Globalink Logistics LLC

Financial Statements
and
Independent Auditor’s Report

As at 31 December 2021

Globalink logistics LLC
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INDEPENDENT AUDITORS' REPORT

To the shareholders of Globalink logistics LLC
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Globalink logistics LLC (the Company) which comprise the statement of financial position as at 31, December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The engagement partner on the audit resulting in this independent auditor's opinion report is David Gvetadze.

30 June , 2022
Tbilisi, Georgia

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30 June , 2022
Tbilisi, Georgia

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Globalink logistics LLC
Statement of financial position
as at, 31 December 2021

	Note	2021 GEL	2021 USD	2020 GEL	2020 USD
Non-current assets					
Property, plant and equipment	**6**	28,846	9,312	23,796	7,263
Right-of-use assets	**8**	10,095	3,259	13,149	4,013
Intangible Assets	**7**	4,162	1,344	8,483	2,589
Total non-current assets		**43,103**	**13,915**	**45,428**	**13,865**
Current Assets					
Inventories	**9**	70,232	22,673	49,766	15,189
Trade and other receivables	**10**	1,062,806	343,107	837,609	255,634
Due from related parties	**21**	2,547,104	822,283	2,462,122	751,426
Bank balances and cash	**11**	241,777	78,053	304,842	93,036
Total current assets		**3,921,919**	**1,266,116**	**3,654,339**	**1,115,285**
Current Liabilities					
Trade and Other Payables	**12**	482,565	155,787	515,406	157,301
Due to related parties	**21**	-	-	42,792	13,060
Lease liabilities	**8**	3,926	1,267	3,402	1,038
Tax Payables	**13**	474,650	153,232	426,110	130,046
Total current liabilities		**961,141**	**310,286**	**987,710**	**301,445**
Net current assets		**2,960,778**	**955,830**	**2,666,629**	**813,840**
Net assets		**3,003,881**	**969,745**	**2,712,057**	**827,705**
Equity					
Share Capital		386,109	149,980	386,109	149,980
Accumulated deficit/earning		2,617,772	935,073	2,325,948	844,297
Translation reserve		-	(115,308)	-	(166,572)
Total equity		**3,003,881**	**969,745**	**2,712,057**	**827,705**

On behalf of the Management:

Director **Branch finance manager** **Chief Accountant**

June 30th, 2022
Tbilisi, Georgia

The notes on pages 9-33 form an integral part of these financial statements. The Independent Auditors' Report is on pages 1-4.

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as at, 31 December 2021

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Globalink logistics LLC
Statement of comprehensive income
For the year ended, 31 December 2021

	Note	2021 GEL	2021 USD	2020 GEL	2020 USD
Revenue	**15**	8,938,697	2,780,455	9,094,255	2,924,482
Direct Cost	**16**	(7,953,692)	(2,474,061)	(8,291,875)	(2,666,457)
Gross profit		**985,005**	**306,394**	**802,380**	**258,025**
Administration, selling and general expenses	**17**	(508,154)	(158,064)	(452,449)	(145,496)
Operating profit		**476,851**	**148,330**	**349,931**	**112,529**
Other expenses /income	**18**	(136,488)	(42,456)	325,835	104,781
Profit before tax		**340,363**	**105,874**	**675,766**	**217,310**
Income Tax Expense	**19**	(48,539)	(15,098)	(101,365)	(32,596)
Profit for the year		**291,824**	**90,776**	**574,401**	**184,714**
Other comprehensive profit/loss					
Exchange differences on translation of foreign operations			51,264	-	(102,434)
Total comprehensive income for the year		**291,824**	**142,040**	**574,401**	**82,280**

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Globalink logistics LLC
Statement of changes in Equity
For the year ended 31 December 2021

In GEL	Charter Capital	Foreign currency translation reserve	Retained Earnings	Total Equity
Notes				
At December 31, 2019	**386,109**	**-**	**1,751,547**	**2,137,656**
Profit for the period	-	-	574,401	574,401
At December 31, 2020	**386,109**	**-**	**2,325,948**	**2,712,057**
Profit for the period	-	-	291,824	291,824
At December 31, 2021	**386,109**	**-**	**2,617,772**	**3,003,881**

In USD	Charter Capital	Foreign currency translation reserve	Retained Earnings	Total Equity
Notes				
At December 31, 2019	**149,980**	**(64,138)**	**659,583**	**745,425**
Profit for the period	-	-	184,714	184,714
Foreign currency translation reserve	-	(102,434)	-	(102,434)
At December 31, 2020	**149,980**	**(166,572)**	**844,297**	**827,705**
Profit for the period	-	-	90,776	90,776
Foreign currency translation reserve	-	51,264	-	51,264
At December 31, 2021	**149,980**	**(115,308)**	**935,073**	**969,745**

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Globalink logistics LLC
Statement of Cash Flows
For the year ended, 31 December 2021

	Notes	2021	2021	2020	2020
		GEL	USD	GEL	USD
Operating activities					
Profit Before Tax		**340,363**	**105,874**	**675,766**	**217,310**
Adjustments for:					
Depreciation of property and equipment	6	11,218	3,489	9,646	3,101
Depreciation of Right-of-use assets	8	37,425	11,641	32,135	10,334
Amortization of intangible assets	7	3,800	1,182	4,278	1,376
Provision for doubtful debts	10	26,157	8,136	4,483	1,442
Unused vacation reserve	12	24,330	7,568	(26,296)	(8,456)
Bonus Provision	12	1,836	1,957	352	(3,244)
Work in process	10	(79,422)	(21,443)	174,359	50,446
Working capital adjustments					
Change in trade accounts receivable		(256,914)	(145,023)	(1,011,687)	(198,717)
Change in inventories		(20,466)	(7,484)	65,423	24,978
Change in trade accounts payable		(101,799)	(24,099)	274,184	73,976
Cash generated from/(used in) operations		**(13,472)**	**(58,202)**	**202,643**	**172,546**
Income Taxes paid		1	8,088	(223)	(15,870)
Net cash flows from/(used in) operating activities		**1**	**8,088**	**(223)**	**(15,870)**
Investing activities					
Purchase of property, plant and equipment	6,8	(52,148)	(16,221)	(31,986)	(10,286)
Proceeds from disposal of property and equipment	6,7	2,030	631	324	105
Net cash used in investing activities		**(50,118)**	**(15,590)**	**(31,662)**	**(10,181)**
Financing activities					
Proceeds from Borrowings					
Repayment for principal portion of lease liabilities	8	(2,442)	(759)	(26,367)	(8,479)
Interest paid on lease liabilities	8	2,966	923	399	128
Effects of exchange rate changes on Bank balances and cash equivalents		-	50,557	-	(100,920)
Net cash flows (used in)/from financing activities		524	50,721	(25,968)	(109,271)
Net increase/(decrease) in Bank balances and cash		(63,065)	(14,983)	144,790	37,224
Bank balances and cash at 1 January		304,842	93,036	160,052	55,812
Bank balances and cash at 31 December		**241,777**	**78,053**	**304,842**	**93,036**

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1. Introduction

Corporate information

Globalink logistics LLC was founded in 11/11/2014 by the LEPL National Agency of Public Registry. The legal address of the company is Georgia, Tbilisi, Saburtalo district, Zhiuli Shartava str.№14a, floor 2, Apt. №7. The company operates in Georgia, according to the Georgian legislation.

The 100% owner of the company is GLOBALINK LOGISTICS DWC LLC, 3423 /United Arab Emirates/, founded on 13.07.2015

The director of the company is Manzoor Ahmed Shah, K2356502, 01008049605 /India/

Principal activity of the company is logistics, removal and relocation services.

Globalink is a premier transportation and logistics service provider, offering end-to-end mobility solution across the globe. Employ a far-reaching global network that stretches across six continents and includes the largest logistics and distribution centers in 55 countries. Globalink Logistics provides many of transportation and logistics services as: Air Freight, Rail Freight, Sea Freight, Road Freight, Project Logistics, Air/Sea Charters, LCL/LTL Services, Customs Brokerage, Module Movements, Removals & Relocation, Live Stock Transportation, Warehousing & Distribution, Dangerous Goods Management, Dry Bulk and Liquid Transportation, Pit moving.

Company have implemented many of policies: Human Resources, QHSE Policy, Trading Terms and Conditions, Business Ethics Policy, Privacy policy etc

Presentation currency

The financial statements are presented in Georgian Lari ("GEL") and USD, GEL is the Company's functional currency and USD is presentation currency. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies on the statement of financial position date are recognized in the income statement.

The exchange rates used for converting foreign currency monetary balances are as follows:

	31-Dec-2021	31-Dec-2020
1 USD/GEL	3.10	3.28

2. Basis of preparation and significant accounting policies

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these financial statements. These financial statements are presented in Georgian Lari (GEL) and USD and all values are rounded to the nearest thousand, except when otherwise indicated.

These financial statements have been prepared under the going concern assumption that involves the realization of assets and settlement of liabilities in the normal course of business. The Company has sufficient resources to continue its operating activities in foreseeable future.

The assets and liabilities are translated into USD at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at the average exchange rates for the year.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the assets. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

	Useful life (year)
Office equipment &Computers equipment	1-5 years
Furniture and fixture	3-10 years
Computer Equipment	3-10 years
Vehicle	5-10 years

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

Credit-impaired financial asset

Under IFRS 9 a financial asset is credit-impaired when one or more events that have occurred and have a significant impact on the expected future cash flows of the financial asset. It includes observable data that has come to the attention of the holder of a financial asset about the following events:

- significant financial difficulty of the issuer or borrower;
- a breach of contract, such as a default or past-due event;
- the lenders for economic or contractual reasons relating to the borrower's financial difficulty granted the borrower a concession that would not otherwise be considered;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for the financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects incurred credit losses

Basis for estimating expected credit losses

Any measurement of expected credit losses under IFRS 9 shall reflect an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the entity should consider reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses.

The Standard defines expected credit losses as the weighted average of credit losses with the respective risks of a default occurring as the weightings. Whilst an entity does not need to consider every possible scenario, it must consider the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

In particular, for lifetime expected losses, an entity is required to estimate the risk of a default occurring on the financial instrument during its expected life. 12-month expected credit losses represent the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

An entity is required to incorporate reasonable and supportable information (i.e., that which is reasonably available at the reporting date). Information is reasonably available if obtaining it does not involve undue cost or effort (with information available for financial reporting purposes qualifying as such).

For applying the model to a loan commitment an entity will consider the risk of a default occurring under the loan to be advanced, whilst application of the model for financial guarantee contracts an entity considers the risk of a default occurring of the specified debtor.

An entity may use practical expedients when estimating expected credit losses if they are consistent with the principles in the Standard (for example, expected credit losses on trade receivables may be calculated using a provision matrix where a fixed provision rate applies depending on the number of days that a trade receivable is outstanding).

Expected credit losses of undrawn loan commitments should be discounted by using the effective interest rate (or an approximation thereof) that will be applied when recognizing the financial asset resulting from the commitment. If the effective interest rate of a loan commitment cannot be determined, the discount rate should reflect the current market assessment of time value of money and the risks that are specific to the cash flows but only if, and to the extent that, such risks are not taken into account by adjusting the discount rate. This approach shall also be used to discount expected credit losses of financial guarantee contracts.

3. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

Impairment of property, plant and equipment

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets.

The determination of impairment of property, plant and equipment involves the use of estimates that include, but are not limited to, the cause, timing and amount of impairment. Impairment is based on a large number of factors, such as changes in restructuring process, expectations of growth in the industry, changes in the future availability of financing, technological obsolescence, discontinuance of service, current replacement costs and other changes in circumstances that indicate impairment exists. The determination of the recoverable amount of a cash-generating unit involves the use of estimates by management. Methods used to determine the value in use include discounted cash flow-based methods, which require the Company to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. These estimates, including the methodologies used, may have a material impact on the fair value and ultimately the amount of any property, plant and equipment impairment.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

Amortization is calculated on a straight-line basis over the estimated useful lives as follows:

	Years
Licenses and trademarks	5
Software	5

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.
Impairment losses of continuing operations are recognized in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

Inventories

Inventories are valued at the lower of cost or net realizable value.

Costs comprise charges incurred in bringing inventory to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. The same cost formula is used for all inventories having a similar nature and use.

All inventories are valued on the weighted-average cost basis.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include Bank balances and cash and trade and other receivables.

Subsequent measurement

Trade and other receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. The Company's loans and receivables comprise trade and other receivables and due from related parties in the statement of financial position.

Bank Balances and cash

Cash includes cash on hand, cash with banks and cash equivalents. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value. For the purpose of the separate statement of cash flows, Bank balances and cash consist of cash and short-term deposits as defined above.

De recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred "loss event"), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial restructuring. Besides, such evidence includes observable data indicating that there is a measurable decrease in the estimated future cash flows on a financial instrument such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Company at first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of comprehensive income. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to statement of comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as appropriate.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

Trade and other payables

Liabilities for trade and other amounts payable are recognized and subsequently measured at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

De recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in statement of comprehensive income.

Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. Any exchange gains and losses arising from assets and liabilities denominated in foreign currencies subsequent to the date of the underlying transaction are credited or charged to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets measured at the fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Exchange rates

Weighted average currency exchange rates established by the National Bank of Georgia are used as official currency exchange rates in the Republic of Georgia.

The following foreign exchange rates against the US dollar have been used in the preparation of these financial statements:

	Average 2020	December 31 2020	Average 2021	December 31 2021
USD/GEL	3.11	3.28	3.21	3.10

Provisions

Provisions for warranties and product liability are recognized when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provision for warranty is recognized after considering the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Other provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Changes in the estimated timing or amount of the expenditure or discount rate are recognized in profit or loss when the changes arise.

Revenue recognition

Revenue from logistics services is recognized as and when services are rendered and it is probable that the economic benefits will flow to the Company. Costs and Revenue pertaining to jobs-in-progress at the date of statement of financial position have been deferred to the next year. Revenue and costs for jobs which are completed at the date of statement of financial position but not invoiced are recognized as accrued income and costs, respectively.

Revenue from sale of containers is recognized when the significant risks and rewards of ownership of the container has transferred to the buyer and the amount is measured reliably.

Dividend revenue from investments in subsidiaries is recognized when the right to receive payment has been established. Interest revenue is accrued on a time basis.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Company.
- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 − quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 − valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 − valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

From 2017 year in Georgian Taxation there are changes regarding profit tax payables, as it won't be payable on reinvested amounts, but only when dividends are paid. Additionally, dividends will be payable from Profit and Loss statement prepared under IFRS. So there isn't any permanent differences and deferred tax any more and it was written down prior period deferred tax resulted from permanent differences.

Taxes other than income taxes

Georgia has various operating taxes, which are assessed on the Company’s activities. These taxes are included as a component of general and administrative expenses and in cost of revenue in the statement of comprehensive income.

Value added tax

The tax authorities permit the settlement of sales and purchases value added tax (VAT) on a net basis. Value added tax recoverable represents VAT on purchases net of VAT on sales.

Value added tax payable

VAT is payable to the tax authorities upon collection of accounts receivable from customers. VAT on purchases, which have been settled at the reporting date, is deducted from the amount payable. In addition, VAT related to sales which have not been collected at the reporting date is also included in the balance of VAT payable. Where provision has been made for impairment of receivables, an impairment loss is recorded for the gross amount of the debtor, including VAT. The related deferred VAT liability is maintained until the debtor is written off for tax purposes.

Value added tax recoverable

VAT recoverable is recorded in accounts related to purchased goods, work and services, which were purchased with VAT and if the purchases were made in order to generate revenue.

At each reporting date, the VAT recoverable amount is subject to offsetting against the VAT payable.

Current versus non-current classification

The Company presents assets and liabilities in the separate statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realized or intended to sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

1. it is expected to be settled in normal operating cycle;
2. it is held primarily for the purpose of trading;
3. it is due to be settled within twelve months after the reporting period or
4. there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Allowance for doubtful debts

An allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and aging of receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances.

Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use and asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

a) There is an identified asset;
b) The Company obtains substantially all the economic benefits from use of the asset;
c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive subscription rights. If the supplier does have those rights the contract is not identified as giving rise to a lease

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise of the asset, not those incidental to legal ownership or other potential benefits. In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16. All leases are accounted for by recognizing a right-of-use asset and a lease liability. Leases of low value assets; and Leases with a duration of 12 months or less Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. On initial recognition, the carrying value of the lease liability also includes:

a) amounts expected to be payable under any residual value guarantee;
b) the exercise price of any purchase option granted in favor of the company if it is reasonable certain to assess that option;
c) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

a) lease payments made at or before commencement of the lease;
b) initial direct costs incurred;
c) the amount of any provision recognized where the company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term. When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

a) if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
b) in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
c) if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognized in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount. For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

4. Significant accounting judgments, estimates and assumptions

Application of new and revised International Financial Reporting Standards (IFRSs)

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2020, they did not have a material impact on the annual financial statements of the Company. The nature and the impact of each new standard or amendment is described below:

Amendments to IFRS 3: Definition of a Business

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Company will not be affected by these amendments on the date of transition.

These amendments did not affect the financial position and performance of the Company.

Amendments to IAS 1 and IAS 8: Definition of Material

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

These amendments did not affect the financial position and performance of the Company.

5. Standards issued but not yet effective

Below are the standards and clarifications issued but not yet effective as at the date of the Company financial statements. The Company intends to apply these standards following their effective date.

IFRS 17 Insurance Contracts:

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- ✓ A specific adaptation for contracts with direct participation features (the variable fee approach);
- ✓ A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. These amendments have no impact on the financial statements of the Company.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;

- That a right to defer must exist at the end of the reporting period;

- That classification is unaffected by the likelihood that an entity will exercise its deferral right;

- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendments are not expected to have a material impact on the Company.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential «day 2» gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Company.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities.

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The amendments are not expected to have a material impact on the Company.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments is not applicable to the Company.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments is not applicable to the Company.

6. Property, plant and equipment

In GEL	Computer Equipment	Office equipment	Furniture and fixture	Motor Vehicles	Total
Cost	**GEL**	**GEL**	**GEL**	**GEL**	**GEL**
At 31 December, 2019	**24,416**	**1,347**	**14,414**	**7,841**	**48,018**
Additions	14,767	-	1,477	-	16,244
Internal Transfer	-	-	-	-	-
Disposals	(235)	(89)	-	-	(324)
At 31 December, 2020	**38,948**	**1,258**	**15,891**	**7,841**	**63,938**
Additions	14,823	-	2,954	-	17,777
Internal Transfer	-	-	-	-	-
Disposals	(228)	(1,228)	(53)	-	(1,509)
At 31 December, 2021	**53,543**	**30**	**18,792**	**7,841**	**80,206**
Accumulated depreciation					
At 31 December, 2019	**16,365**	**1,208**	**8,088**	**4,835**	**30,496**
Depreciation expense	6,382	133	2,010	1,438	9,963
Internal Transfer	1	(1)	-	-	-
Disposals	(235)	(82)	-	-	(317)
At 31 December, 2020	**22,513**	**1,258**	**10,098**	**6,273**	**40,142**
Depreciation expense	9,057	-	2,232	1,438	12,727
Internal Transfer	-	-	-	-	-
Disposals	(228)	(1,228)	(53)	-	(1,509)
At 31 December, 2021	**31,342**	**30**	**12,277**	**7,711**	**51,360**
Net book value					
At 31 December, 2020	**16,435**	**-**	**5,793**	**1,568**	**23,796**
At 31 December, 2021	**22,201**	**-**	**6,515**	**130**	**28,846**

In USD	Computer Equipment	Office equipment	Furniture and fixture	Motor Vehicles	Total
Cost	**USD**	**USD**	**USD**	**USD**	**USD**
At 31 December, 2019	**8,514**	**470**	**5,026**	**2,734**	**16,745**
Additions	4,749	-	475	-	5,224
Internal Transfer	-	-	-	-	-
Disposals	(76)	(29)	-	-	(105)
Translation reserve	(1,300)	(57)	(651)	(341)	(2,349)
At 31 December, 2020	**11,887**	**384**	**4,850**	**2,393**	**19,515**
Additions	4,611	-	919	-	5,530
Internal Transfer	-	-	-	-	-
Disposals	(71)	(382)	(16)	-	(469)
Translation reserve	858	8	314	138	1,318
At 31 December, 2021	**17,285**	**10**	**6,067**	**2,531**	**25,893**
Accumulated depreciation					
At 31 December, 2019	**5,707**	**421**	**2,820**	**1,686**	**10,634**
Depreciation Expense	2,052	43	646	462	3,203
Internal Transfer	-	-	-	-	-
Disposals	(76)	(26)	-	-	(102)
Translation reserve	(812)	(54)	(384)	(234)	(1,484)
At 31 December, 2020	**6,871**	**384**	**3,082**	**1,914**	**12,251**
Depreciation Expense	2,817	-	694	447	3,958
Internal Transfer	-	-	-	-	-
Disposals	(71)	(382)	(16)	-	(469)
Translation reserve	501	8	204	128	841
At 31 December, 2021	**10,118**	**10**	**3,964**	**2,489**	**16,581**
Net book value					
At 31 December, 2020	**5,016**	**-**	**1,768**	**479**	**7,263**
At 31 December, 2021	**7,167**	**-**	**2,103**	**42**	**9,312**

7. Intangible assets

Cost	GEL	USD
At 31 December, 2019	**23,473**	**8,185**
Software Additions	-	-
Translation reserve	-	(1,021)
At 31 December, 2020	**23,473**	**7,164**
Software Additions	-	-
Disposals	(521)	(162)
Translation reserve	-	408
At 31 December, 2021	**22,952**	**7,410**
Amortization		
At 31 December, 2019	**10,712**	**3,735**
Amortization Expense	4,278	1,376
Translation reserve	-	(536)
At 31 December, 2020	**14,990**	**4,575**
Amortization Expense	4,234	1,317
Disposals	(434)	(135)
Translation reserve	-	309
At 31 December, 2021	**18,790**	**6,066**
Net book value		
At 31 December, 2020	**8,483**	**2,589**
At 31 December, 2021	**4,162**	**1,344**

8. Leases

Right-of-use assets

	2021	2021	2020	2020
	GEL	USD	GEL	USD
At January 1, 2021	**13,149**	**4,013**	**29,542**	**10,302**
Additions	34,371	10,691	15,742	5,062
Depreciation on right-of-use assets	(37,425)	(11,641)	(32,135)	(10,334)
Translation reserve	-	196		(1,017)
Ending Balance	**10,095**	**3,259**	**13,149**	**4,013**

Lease liabilities

	2021	2021	2020	2020
	GEL	USD	GEL	USD
At January 1, 2021	**3,402**	**1,038**	**29,370**	**10,242**
Additions	524	163	7,286	2,343
Interest expense	2,966	923	399	128
Lease payments made during the year	(2,966)	(922)	(33,653)	(10,822)
Translation reserve	-	65	-	(853)
Ending Balance	**3,926**	**1,267**	**3,402**	**1,038**

9. Inventories

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

	2021	2021	2020	2020
	GEL	**USD**	**GEL**	**USD**
Packing Materials	67,138	21,674	46,972	14,336
Other Inventory	3,094	999	2,794	853
	70,232	**22,673**	**49,766**	**15,189**

10. Trade and other receivables

	2021	2021	2020	2020
	GEL	**USD**	**GEL**	**USD**
Trade debts other	745,180	240,567	516,793	157,723
Prepaid Expenses	194,733	62,866	92,344	28,183
Work in Progress Provision	158,535	51,180	237,957	72,623
Provision for doubtful debts	(35,642)	(11,506)	(9,485)	(2,895)
	1,062,806	**343,107**	**837,609**	**255,634**

No interest is charged on trade receivables due after credit period. The trade receivables of 35,642 GEL or 11,506 USD are past due and impaired. The company does not hold any collateral over these balances nor does it have a legal right offset against any amounts owed by the company to the counterparty.

Included in trade receivables are debtors with carrying amounts of 745,180 GEL (2020: 516,793 GEL) which are past due at the reporting date for which the company, based on its past default experience has partly provided as it still considers these amounts as recoverable.

	2021	2021	2020	2020
Amounts past due but not impared:	**GEL**	**USD**	**GEL**	**USD**
1-30 days	325,660	105,133	242,191	73,916
31-60 days	86,030	27,773	255,401	77,947
More than 60 days	333,490	107,661	19,201	5,860
Total receivables past due	**745,180**	**240,567**	**516,793**	**157,723**
Provision for doubtful debts	(35,642)	(11,506)	(9,485)	(2,895)
Total net receivables past due	**709,538**	**229,061**	**507,308**	**154,828**
Movement in allowance for doubtful debts is as under:				
Beginning balance	9,485	2,895	5,002	1,744
Accrual	35,642	11,087	27,099	8,714
Reversal	(9,485)	(2,950)	(22,616)	(7,273)
Foreign exchange differences	-	474	-	(290)
Closing balance	**35,642**	**11,506**	**9,485**	**2,895**

11. Bank balances and cash

	2021	2021	2020	2020
	GEL	**USD**	**GEL**	**USD**
Bank USD	235,009	75,868	231,836	70,755
Bank GEL	4,734	1,528	20,409	6,229
Bank EUR	2,034	657	52,597	16,052
	241,777	**78,053**	**304,842**	**93,036**

12. Trade and other payables

	2021	2021	2020	2020
	GEL	**USD**	**GEL**	**USD**
Trade payables	335,660	108,362	399,618	121,963
Bonus Provision	79,213	25,572	77,377	23,615
UVR	52,910	17,081	28,581	8,723
Payables to Employees	14,782	4,772	9,830	3,000
	482,565	**155,787**	**515,406**	**157,301**

The company has financial risk management policies in place to ensure that payable are paid within the credit time frame. The trade and other payables which are classified as financial liabilities measure at amortized cost approximate fair value.

13. Taxes payables

	2021	2021	2020	2020
	GEL	**USD**	**GEL**	**USD**
Profit Tax	474,650	153,232	426,110	130,046
	474,650	**153,232**	**426,110**	**130,046**

14. Share capital

	2021	2021	2020	2020
	GEL	**USD**	**GEL**	**USD**
Globalink Logistics Dwc-LLC	386,109	149,980	386,109	149,980

15. Revenue

	2021	2021	2020	2020
	GEL	**USD**	**GEL**	**USD**
Project	2,964,424	922,109	3,295,549	1,059,764
Road Transport	2,120,353	659,553	2,285,403	734,928
Customs Transit&Distribution	1,631,258	507,416	1,301,461	418,517
Removals&Relocation Services	1,161,021	361,145	1,279,198	411,358
Air Freight	1,061,641	330,232	932,644	299,915
	8,938,697	**2,780,455**	**9,094,255**	**2,924,482**

16. Direct cost

	2021	2021	2020	2020
	GEL	USD	GEL	USD
Transportation	3,810,666	1,185,338	5,063,503	1,628,295
Terminal Handling Charges	1,010,897	314,448	1,029,413	331,033
Salary, overtime and insurance	1,003,236	312,065	864,586	278,029
Sea Freight	657,564	204,541	531,322	170,860
Demurrage	160,581	49,950	121,405	39,041
Air Freight	159,982	49,764	169,755	54,589
Packing & Delivery Charges	153,173	47,646	121,209	38,978
Custom Fees, Duty & VAT	74,013	23,022	87,280	28,067
Insurance	31,469	9,789	43,389	13,953
Unused vacation reserve	24,657	7,670	(25,497)	(8,199)
Storage	545	170	16,699	5,370
Warehouse Rent	(5,578)	(1,735)	(434)	(140)
Other	872,487	271,393	269,245	86,581
	7,953,692	**2,474,061**	**8,291,875**	**2,666,457**

17. Administration, selling and general expenses

	2021	2021	2020	2020
	GEL	USD	GEL	USD
Gross Salary and insurance	211,661	65,840	219,317	70,527
Office Rent	110,051	34,232	101,744	32,718
Depreciation on right-of-use assets	37,425	11,641	32,135	10,334
Bad Debt Expense	26,157	8,136	4,483	1,442
Depreciation And Amortization	15,018	4,671	13,924	4,478
Utilities	12,719	3,956	4,926	1,584
Travelling expenses	12,277	3,819	10,938	3,517
Communication cost	9,580	2,980	9,062	2,914
Audit Fee	8,228	2,559	1,227	395
Professional Services	4,574	1,423	6,045	1,944
Bank Commission	3,356	1,044	2,831	910
Fuel Expense	3,127	973	2,087	671
Unused vacation reserve	(327)	(102)	(799)	(257)
Training and Development	60	19	1,775	571
Marketing Expenses	-	-	8,631	2,776
Other	54,248	16,873	34,123	10,972
	508,154	**158,064**	**452,449**	**145,496**

18. Other income/(expenses)

	2021	2021	2020	2020
	GEL	USD	GEL	USD
Foreign exchange Gain	379,904	118,172	1,058,904	340,517
Other non-operating expense	(2,966)	(923)	(399)	(128)
Foreign exchange Loss	(513,426)	(159,705)	(732,670)	(235,608)
	(136,488)	**(42,456)**	**325,835**	**104,781**

19. Income tax

Profit tax percentage according of Georgian Taxation is 15%. From 2017 year in Georgian Taxation there is changes regarding profit tax payables, as it won't be payable on reinvested amounts, but only when dividends are paid. Additionally, dividends will be payable from Profit and Loss statement prepared under IFRS. So there is not any permanent differences and deferred tax any more and it was written down prior period deferred tax resulted from permanent differences.

	2021	2021	2020	2020
Income Tax Expense	**GEL**	**USD**	**GEL**	**USD**
Income Tax Expense	48,539	15,098	101,365	32,596
	48,539	**15,098**	**101,365**	**32,596**

20. Contingencies and commitments

Legal proceedings

From time to time and in the normal course of business, claims against the Company may be received. On the basis of its own estimates and internal professional advice, management is of the opinion that no material losses will be incurred in respect of claims, and accordingly no provision has been made in these financial statements.

Tax contingencies

Georgian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Company. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged tax authorities. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances tax year may remain open longer.

21. Related party transactions

Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates.

The following table provides the total amount of transactions, which have been entered into with related parties during 2021 and 2020 and the related balances as at December 31, 2021 and 2020, respectively:

Sales to related parties

	2021	2021	2020	2020
	GEL	**USD**	**GEL**	**USD**
-Shareholder - Globalink Logistics DWC LLC	3,236,514	1,006,744	3,636,320	1,169,349
Globalink Transportation & Logistics Worldwide	954,914	297,034	759,706	244,302
Globalink Logistics DWC LLC Armenian Branch	797,189	247,972	546,751	175,821
GLOBALINK LOGISTICS DWC LLC Baku	42,439	13,201	64,813	20,842
	5,031,056	**1,564,951**	**5,007,590**	**1,610,314**

Purchases from related parties

	2021	2021	2020	2020
	GEL	**USD**	**GEL**	**USD**
Globalink Transportation & Logistics Worldwide	86,443	26,889	160,205	51,518
	86,443	**26,889**	**160,205**	**51,518**

Related party balances

	2021	2021	2020	2020
Due from Related parties	**GEL**	**USD**	**GEL**	**USD**
Shareholder - Globalink Logistics DWC LLC	1,620,674	523,203	1,951,117	595,470
Globalink Transportation & Logistics Worldwide	482,395	155,732	142,722	43,558
Globalink Logistics DWC LLC Armenian Branch	402,459	129,926	292,928	89,400
GLOBALINK LOGISTICS DWC LLC Baku	41,576	13,422	75,355	22,998
	2,547,104	**822,283**	**2,462,122**	**751,426**
Due to Related parties				
Globalink Transportation & Logistics Worldwide	-	-	42,792	13,060
	-	**-**	**42,792**	**13,060**

Compensation of key management personnel

Compensation of key management personnel consists of remuneration paid to the Director of the Company. Compensation comprises salaries and other benefits(insurance):

	2021	2021	2020	2020
	GEL	**USD**	**GEL**	**USD**
Salaries	78,095	24,292	83,752	26,933
Other benefits	660	205	660	212
	78,755	**24,497**	**84,412**	**27,145**

22. Risk management, corporate governance and internal control

The Company is exposed through its operations to the following financial risks:

Capital risk management

The capital is managed by the Company in a way that it is able to continue as a going concern while maximizing returns to shareholders.

The capital structure of the Company consists of borrowings, cash and cash equivalents and equity attributable to equity holders, comprising of share capital, share holder's current account and accumulated deficit.

As a risk management policy, the Company reviews its cost of capital and risks associated with each class of capital. The Company balances its capital structure based on the above review.

Market risk management

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates, and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all financial assets traded in the market.

The Company is primarily exposed to the financial risks of changes in foreign currency exchange rates (currency risk), interest rates (interest rate risk) and market prices (other price 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 exchange rates.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or the Company, or factors affecting all similar financial instruments traded in the market.

Foreign currency risk management

Foreign exchange risk is the risk that the value of the financial instrument will fluctuate due to changes in foreign exchange rates.

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuation arise. The Company is mainly exposed to EUR and GBP for sale and purchases. The following table details the Company's sensitivity to a 10 percent increase or decrease in the USD against the relevant foreign currency.

For USD

	2021	**2021**	**2021**	**2020**	**2020**	**2020**
	EUR	**GEL**	**GBP**	**EUR**	**GEL**	**GBP**
Asset						
Cash	657	1,528	-	16,052	6,229	-
Trade receivable	38,021	39,029	-	21,150	67,124	-
Total assets	**38,678**	**40,557**	**-**	**37,202**	**73,353**	**-**
Liability						
Trade payable	(41,954)	(19,498)	(19,778)	(72,753)	-	(19,948)
Total liabilities	**(41,954)**	**(19,498)**	**(19,778)**	**(72,753)**	**-**	**(19,948)**
Net currency effect	**(3,276)**	**21,059**	**(19,778)**	**(35,551)**	**73,353**	**(19,948)**

	Sensitivity	**Effect Net income effect**
2021		
EUR	**+10%**	(328)
EUR	**-10%**	328
GEL	**+10%**	2,106
GEL	**-10%**	(2,106)
GPB	**+10%**	(1,978)
GPB	**-10%**	1,978
2020		
EUR	**+10%**	(3,555)
EUR	**-10%**	3,555
GEL	**+10%**	7,335
GEL	**-10%**	(7,335)
GPB	**+10%**	(1,995)
GPB	**-10%**	1,995

For GEL

	2021	**2021**	**2021**	**2020**	**2020**	**2020**
	EUR	**USD**	**GBP**	**EUR**	**USD**	**GBP**
Asset						
Cash	2,034	235,009	-	52,597	231,836	-
Trade receivable	117,775	3,026,235	-	69,299	2,684,444	-
Total assets	**119,809**	**3,261,244**	**-**	**121,896**	**2,916,280**	**-**
Liability						
Trade payable	(129,957)	(60,512)	(61,264)	(238,383)	(155,421)	(65,362)
Other Payables	-	(17,340)	-	-	(13,554)	-
Total liabilities	**(129,957)**	**(77,852)**	**(61,264)**	**(238,383)**	**(168,975)**	**(65,362)**
Net currency effect	**(10,148)**	**3,183,392**	**(61,264)**	**(116,487)**	**2,747,305**	**(65,362)**

	Sensisitivity	Effect Net income effect
2021		
EUR	**+10%**	(1,015)
EUR	**-10%**	1,015
USD	**+10%**	318,339
USD	**-10%**	(318,339)
GPB	**+10%**	(6,126)
GPB	**-10%**	6,126
2020		
EUR	**+10%**	(11,649)
EUR	**-10%**	11,649
USD	**+10%**	274,731
USD	**-10%**	(274,731)
GPB	**+10%**	(6,536)
GPB	**-10%**	6,536

Credit risk

Credit risk is the risk that the Company will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept, and by monitoring exposures in relation to such limits.

The Company does business only with recognized, creditworthy parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents and cash on deposits, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity Risk

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

The Company has built an appropriate liquidity risk management framework for the management of its short, medium- and long-term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities by continuously monitoring forecast and actual cash flows.

Financial instruments per category

Financials Assets	**2021**	**2021**	**2020**	**2020**
Trade receivables	**GEL**	**USD**	**GEL**	**USD**
- Trade and other receivables	939,913	303,433	609,137	185,906
- Due from related parties	2,547,104	822,283	2,462,122	751,426
	3,487,017	**1,125,716**	**3,071,259**	**937,332**
Bank balances and cash	241,777	78,053	304,842	93,036
Financial liabilities				
- Trade and other payables	482,565	155,787	515,406	157,301
- Due to related parties	-	-	42,792	13,060

The Carrying values of financial assets and liabilities measure at amortized cost approximate their values at the date of separate statement of financial position.

23. Going Concern

Company has positive retained earnings and profit for the year. Based on all above-mentioned information there is no risk of going concern for the following 12 months' period of reporting period.

24. Events after the statement of financial position date

This report was ready to issue at June 30th, 2022.

No significant transactions have been identified for disclosure after the reporting date.