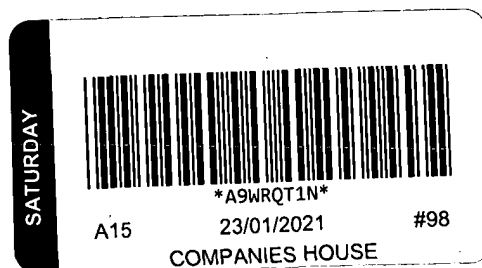


**REPORT OF THE MEMBERS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
WONDERNET EXPRESS LLP**



WONDERNET EXPRESS LLP

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2019**

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WONDERNET EXPRESS LLP

COMPANY INFORMATION
for the Year Ended 31 December 2019

MEMBERS:

Global Logistics LLC
Worldwide Logistics LLC

REGISTERED OFFICE:

12 The Shrubberies
George Lane
London
E18 1BD

REGISTERED NUMBER:

OC339780 (England and Wales)

AUDITORS:

Accura Accountants Ltd.
Langley House
Park Road
East Finchley
London
N2 8EY

WONDERNET EXPRESS LLP

REPORT OF THE MEMBERS for the Year Ended 31 December 2019

The members present their report with the financial statements of the Limited Liability Partnership 'LLP' and the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of freight forwarding and railway transportation of oil and gas products.

REVIEW OF BUSINESS

During the year under review the Group's turnover decreased by 10.5% however the gross profit margin increased to 9.9% from 9.3%. The Group still reported a profit of £8,021,742. The decline in turnover for the year was due to increased competition in the Group's key transportation routes and increases in the direct costs. However, the Group was still able to report a profit in the circumstances, and its continuing policy of growing its customer base, increasing its good reputation and implementing optimal schemes on the movement of wagons; use of modern methods and technologies and of flexibility in its dealings with customers and suppliers leave it well placed to improve on its performance in future periods. The Group's core principles of reliability, cost effectiveness and enhanced security remain at the centre of its service ethos.

The management of the Group are continuing to work on new projects and on the expansion of services to new customers in existing and new territories to further strengthen its position. The Group is participating in the New Silk Road Project with major investments in sea port and associated rail transportation infrastructure. Participation in this project is expected to enhance the Group's future revenue generating potential, to further build its reputation in the Central Asian countries it currently operates in, and to increase cooperation with the many Chinese and European partners involved in this multi-Trillion Dollar undertaking which will transform transport and logistics operations in the whole region for decades.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2019 will be \$16,065,661.

FUTURE DEVELOPMENTS

The main objective of the LLP is to create a competitive and successful business with long term perspectives and prospects.

In January 2020, the Government of Georgia made a unilateral decision to terminate the binding investment agreement made in October 2016 with the JSC Anaklia Development Consortium "ADC", in which the Group is an investor. In response to this action ADC issued a legal claim against the Government of Georgia. As a result of the Georgian Government's decision, project development has been suspended pending final resolution at the duly authorised arbitration tribunal. The members of the Group, in consultation with their legal advisors, are of the opinion that there is a high probability of an entirely positive outcome of the arbitral proceedings. Furthermore, due to the high political and economic importance of the project not only in Georgia but in Central Asia and Europe, it is likely that the other current investors in ADC or their legal successors will continue their participation in the deep sea port project even in the event of its relocation. Even if substitution takes place, it is assumed that this should not preclude the Group from having direct involvement in the project in proportion to its current investment. Consequently, the members of the Group consider that the present value of the investment made into the Anaklia port project has not changed, because there are no actual events that may have caused an impairment of this investment.

At the date of this report the business is currently under 'lockdown' restrictions due to the Covid 19 pandemic. The members and their employees have continued operations within the restrictions and the business has continued to trade profitably.

WONDERNET EXPRESS LLP

REPORT OF THE MEMBERS for the Year Ended 31 December 2019

DESIGNATED MEMBERS

The designated members during the year under review were:

Ballstone Management Inc. - resigned 12 February 2019
Ridgecord Complex AG - resigned 12 February 2019
A Ikramov - appointed 12 February 2019 - resigned 5 June 2019
A Ikramov - appointed 13 February 2019 - resigned 5 June 2019
Global Logistics LLC - appointed 5 June 2019
Worldwide Logistics LLC - appointed 5 June 2019
D Abdushelishvili - appointed 13 February 2019 - resigned 5 June 2019

MEMBERS' INTERESTS

Policy for drawings, subscription and repayment of members' capital is as follows:

Drawings

The policy for members' drawings is to distribute the majority of profit during the financial year, taking into account the need to maintain sufficient funds to finance the working capital and other needs of the business. The members set the designated members level of members' drawings and reviews this annually.

Capital

The capital requirements of the business are determined from time to time by the designated members. Each member is required to subscribe a proportion of this capital. The amount of capital subscribed by each member is linked to the profit share allocated to that member. No interest is paid on capital. The repayment of capital is dependent on members' capital requirement. Members leaving the partnership may have their capital retained unless other arrangements have been agreed between the member and the designated members.

Members' profit shares

Members are remunerated solely out of the profits of the partnership. The designated members set members' profit shares in advance and reviews the allocation. Members' profit shares comprise a variable amount, the value of which is dependent upon the level of profit achieved in accordance with the profit share allocated to that member. Profits are allocated in full and there is transparency amongst the members of the total income allocated to each individual member.

POLITICAL DONATIONS AND EXPENDITURE

During the period under review the group has made charitable donations of \$35,446.

Transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each 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 group's auditors are aware of that information.

WONDERNET EXPRESS LLP

REPORT OF THE MEMBERS for the Year Ended 31 December 2019

STATEMENT OF MEMBERS' RESPONSIBILITIES

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

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under legislation applicable to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's

AUDITORS

The auditors, Accura Accountants Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Global Logistics LLC – Designated member

Date: 15th December 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WONDERNET EXPRESS LLP

Opinion

We have audited the financial statements of Wondernet Express LLP (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated income statement, Consolidated other comprehensive income, Consolidated statement of financial position, Company statement of financial position, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated statement of cash flows and Notes to the consolidated statement of cash flows, Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The members are responsible for the other information. The other information comprises the information in the Report of the members, but does not include the financial statements and our Report of the auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the members for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the members has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WONDERNET EXPRESS LLP

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the members:

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Statement of members' responsibilities set out on page three, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

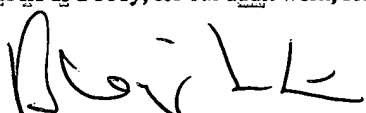
Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the auditors 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.


Brian Melville Leighton FCCA (Senior Statutory Auditor)
for and on behalf of Accura Accountants Ltd
Langley House
Park Road
East Finchley
London
N2 8EY

Date: 15/12/2020

WONDERNET EXPRESS LLP

CONSOLIDATED INCOME STATEMENT for the Year Ended 31 December 2019

	Notes	31.12.19 \$	31.12.18 \$
TURNOVER		85,584,421	95,611,016
Cost of sales		<u>(77,111,998)</u>	<u>(86,752,803)</u>
GROSS PROFIT		8,472,423	8,858,213
Administrative expenses		<u>(3,094,653)</u>	<u>(1,946,556)</u>
		5,377,770	6,911,657
Other operating income		<u>114,053</u>	<u>531,032</u>
OPERATING PROFIT	4	5,491,823	7,442,689
Interest receivable and similar income		<u>2,546,270</u>	<u>654,785</u>
		8,038,093	8,097,474
Interest payable and similar expenses	5	<u>-</u>	<u>(2,507,044)</u>
PROFIT BEFORE TAXATION		8,038,093	5,590,430
Tax on profit	6	<u>(16,351)</u>	<u>(63,395)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>8,021,742</u>	<u>5,527,035</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>8,021,742</u>	<u>5,527,035</u>

The notes form part of these financial statements

WONDERNET EXPRESS LLP**CONSOLIDATED OTHER COMPREHENSIVE INCOME**
for the Year Ended 31 December 2019

Notes	31.12.19 \$	31.12.18 \$
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	8,021,742	5,527,035
OTHER COMPREHENSIVE INCOME		
Foreign exchange movement	(59,071)	(17,328)
Income tax relating to other comprehensive income		
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>(59,071)</u>	<u>(17,328)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>7,962,671</u></u>	<u><u>5,509,707</u></u>

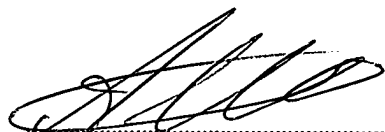
The notes form part of these financial statements

WONDERNET EXPRESS LLP (REGISTERED NUMBER: OC339780)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2019

	Notes	31.12.19 \$	31.12.18 \$
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	1,055,775	982,497
Investments	11	<u>16,953,354</u>	<u>16,766,917</u>
		18,009,129	17,749,414
CURRENT ASSETS			
Debtors	12	28,637,921	45,154,571
Cash at bank		<u>1,281,068</u>	<u>1,887,478</u>
		29,918,989	47,042,049
CREDITORS			
Amounts falling due within one year	13	<u>28,031,005</u>	<u>41,907,000</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>1,887,984</u>	<u>5,135,049</u>
TOTAL ASSETS LESS CURRENT LIABILITIES and NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>19,897,113</u>	<u>22,884,463</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	15	19,896,638	22,883,988
MEMBERS' OTHER INTERESTS			
Capital accounts		<u>475</u>	<u>475</u>
		<u>19,897,113</u>	<u>22,884,463</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	15	19,896,638	22,883,988
Members' other interests		<u>475</u>	<u>475</u>
		<u>19,897,113</u>	<u>22,884,463</u>

The financial statements were approved by the Board of Members and authorised for issue on 15 December 2020 and were signed on its behalf by:



Global Logistics LLC - Director

The notes form part of these financial statements

WONDERNET EXPRESS LLP (REGISTERED NUMBER: OC339780)

**PARTNERSHIP STATEMENT OF FINANCIAL POSITION
31 December 2019**

	Notes	31.12.19 \$	31.12.18 \$
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	912,500	962,500
Investments	11	<u>17,104,354</u>	<u>16,917,917</u>
		18,016,854	17,880,417
CURRENT ASSETS			
Debtors	12	28,546,477	45,092,669
Cash at bank		<u>889,830</u>	<u>1,244,757</u>
		29,436,307	46,337,426
CREDITORS			
Amounts falling due within one year	13	<u>27,984,662</u>	<u>41,734,629</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>1,451,645</u>	<u>4,602,797</u>
TOTAL ASSETS LESS CURRENT LIABILITIES and NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>19,468,499</u>	<u>22,483,214</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	15	19,468,024	22,482,739
MEMBERS' OTHER INTERESTS			
Capital accounts		<u>475</u>	<u>475</u>
		<u>19,468,499</u>	<u>22,483,214</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	15	19,468,024	22,482,739
Members' other interests		<u>475</u>	<u>475</u>
		<u>19,468,499</u>	<u>22,483,214</u>

The financial statements were approved by the Board of Members and authorised for issue on 15 December 2020 and were signed on its behalf by:


Global Logistics LLC - Designated member

The notes form part of these financial statements

WONDERNET EXPRESS LLP

CONSOLIDATED RECONCILIATION OF MEMBERS' INTERESTS for the Year Ended 31 December 2019

	EQUITY		
	Members' other interests		
	Members' capital (classified as equity)	Other reserves	Total
	\$	\$	\$
Balance at 1 January 2019	475	-	475
Profit for the financial year available for discretionary division among members	-	7,962,671	7,962,671
Members' interests after profit for the year	475	7,962,671	7,963,146
Other divisions of profit	-	(7,962,671)	(7,962,671)
Introduced by members	950	-	950
Repayments of capital	(950)	-	(950)
Drawings	-	-	-
Balance at 31 December 2019	475	-	475

	DEBT	TOTAL MEMBERS' INTERESTS
	Loans and other debts due to members less any amounts due from members in debtors	
	Other amounts	Total
	\$	\$
Amount due to members	22,884,463	
Amount due from members	-	
Balance at 1 January 2019	22,884,463	22,483,689
Profit for the financial year available for discretionary division among members	-	7,962,671
Members' interests after profit for the year	22,884,463	30,446,360
Other divisions of profit	7,962,671	-
Introduced by members	42,680,583	42,680,583
Repayments of capital	-	(950)
Drawings	(53,630,604)	(53,630,604)
Amount due to members	19,896,638	
Amount due from members	-	
Balance at 31 December 2019	19,896,638	19,896,638

The notes form part of these financial statements

WONDERNET EXPRESS LLP

CONSOLIDATED RECONCILIATION OF MEMBERS' INTERESTS for the Year Ended 31 December 2019

	EQUITY		
	Members' capital (classified as equity)	Members' other interests Other reserves	Total
	\$	\$	\$
Balance at 1 January 2018	475	-	475
Profit for the financial year available for discretionary division among members	-	5,509,707	5,509,707
Members' interests after profit for the year	475	5,509,707	5,510,182
Other divisions of profit	-	(5,509,707)	(5,509,707)
Drawings	-	-	-
Balance at 31 December 2018	475	-	475

	DEBT	TOTAL MEMBERS' INTERESTS
	Loans and other debts due to members less any amounts due from members in debtors Other amounts	Total
	\$	\$
Amount due to members	64,806,456	
Amount due from members	-	
Balance at 1 January 2018	64,806,456	64,806,931
Profit for the financial year available for discretionary division among members	-	5,509,707
Members' interests after profit for the year	64,806,456	70,316,638
Other divisions of profit	5,509,707	-
Drawings	(47,432,175)	(47,432,175)
Amount due to members	22,883,988	
Amount due from members	-	
Balance at 31 December 2018	22,883,988	22,884,463

The notes form part of these financial statements

WONDERNET EXPRESS LLP

**PARTNERSHIP RECONCILIATION OF MEMBERS' INTERESTS
for the Year Ended 31 December 2019**

	EQUITY		
	Members' capital (classified as equity)	Members' other interests Other reserves	Total
	\$	\$	\$
Balance at 1 January 2019	475	-	475
Profit for the financial year available for discretionary division among members	-	7,935,317	7,935,317
Members' interests after profit for the year	475	7,935,317	7,935,792
Other divisions of profit	-	(7,935,317)	(7,935,317)
Introduced by members	950	-	950
Repayments of capital	(950)	-	(950)
Drawings	-	-	-
Balance at 31 December 2019	475	-	475

	DEBT	TOTAL
	Loans and other debts due to members less any amounts due from members in debtors	MEMBERS' INTERESTS
	Other amounts	Total
	\$	\$
Amount due to members	22,482,739	
Amount due from members	-	
Balance at 1 January 2019	22,482,739	22,483,214
Profit for the financial year available for discretionary division among members	-	7,935,317
Members' interests after profit for the year	22,482,739	30,418,531
Other divisions of profit	7,935,317	-
Introduced by members	42,279,333	42,280,284
Repayments of capital	-	(950)
Drawings	(53,229,342)	(53,229,342)
Amount due to members	19,468,024	
Amount due from members	-	
Balance at 31 December 2019	19,468,024	19,468,499

The notes form part of these financial statements

WONDERNET EXPRESS LLP

PARTNERSHIP RECONCILIATION OF MEMBERS' INTERESTS for the Year Ended 31 December 2019

	EQUITY		
	Members' capital (classified as equity)	Members' other interests Other reserves	Total
	\$	\$	\$
Balance at 1 January 2018	475	-	475
Profit for the financial year available for discretionary division among members	-	5,064,226	5,064,226
Members' interests after profit for the year	475	5,064,226	5,064,701
Other divisions of profit	-	(5,064,226)	(5,064,226)
Drawings	-	-	-
Balance at 31 December 2018	475	-	475

	DEBT	TOTAL MEMBERS' INTERESTS
	Loans and other debts due to members less any amounts due from members in debtors Other amounts	Total
	\$	\$
Amount due to members	64,850,688	
Amount due from members	-	
Balance at 1 January 2018	64,850,688	64,851,163
Profit for the financial year available for discretionary division among members	-	5,064,226
Members' interests after profit for the year	64,850,688	69,915,389
Other divisions of profit	5,064,226	-
Drawings	(47,432,175)	(47,432,175)
Amount due to members	22,482,739	
Amount due from members	-	
Balance at 31 December 2018	22,482,739	22,483,214

The notes form part of these financial statements

WONDERNET EXPRESS LLP

CONSOLIDATED STATEMENT OF CASH FLOWS for the Year Ended 31 December 2019

	Notes	31.12.19 \$	31.12.18 \$
Cash flows from operating activities			
Cash generated from operations	1	8,184,257	51,154,997
Interest paid		-	(2,507,044)
Tax paid		(11,965)	(59,219)
Net cash from operating activities		8,172,292	48,588,734
Cash flows from investing activities			
Purchase of intangible fixed assets		-	32,401
Purchase of tangible fixed assets		(129,443)	(1,020,899)
Purchase of fixed asset investments		(9,535)	(157,277)
Convertible loan		(176,902)	(2,325,090)
Loans given		-	(16,798,445)
Interest received		2,546,270	654,785
Net cash from investing activities		2,230,390	(19,614,525)
Cash flows from financing activities			
Transactions with members and former members			
Payments to members		(53,230,304)	(47,432,175)
Contributions by members		37,164,644	-
Net cash from financing activities		(16,065,660)	(47,432,175)
Decrease in cash and cash equivalents		(547,339)	(18,457,966)
Cash and cash equivalents at beginning of year	2	1,887,478	20,328,116
Effect of foreign exchange rate changes		(59,071)	17,328
Cash and cash equivalents at end of year	2	1,281,068	1,887,478

The notes form part of these financial statements

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS for the Year Ended 31 December 2019

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS TO CASH GENERATED FROM OPERATIONS

	31.12.19	31.12.18
	\$	\$
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members	8,038,093	5,590,430
Depreciation charges	56,165	7,610
Finance costs	-	2,507,044
Finance income	(2,546,270)	(654,785)
	5,547,988	7,450,299
Decrease in trade and other debtors	16,516,650	34,201,559
(Decrease)/increase in trade and other creditors	(13,880,381)	9,503,139
Cash generated from operations	8,184,257	51,154,997

2. 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:

Year ended 31 December 2019

	31.12.19	1.1.19
	\$	\$
Cash and cash equivalents	1,281,068	1,887,478

Year ended 31 December 2018

	31.12.18	1.1.18
	\$	\$
Cash and cash equivalents	1,887,478	20,328,116

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19	Cash flow	Other non-cash changes	At 31.12.19
	\$	\$	\$	\$
Net cash				
Cash at bank	1,887,478	(606,410)		1,281,068
	1,887,478	(606,410)		1,281,068
Net funds (before members' debt)	1,887,478	(606,410)	-	1,281,068
Loans and other debts due to members				
Other amounts due to members	(22,884,463)	9,669,428	(7,962,671)	(21,177,706)
Net debt	(20,996,985)	9,063,018	(7,962,671)	(19,896,638)

The notes form part of these financial statements

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

Wondernet Express LLP is a Limited Liability LLP, registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of Wondernet Express LLP and all its subsidiary undertakings drawn up to 31 December each year.

The consolidated financial statements of the LLP for the year ended 31 December 2019 comprise the LLP and its subsidiaries:

Name of entity	Country of incorporation	100% of ownership	
		31.12.19	31.12.18
OOO Wondernet Express Tashkent	Republic of Uzbekistan	100%	100%
OOO Wondernet Express Belarus	Belarus	100%	100%

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at 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 plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirers interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

Turnover

Turnover represents net invoiced sales of transportation services, net of discounts and value added taxes. The revenue from freight forwarding and operation of cisterns is recognised after delivery of cargo to the final destination as confirmed by waybill documents. The revenue from rent of cisterns is recognised on a daily rental fee basis.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2018, was fully amortised evenly over its estimated useful life of one year.

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Property	- Amortised on a straight line basis
Fixtures and fittings	- 10% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 20% on cost

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets and liabilities

Basic financial assets, and liabilities are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets and liabilities classified as receivable or payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Classification of financial liabilities

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

Cash and cash equivalents

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

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into US Dollars at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Functional currency and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the LLP are measured using US Dollars.

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to profit or loss.

Translation of group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to US Dollars using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Investments

Investments comprise investments in unquoted equity instruments which are measured at fair value. Changes in fair value are recognised in the income statement. Fair value is estimated by using a valuation technique.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

Other loans

Convertible loan notes have been capitalised as fixed asset investment. They have an annual interest rate of 12% which has been accrued in the investment and the income taken to the income statement. The loan notes have the option to convert in to share capital at a future date greater than one year.

3. EMPLOYEES AND MEMBERS

	31.12.19	31.12.18
	\$	\$
Wages and salaries	<u>555,892</u>	<u>447,540</u>

The average number of employees during the year was as follows:

	31.12.19	31.12.18
Administration & finance	14	13
Logistics	<u>24</u>	<u>23</u>
	<u>38</u>	<u>36</u>

	31.12.19	31.12.18
	\$	\$
The amount of profit attributable to the member with the largest entitlement was	<u>2,285,571</u>	<u>2,745,854</u>

	31.12.19	31.12.18
The average number of members during the year was	<u>2</u>	<u>2</u>

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2019**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.19	31.12.18
	\$	\$
Depreciation - owned assets	56,165	40,134
Goodwill amortisation	-	(32,401)
Auditors' remuneration	51,743	41,497
Auditors' remuneration for non-audit work	8,874	7,879
Foreign exchange differences	<u>(77,403)</u>	<u>(251,969)</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.19	31.12.18
	\$	\$
Interest payable	<u>-</u>	<u>2,507,044</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.19	31.12.18
	\$	\$
Current tax:		
Foreign corporation tax	<u>16,351</u>	<u>63,395</u>
Tax on profit	<u>16,351</u>	<u>63,395</u>

Tax effects relating to effects of other comprehensive income

	31.12.19		31.12.18
	Gross	Tax	Net
	\$	\$	\$
Foreign exchange movement	<u>(59,071)</u>	<u>-</u>	<u>(59,071)</u>

	31.12.18		31.12.17
	Gross	Tax	Net
	\$	\$	\$
Foreign exchange movement	<u>(17,328)</u>	<u>-</u>	<u>(17,328)</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent LLP is not presented as part of these financial statements. The LLP's profit for the year was \$7,935,317 (2018: \$5,064,226).

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2019

9. INTANGIBLE FIXED ASSETS

Group

Goodwill
\$

COST

At 1 January 2019
and 31 December 2019

(32,401)

AMORTISATION

At 1 January 2019
and 31 December 2019

(32,401)

NET BOOK VALUE

At 31 December 2019

-

At 31 December 2018

-

10. TANGIBLE FIXED ASSETS

Group

	Freehold Property, \$	Fixtures and fittings \$	Motor vehicles \$	Computer equipment \$	Totals \$
COST					
At 1 January 2019	1,000,000	20,899	-	3,472	1,024,371
Additions	-	2,974	126,469	-	129,443
At 31 December 2019	1,000,000	23,873	126,469	3,472	1,153,814
DEPRECIATION					
At 1 January 2019	37,500	2,265	-	2,109	41,874
Charge for year	50,000	3,525	2,280	360	56,165
At 31 December 2019	87,500	5,790	2,280	2,469	98,039
NET BOOK VALUE					
At 31 December 2019	912,500	18,083	124,189	1,003	1,055,775
At 31 December 2018	962,500	18,634	-	1,363	982,497

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2019

10. TANGIBLE FIXED ASSETS - continued

Partnership

	Freehold Property \$
COST	
At 1 January 2019	
and 31 December 2019	<u>1,000,000</u>
DEPRECIATION	
At 1 January 2019	37,500
Charge for year	<u>50,000</u>
At 31 December 2019	<u>87,500</u>
NET BOOK VALUE	
At 31 December 2019	<u>912,500</u>
At 31 December 2018	<u>962,500</u>

11. FIXED ASSET INVESTMENTS

	Group		Partnership	
	31.12.19	31.12.18	31.12.19	31.12.18
	\$	\$	\$	\$
Shares in group undertakings	-	-	151,000	151,000
Participating interests	14,451,362	14,441,827	14,451,362	14,441,827
Other loans	<u>2,501,992</u>	<u>2,325,090</u>	<u>2,501,992</u>	<u>2,325,090</u>
	<u>16,953,354</u>	<u>16,766,917</u>	<u>17,104,354</u>	<u>16,917,917</u>

Additional information is as follows:

Group

	Interest in other participating interests \$
COST	
At 1 January 2019	14,441,827
Additions	<u>9,535</u>
At 31 December 2019	<u>14,451,362</u>
NET BOOK VALUE	
At 31 December 2019	<u>14,451,362</u>
At 31 December 2018	<u>14,441,827</u>

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2019**

11. FIXED ASSET INVESTMENTS - continued

Partnership

	Shares in group undertakings \$	Interest in other participating interests \$	Totals \$
COST			
At 1 January 2019	151,000	14,441,827	14,592,827
Additions		9,535	9,535
At 31 December 2019	151,000	14,451,362	14,602,362
NET BOOK VALUE			
At 31 December 2019	151,000	14,451,362	14,602,362
At 31 December 2018	151,000	14,441,827	14,592,827

The group's or the partnership's investments at the Statement of financial position date in the share capital of companies include the following:

Subsidiaries

TOO Wondernet Express Tashkent

Registered office: Uzbekistan

Nature of business: freight forwarding and railway transportation

Class of shares:	%
Ordinary	holding 100.00

OOO Wondernet Express Belarus

Registered office: Belarus

Nature of business: freight forwarding and railway transportation

Class of shares:	%
Ordinary	holding 100.00

Associated company

Anaklia Holding JSC

Registered office: Georgia

Nature of business: Investor to the Anaklia Port development project

Class of shares:	%
Ordinary	holding 10.77

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

11. FIXED ASSET INVESTMENTS - continued

Group

	Other loans \$
At 1 January 2019	2,325,090
Other movement	<u>176,902</u>
At 31 December 2019	<u>2,501,992</u>

Partnership

	Other loans \$
At 1 January 2019	2,325,090
Other movement	<u>176,902</u>
At 31 December 2019	<u>2,501,992</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Partnership	
	31.12.19	31.12.18	31.12.19	31.12.18
	\$	\$	\$	\$
Trade debtors	5,742,559	26,503,541	5,735,577	26,500,529
Loans	14,739,549	13,437,766	14,739,549	13,437,766
Other debtors	653,997	59,301	630,430	27,882
Prepayments on account	2,054,379	1,792,276	1,995,863	1,764,805
Interest free loans	5,444,603	3,360,681	5,444,603	3,360,681
VAT	<u>2,834</u>	<u>1,006</u>	<u>455</u>	<u>1,006</u>
	<u>28,637,921</u>	<u>45,154,571</u>	<u>28,546,477</u>	<u>45,092,669</u>

At the balance sheet date debtors of \$2,972,304 (2018: \$16,526,392) included above are due in greater than one year.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Partnership	
	31.12.19	31.12.18	31.12.19	31.12.18
	\$	\$	\$	\$
Trade creditors	26,016,075	37,037,449	25,998,460	36,990,744
Payments on account	1,942,273	4,783,632	1,936,361	4,690,330
Tax	8,562	4,176	-	-
Other creditors	14,254	28,188	-	-
Accrued expenses	<u>49,841</u>	<u>53,555</u>	<u>49,841</u>	<u>53,555</u>
	<u>28,031,005</u>	<u>41,907,000</u>	<u>27,984,662</u>	<u>41,734,629</u>

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2019**

15. LOANS AND OTHER DEBTS DUE TO MEMBERS

Group

	31.12.19	31.12.18
	\$	\$
Amounts owed to members in respect of profits	<u>19,896,638</u>	<u>22,884,086</u>
Falling due within one year	<u>19,896,638</u>	<u>22,884,086</u>

Partnership

	31.12.19	31.12.18
	\$	\$
Amounts owed to members in respect of profits	<u>19,468,035</u>	<u>22,482,739</u>
Falling due within one year	<u>19,468,035</u>	<u>22,482,739</u>

16. RELATED PARTY DISCLOSURES

Other related parties

	31.12.19	31.12.18
	\$	\$
Sales	21,691,688	28,403,872
Purchases	(48,208,844)	(40,058,437)
Interest income	118,643	475,157
Interest expense	(241,258)	(2,478,568)
Amount due from related party	22,442,488	40,379,716
Amount due to related party	<u>(25,856,614)</u>	<u>(36,273,338)</u>

Included in debtors falling due in greater than one year is a balance of \$5,042,385 of interest free loans given to related parties. The loans have been adjusted to the present value of future receipts discounted at the market rate of interest. As a result there is net discount interest of \$122,615.

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is D. Abdushelishvili.

WONDERNET EXPRESS LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

18. FINANCIAL RISK MANAGEMENT

The group has exposures to three main areas of risk: foreign exchange currency exposure, liquidity risk and customer credit exposure. To a lesser extent the group is exposed to interest rate risk.

Foreign exchange transactional currency exposure

The group is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in non-Sterling currencies. The net exposure of each currency is monitored.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows.

Customer credit exposure

This risk is mitigated by the working on prepayment basis with the customers.

Interest rate risk

The group has no borrowings from third parties.