued in the period ended June 30, 2016:

	Options issued	Warrants issued
Expected volatility	67%	67%
Risk-free interest rate	1.195%	1.604%
Share price at grant date	1.75p	1.75p
Fair value per option	0.19p – 0.95p	0.78p

The expected volatility is based upon the historical volatility of the Company and a basket of comparable companies, and reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

The Group recognized total expenses of £537,860 (period ended September 30, 2015: £nil) relating to equity-settled share-based payment transactions during the Period.

18. RISK MANAGEMENT AND FINANCIAL ASSETS

General objectives, policies and procedures

The directors have overall responsibility for the determination of the Group's risk management objectives and operating processes that ensure effective implementation of the policies set out below. Directors will receive monthly reports through which they review the effectiveness of the processes put in place and the appropriateness of the objectives and policies they set.

The overall objective of the directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details of these policies are set out below.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group is exposed through its activities to the following risks:

- Liquidity risk;
- Interest rate risk;
- Foreign exchange risk;
- Credit risk; and
- Market risk.

The Group is exposed to risks that arise from its use of financial instruments. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises are as follows:

- Trade and other receivables;
- Trade and other payables;
- Cash and cash equivalents;
- Investment in associates;
- Investment in joint venture entities;
- Investment in listed securities; and
- Investment in unlisted securities.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The directors will receive rolling 12 month cash flow projections on a quarterly basis as well as information regarding cash investments. At the period end these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to secure new facilities with the bank.

Interest rate risk

As the Group has no borrowings, it only has limited interest rate risk. The impact is on income and operating cash flow and arises from changes in market interest rates. Cash resources are held in current, floating rate accounts.

Foreign exchange risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The presentation currency of the Group is Sterling. The Group's financial assets are currently denominated in Sterling and various currencies other than Sterling. The Group may hold other financial instruments, the price of which may be determined with reference to currencies other than Sterling.

To the extent that these financial instruments are unhedged, or are not adequately hedged, the value of the Group's financial instruments may fluctuate with exchange rates as well as with price changes in various local markets and currencies. The value of the financial assets may therefore be affected unfavourably by fluctuations in currency rates and exchange control regulations. Currently the Group's main exposures to foreign currencies is to Australian, US Dollars, Euro and Canadian currencies. The Group has not entered into hedging instruments to manage exposure to currency movements at this stage.

Credit risk

The Group is exposed to credit risk from its cash deposits. The Group reviews the banks and financial institutions it deals with to ensure that standards of credit worthiness are maintained.

The Group is also exposed to credit risk from its loans to associates and joint ventures.

The Group does not enter into derivatives to manage credit risk.

At the Reporting Date the Group does not envisage any losses from non-performance of counterparties.

Market risk

Price risk arises from uncertainty about the future prices of financial instruments held by the Company. It represents the potential loss that the Company might suffer through its holding of financial instruments as a result of market movements.

The prices of equity securities in unquoted companies that are not traded is more uncertain that those of widely traded securities on recognized exchanges. The Board's strategy in managing the market price risk inherent in the Company's equity investments is determined by the requirement to meet the Company's investment objective. The directors manage these risks by regular reviews of the investments within the context of current market conditions. Unquoted and quoted investments are valued as per accounting policy in these financial statements. Regular reviews of the financial results, combined with close contact with the management of these investments, provide sufficient information to support these valuations.

The Group has minimal exposure to interest rate risk. During the reporting period the Group was exposed to interest rate risk on some of its financial assets, being cash held on bank deposit. The Directors currently believe that interest rate risk is at an acceptable level.

Financial assets

The Group held the following financial assets:

	Jun-30-16	Sep-30-15	Jun-30-15
	£	£	£
Cash	**952,006**	3,246,801	112,366
Trade and other receivables	**53,868**	57,000	6,000
Investments in associates	**136,060**	38,679	-
Loans to associates and joint ventures	**214,965**	-	-
Available for sale investments	**1,990,484**	790,246	-
	3,347,382	4,132,726	118,366

Financial liabilities

The Group held the following financial liabilities:

	Jun-30-16	Sep-30-15	Jun-30-15
	£	£	£
Trade payables and accruals	**(427,005)**	(36,948)	(6,000)
	(427,005)	(36,948)	(6,000)

Capital management

The Group is currently funded through shareholders' funds. If financing is required, the Board will consider whether debt or equity financing is more appropriate and proceed accordingly. The Group is not subject to any externally imposed capital requirements.

The Group considers its capital to comprise its ordinary share capital, share premium and accumulated retained losses as well as the reserves.

The Group's objective when maintaining capital is to safeguard the entity's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company meets its capital needs by equity financing. The Group sets the amount of capital it requires to fund the Group's project evaluation costs and administration expenses. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group do not have any derivative instruments or hedging instruments. It has been determined that a sensitivity analysis will not be representative of the Group's position in relation to market and foreign exchange risk and therefore, such an analysis has not been undertaken.

19. RELATED PARTY

The following related party transactions took place during the Period:

(i) LGC made working capital loans to the GTC JV, with the balance outstanding at June 30, 2016 of £110,000.

(ii) LGC made working capital loans to iC9, with the balance outstanding at June 30, 2016 of £88,783.

(iii) LGC acquired travel services from IC9 in the amount of £36,199, of which the outstanding balance at June 30, 2016 is £ 22,763.

(iv) LGC was provided with service office facilities by Rare Earth Minerals Plc ("REM"), of which Donald Strang is a director. For the Period, REM charged the Company an amount of £18,000, the total of which was outstanding as at June 30, 2016.

For the period ended September 30, 2015 there were no transactions with Directors, other than for their participation in subscriptions for the issues of Ordinary shares. There are no other related party transactions to disclose.

20. CONTINGENT LIABILITY

In March 2016, the Company acquired a 49% interest in Cuba Professionals Inc, a Panama incorporated company. Pursuant to the binding term sheet signed between LGC and Cuba Professionals, LGC subscribed for new ordinary shares representing 49% of Cuba Professionals' enlarged capital in consideration of EUR180,000 cash, payable in instalments over a nine month period. Specifically, LGC will be issued with its 49% interest on payment of an initial EUR50,000 on signing of the binding term sheet followed by further payments of EUR50,000 three months thereafter, EUR50,000 six months thereafter, and EUR30,000 nine months thereafter. Subsequently, the Company is of the view that the deferred consideration of EUR130,000 to Cuba Professionals is not payable, and has accordingly adjusted the carrying value of the investment and impaired it in full.

21. CONTROLLING INTEREST

As at June 30, 2016 and September 30, 2015, there is no single controlling party. As at June 30, 2015 the controlling party was David Lenigas.

22. COMMITMENTS

As at June 30, 2016, September 30, 2015 and June 30, 2015, the Company had no material commitments to disclose.

23. EVENTS AFTER THE END OF THE REPORTING PERIOD

Further details in respect to the following events after the end of the reporting period are provided in the Chairman's Statement.

On July 12, 2016, the RTO was completed and the Company became a wholly owned subsidiary of Knowlton, and delisted from London's ISDX Growth Market. Knowlton subsequently changed its name to LGC Capital Ltd., to reflect the transaction with Leni Gas Cuba, and commenced trading on the TSX Venture Exchange as a Tier 2 investment company on July 19, 2016 under the stock symbol "QBA".

24. AVAILABILITY OF THE INTERIM RESULTS

A copy of this consolidated interim financial statements is available on LGC Capital's website www.lg-cuba.com and LGC Capital's profile on SEDAR at www.sedar.com.