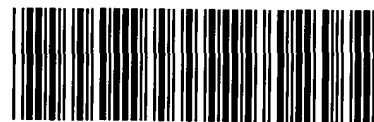


Registered number OC335225

WARGAMING.NET LLP
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

Kounnis And Partners Ltd
Chartered Certified Accountants
& Statutory Auditors
Sterling House
Fulbourn Road
London
E17 4EE
United Kingdom

TUESDAY



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COMPANIES HOUSE

WARGAMING.NET LLP

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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WARGAMING.NET LLP

DESIGNATED MEMBERS AND OTHER OFFICERS

Designated members:	Lunarbelle Management Inc. Ockster Financial Corp. Kloyster Systems Corp.
Registered address:	Sterling House Fulbourne Road London E17 4EE United Kingdom
Senior statutory auditor:	Mr C A Joannou BSc, MSc, FCCA
Auditors:	Kounnis And Partners Ltd Chartered Certified Accountants & Statutory Auditors Sterling House Fulbourne Road London E17 4EE United Kingdom
Banker:	Hellenic Bank Public Company Ltd 173 Athalassas Avenue 4 th Floor, Strovolos, 2025 Nicosia, Cyprus
Registration number:	OC335225

WARGAMING.NET LLP

REPORT OF THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2015

The members present their report with the consolidated financial statements of the LLP and its subsidiaries for the year ended 31 March 2015.

GROUP STRUCTURE

Wargaming.Net LLP is a limited liability partnership, registered in England and Wales with partnership number OC335225. Wargaming.net LLP Group comprises of Wargaming.Net LLP and its following subsidiaries as at the yearend:

Name	Country of Origin	Holdings
Wargaming Australia Pty Ltd	Australia	100% subsidiary
BigWorld Pty Ltd	Australia	100% sub-subsidiary
Wargaming.net Ltd	Cyprus	100% subsidiary

PRINCIPAL ACTIVITY

The principal activity of the LLP Group in the year under review was that of development and sales of games related software and other contents. In addition, the Group engages in the design, integration, installation and maintenance of communication and development software designed primarily for the Massively Multiplayer Online Games (MMOG's) industry.

REVIEW OF BUSINESS

The group activity levels remains strong as the group consolidates its position and continues to demonstrate its commitment to invest in its future by innovation and growth. The Partnership Group's development to date, financial results and position as presented in the financial statements are considered satisfactory.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year are given in the notes to the financial statements.

DESIGNATED MEMBERS

The designated members during the year under review were:

Kloyster Systems Corp.
Lunarbell Management Inc.
Ockster Financial Corp.
Sandrix Business Inc. (Membership terminated and company dissolved on 27 March 2015)

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The Groups profit for the year before members' remuneration and profit shares was \$18,219,615 (2014-\$230,217,707).

MEMBERS' INTERESTS

Members are remunerated from the profits of the Partnership Group. Profits are allocated and divided between members after finalisation of the financial statements and drawn subsequently subject to the cash requirements of the business.

FINANCING AND CAPITAL

The firm is financed primarily through partners' capital and current accounts, structured in the form of a single facility made available to the LLP with resource to undistributed profits. No interest is paid on the fixed capital or current account balance.

FINANCIAL RISK MANAGEMENT

Financial risk factors

The Partnership Group is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk, operational risk, litigation risk, reputation risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Partnership Group to manage these risks are discussed below:

Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Group's financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Partnership Group's market price risk is managed through diversification of the investment portfolio.

REPORT OF THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2015

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Partnership Group's income and operating cash flows are substantially independent of changes in market interest rates as the Partnership Group has no significant interest-bearing assets. Borrowings issued at variable rates expose the Partnership Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Partnership Group to fair value interest rate risk. The Partnership Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Partnership Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Partnership Group has policies to limit the amount of credit exposure to any financial institution.

Liquidity risk

Liquidity risk is the risk that a given security or asset cannot be traded quickly to prevent a loss (or make a required profit). The LLP has procedures with the object of minimising such losses such as, maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Partnership Group's measurement currency. The Partnership Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro, the Vietnamese Dong and Chinese Yuan Renminbi. The Partnership Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Operational risk

Operational risk is the inherent risk arising from fraud, unauthorised activities, error, omission, inefficiency, systems failure, high dependence on key suppliers and any failure of suppliers or external events.

The Partnership Group recognises that the control of operational risk is concerned fundamentally with good management practices. To that effect, the overall Partnership Group strategy is geared towards risk prevention. The Partnership's operational risk policy aims primarily at managing operational risk in an effective and proactive manner and secondly at assessing and quantifying this risk. Moreover, the Partnership Group monitors its business relationship with its key suppliers and implements mechanisms to ensure the adherence to the contracts governing their business relationship.

Litigation risk

Litigation risk is the risk of financial loss, interruption of the Partnership Group's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Partnership Group to execute its operations.

Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the Partnership Group's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Partnership Group. The Partnership Group applies procedures to minimize this risk.

Capital risk management

The Partnership Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Partnership Group's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Partnership Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

WARGAMING.NET LLP

REPORT OF THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2015

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 consolidated financial statements for each financial year. Under that law the members have elected to prepare the consolidated 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 consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership Group and of the profit or loss of the Partnership Group 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;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Partnership Group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership Group's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership Group and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to Partnership Group's 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 Partnership Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 Partnership Group's auditors are unaware and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the Partnership Group's auditors are aware of that information.

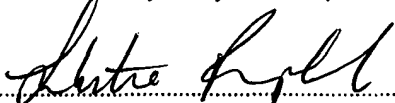
AUDITORS

The auditors, Kounnis And Partners Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE MEMBERS:



On behalf of Kloyster Systems Corp. – Director of Designated member



On behalf of Kloyster Systems Corp. – Director of Designated member

Date: 4th December 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WARGAMING.NET LLP FOR THE YEAR ENDED 31 MARCH 2015

We have audited the Group and LLP financial statements (the "financial statements") of Wargaming.Net LLP for the year ended 31 March 2015 which comprises of the Group Profit and Loss Account, the Group Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of members and auditors

As explained more fully in the Statement of Members' Responsibilities, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Members to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and limited liability partnership's affairs as at 31 March 2014 and of its group's profit and cash flows 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 and where applicable as applied to the Group and the limited liability partnership by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

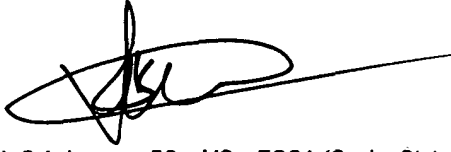
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to the group and limited liability partnership requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.
- Accounts prepared in accordance with the small LLP's regime when the LLP is not entitled to do so.

WARGAMING.NET LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WARGAMING.NET LLP FOR THE YEAR ENDED 31 MARCH 2015



Mr C A Joannou BSc, MSc, FCCA (Senior Statutory Auditor)
for and on behalf of Kounnis And Partners Ltd
Chartered Certified Accountants
& Statutory Auditors
Sterling House
Fulbourne Road
London
E17 4EE
United Kingdom

Date: 14/12/2015

Note:

The maintenance and integrity of the Wargaming.Net LLP website is the responsibility of the members; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

WARGAMING.NET LLP

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 US\$	2014 US\$
Turnover	2	154,676,286	309,453,155
Cost of sales		<u>107,472,840</u>	<u>78,126,248</u>
Gross profit		47,203,446	231,326,907
Administrative expenses		<u>15,880,302</u>	<u>8,320,292</u>
		31,323,144	223,006,615
Other operating income	3	<u>1,149,058</u>	<u>5,793,272</u>
Operating profit	4	32,472,202	228,799,887
Dividend income		3,520,000	
Interest payable and similar charges		<u>19,149,548</u>	<u>-</u>
Group profit for the financial year before taxation		16,843,654	228,799,887
Taxation	6	1,375,961	1,417,820
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		<u>18,219,615</u>	<u>230,217,707</u>

PROFIT DISTRIBUTION BETWEEN PARTNERS

	2015 Percentage	2014 Percentage	2015 US\$	2014 US\$
Lunarbell Management Inc.	50%	40%	8,338,672	92,087,084
Sandrix Business Inc.		20%	1,542,269	46,043,541
Ockster Financial Corp.	25%	20%	4,169,337	46,043,541
Kloyster Systems Corp.	25%	20%	<u>4,169,337</u>	<u>46,043,541</u>
			<u>18,219,615</u>	<u>230,217,707</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

The notes to the Group accounts form part of these financial statements.

WARGAMING.NET LLP

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
		US\$	US\$
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	15	18,219,615	230,217,707
(Losses) /Gains on investments		(20,252,000)	20,252,000
Unrealised exchange (loss) / gains		(7,534,572)	7,534,572
Translation reserve		(2,593,131)	(1,882,363)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>(12,160,088)</u>	<u>256,121,916</u>

WARGAMING.NET LLP

GROUP BALANCE SHEET AS AT 31 MARCH 2015

		2015		2014	
	Notes	US\$	US\$	US\$	US\$
FIXED ASSETS					
Intangible assets	7		5,397,814		9,367,306
Tangible assets	8		880,298		1,000,046
Investments	9		<u>25,181,435</u>		<u>48,611,000</u>
			31,459,547		58,978,352
CURRENT ASSETS					
Debtors	10	368,323,071		346,261,654	
Cash at bank		<u>22,403,804</u>		<u>172,659,528</u>	
		390,726,875		518,921,182	
CREDITORS					
Amounts falling due within one year	11	<u>34,427,898</u>		<u>20,906,107</u>	
NET CURRENT ASSETS			<u>356,298,977</u>		<u>498,015,075</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			387,758,524		556,993,427
CREDITORS					
Amounts falling due after more than one year	12		<u>983,822</u>		<u>5,500,209</u>
TOTAL ASSETS LESS LIABILITIES and NET ASSETS ATTRIBUTABLE TO MEMBERS			<u>386,774,702</u>		<u>551,493,218</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	15		391,364,893		525,703,308
MEMBERS' OTHER INTERESTS					
Capital accounts	14		1,592		1,990
Other reserves	16		<u>(4,591,783)</u>		<u>25,787,920</u>
	17		<u>386,774,702</u>		<u>551,493,218</u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members	15		391,364,893		525,703,308
Members' other interests	14 & 16		<u>(4,590,191)</u>		<u>25,789,910</u>
	17		<u>386,774,702</u>		<u>551,493,218</u>

The financial statements were approved by the members of the LLP on 4th December 2015 and were signed by:



On behalf of Kloyster Systems Corp. – Director of Designated member



On behalf of Kloyster Systems Corp. – Director of Designated member

The notes to the group accounts form part of these financial statements

WARGAMING.NET LLP

WARGAMING.NET LLP BALANCE SHEET


31 MARCH 2015 (REGISTERED NUMBER: OC335225)

		2015		2014	
	Notes	US\$	US\$	US\$	US\$
FIXED ASSETS					
Investments	9		38,132,927		64,062,492
CURRENT ASSETS					
Debtors	10	368,632,956		345,928,717	
Cash at bank		<u>21,756,686</u>		<u>171,484,322</u>	
		390,389,642		517,413,039	
CREDITORS					
Amounts falling due within one year	11	<u>41,844,337</u>		<u>26,705,450</u>	
NET CURRENT ASSETS			<u>348,545,305</u>		<u>490,707,589</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			386,678,232		554,770,081
CREDITORS					
Amounts falling due after more than one year	12		-		3,346,000
TOTAL ASSETS LESS LIABILITIES and NET ASSETS ATTRIBUTABLE TO MEMBERS			<u>386,678,232</u>		<u>551,424,081</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	15		386,676,640		523,635,519
MEMBERS' OTHER INTERESTS					
Capital accounts	14		1,592		1,990
Revaluation reserve	16		<u>-</u>		<u>27,786,572</u>
	17		<u>386,678,232</u>		<u>551,424,081</u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members	15		386,676,640		523,635,519
Members' other interests	14 & 16		<u>1,592</u>		<u>27,788,562</u>
	17		<u>386,678,232</u>		<u>551,424,081</u>

The financial statements were approved by the members of the LLP on 4th December 2015 and were signed by:



On behalf of Kloyster Systems Corp. – Director of Designated member



On behalf of Kloyster Systems Corp. – Director of Designated member

The notes to the accounts form part of these financial statements

WARGAMING.NET LLP

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Notes		2015 US\$	2014 US\$
Net cash inflow from operating activities	1	4,768,695	67,085,227
Returns on investments and servicing of finance	2	4,438,862	(119,351)
Capital expenditure and financial investment	2	(6,904,853)	(18,358,915)
Transactions with members	2	(152,558,428)	-
		<u>(150,255,724)</u>	<u>48,606,961</u>
Financing	2	-	-
Increase in cash in the period		<u>(150,255,724)</u>	<u>48,606,961</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		(150,255,724)	48,606,961
Cash outflow from decrease in debt		-	-
Change in net debt resulting from cash flows		(150,255,724)	48,606,961
Non-cash change in loans and other debts due to members		<u>134,338,415</u>	<u>(230,217,707)</u>
Movement in net debt in the period		(15,917,309)	(181,610,746)
Net (debt)/funds at 1 April		<u>(353,043,780)</u>	<u>(171,433,034)</u>
Net debt at 31 March		<u>(368,961,089)</u>	<u>(353,043,780)</u>

The notes to the group accounts form part of these financial statements

WARGAMING.NET LLP

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 US\$	2014 US\$
Operating profit	32,472,202	228,799,887
Depreciation / amortisation charges	2,956,698	3,281,097
Impairment charge	-	54,647
Exchange difference arising from foreign currencies	(28,119,371)	(1,333,027)
Fair value loss /(gains) on fixed assets investments	9,821,419	(3,049,700)
Loss on disposal of fixed assets	-	236,427
Increase in debtors	(22,726,165)	(154,855,800)
Increase in creditors	10,363,912	(6,048,304)
Net cash inflow from operating activities	4,768,695	67,085,227

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 US\$	2014 US\$
Returns on investments and servicing of finance		
Tax paid / Refund	918,862	(119,351)
Dividend income	3,520,000	-
Net cash outflow for returns on investments and servicing of finance	4,438,862	(119,351)
Capital expenditure and financial investment		
Purchase of property, plant and equipment	(260,999)	(538,915)
Purchase of shares	(6,643,854)	(17,820,000)
Net cash outflow for capital expenditure and financial investment	(6,904,853)	(18,358,915)
Transactions with members		
Payments for acquisition of Sandrix Business Inc.	(152,558,428)	-
Net cash outflow from transactions with members	(152,558,428)	-
Financing		
Loan in year	-	-
Net cash outflow from financing	-	-

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.14 US\$	Cash flow US\$	Other Non- flow changes US\$	31.3.15 US\$
Net cash:				
Cash at bank	172,659,528	(150,255,724)		22,403,804
	<u>172,659,528</u>	<u>(150,255,724)</u>		<u>22,403,804</u>
Debt:				
Loans and other debts due to members	(525,703,308)	-	134,338,415	(391,364,893)
	<u>(525,703,308)</u>	<u>-</u>	<u>134,338,415</u>	<u>(391,364,893)</u>
Total	(353,043,780)	(150,255,724)	134,338,415	(368,961,089)

WARGAMING.NET LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Statement of Recommended Practice (SORP) on Accounting by Limited Liability Partnerships (LLP's), accounting standards applicable in the United Kingdom and the Companies Act 2006, as applied to Limited Liability Partnerships.

Basis of preparation

The consolidated financial statements have been prepared in accordance with UK GAAP and under the historical cost convention.

The preparation of financial statements in conformity with UK GAAP requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the Members and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Partnership and entities (including special purpose entities) controlled by the Partnership (its subsidiaries). Control is achieved where the Partnership has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

No individual profit and loss account is presented for Wargaming.net LLP, as permitted by Section 408 of the companies Act 2006.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners and the equity interests issued by the Group in exchange for control at acquisition. Acquisition-related costs are generally recognised in profit or loss as incurred.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Business Combinations above) less accumulated impairment losses, if any. An impairment loss recognised for goodwill is not reversed in a subsequent period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Accounting Policies (continued)

Segmental reporting

The Group has only one operating segment, which is the distribution of the rights of the online game. As a result, the revenue, expenses, assets and liabilities which are shown on the statements of comprehensive income and financial position, belong to the aforesaid operating segment which is considered to be the sole operating segment in which the Group is engaged.

Turnover and revenue recognition

Group's turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for products or services provided in the normal course of business, net of discounts and sales related taxes.

LLP's turnover comprises of revenue generated from sale of games related content that requires LLP's hosting support to provide enhanced gaming experience. This primarily consists of entitlements to content of massively multi player online (MMO) games that are delivered through hosting services (e.g. micro transactions for Internet based games). In addition, revenue is also generated through reseller agreements entered into with related parties.

The turnover is recognised when significant risks and rewards of ownership have been transferred to the customer, which is usually when the LLP has sold or delivered the products, or provided the service to the customer, the customer has accepted the products or service and collectability of the related receivable is reasonably assured. Sales are presented net of commissions paid to the aggregator companies.

Turnover relates to the trade made outside the UK.

Foreign currencies

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). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in United States Dollars, which is the functional currency of the Partnership, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income and then in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income and then in equity.

Taxation

LLP is transparent for tax purposes and therefore taxation paid is allocated to the partners in the share consistent with the ratios agreed for a basis of distribution of profit and losses for the year.

Taxation on profits of the subsidiary companies represents the sum of the corporation tax currently payable and deferred tax.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the consolidated statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015****1. Accounting policies (continued)****Leasing and hire purchase contracts**

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the period of the lease. Benefits received and receivable as an incentive to enter into an operating lease, including capital inducements, are similarly spread in equal amounts over the lease terms or until the first rent review if shorter.

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at their estimated fair value at the date of inception of each lease or contract. The total finance charge is allocated over the period of the lease in such a way as to give a reasonably constant care on the outstanding liability.

Staff Pensions

The partnership does not have any staff and does not operate a member's pension scheme.

The subsidiary companies operate a defined contribution staff benefit scheme. Contribution to defined contribution schemes are charged to profit and loss account for the year when they become payable. Difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Fixed Assets

Fixed assets are stated at historical cost less accumulated amortisation / depreciation and any accumulated impairment losses. Amortisation / depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual amortisation / depreciation rates used are as follows:

Leasehold improvements	10%
Plant and machinery	25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Computer software (including intellectual property)

Costs directly associated with identifiable and unique computer software products controlled by the Group that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses.

Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, between a period of one to five years. Amortisation commences when the computer software is available for use and is included within administrative expenses.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognising of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Deferred income

Deferred income represents income receipts which relates to future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Accounting policies (continued)

Research and development

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the LLP can demonstrate the technical feasibility of completing the intangible assets so that it will be available for use or sale, its intention to complete and its ability; to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulate amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

Repairs and maintenance of property, plant and equipment

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade debtors

Trade debtors are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

Trade creditors

Trade creditors are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

WARGAMING.NET LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2. Turnover

The turnover and profit for the financial year before members' remuneration and profit shares are attributable to the one principal activity of the LLP.

An analysis of turnover by geographical market is given below:

	2015		2014	
	Group	LLP	Group	LLP
	US\$	US\$	US\$	US\$
Americas	138,471	138,471	13,110	13,110
Asia	39,575,978	39,575,978	36,964,679	36,964,679
Russia and other CIS	73,032	73,032	11,637	11,637
Europe (Excluding UK)	114,771,472	114,771,472	271,856,107	271,856,107
Other(Excluding UK)	117,333	117,333	607,622	259,433
	<u>154,676,286</u>	<u>154,676,286</u>	<u>309,453,155</u>	<u>309,104,966</u>

Turnover of the group and of the LLP is all generated outside the UK.

3. Other Income

	2015		2014	
	Group	LLP	Group	LLP
	US\$	US\$	US\$	US\$
Interest receivable	1,054,073	1,070,905	218,604	216,288
Foreign exchange gains	-	-	2,524,968	1,874,921
Reversal of impairment	-	-	3,049,700	3,049,700
Sundry receipts	94,985	94,985	-	-
At 31 March 2015	<u>1,149,058</u>	<u>1,165,890</u>	<u>5,793,272</u>	<u>5,140,909</u>

4. Operating profit

Operating profit is stated after charging the following items:

	2015		2014	
	Group	LLP	Group	LLP
	US\$	US\$	US\$	US\$
Amortisation of intangibles	2,725,229	-	3,024,146	-
Loss on disposal of property, plant and equipment	-	-	236,427	-
Impairment charge property, plant and equipment	-	-	54,647	-
Depreciation of property, plant and equipment	231,469	-	256,951	-
Staff costs	8,728,503	-	6,739,132	-
Foreign exchange losses	19,049,960	20,227,880	-	-
Reversal of write offs	-	-	3,049,700	3,049,700
Auditors' remuneration	<u>110,000</u>	<u>110,000</u>	<u>139,182</u>	<u>100,000</u>

WARGAMING.NET LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

5. Staff costs Group

	2015 Group US\$	2014 US\$
Wages and salaries	7,312,127	6,009,053
Other employer contributions	728,345	307,516
Pension contributions	688,031	422,563
	<u>8,728,503</u>	<u>6,739,132</u>
Average number of employees	<u>98</u>	<u>64</u>

The LLP did not employ any staff during the year or for the comparative year.

5a Information in relation to members

	2015 Group US\$	LLP US\$	2014 Group US\$	LLP US\$
The amount of profit attributable to the member with the largest entitlement was	8,338,672	7,027,741	92,087,084	91,917,345

6. Taxation

	2015 Group US\$	2014 US\$
Current tax:		
Corporation tax	-	-
Overprovision in previous years	241,350	237,596
Deferred tax	1,134,611	1,180,224
Charge for the year	<u>1,375,961</u>	<u>1,417,820</u>

The LLP is transparent for taxation and any tax suffered in the jurisdiction in which it operates is included in cost of sales for the year.

7. Intangible fixed assets – Group

	Goodwill US\$	Computer software (including Intellectual property) US\$	Development costs US\$	Total US\$
Cost				
At 1 April 2014	29,797,367	17,649,409	319,953	47,766,729
Disposal	-	-	-	-
Impairment charge	-	-	-	-
Exchange differences	-	(2,930,010)	-	(2,930,010)
At 31 March 2015	<u>29,797,367</u>	<u>14,719,399</u>	<u>319,953</u>	<u>44,836,719</u>
Amortisation / Impairment				
At 1 April 2014	29,797,367	8,282,103	319,953	38,399,423
Amortisation for the year	-	2,725,229	-	2,725,229
Eliminated on impairment	-	-	-	-
Exchange differences	-	(1,685,747)	-	(1,685,747)
At 31 March 2015	<u>29,797,367</u>	<u>9,321,585</u>	<u>319,953</u>	<u>39,438,905</u>
Net book amount				
At 31 March 2015	<u>-</u>	<u>5,397,814</u>	<u>-</u>	<u>5,397,814</u>
At 31 March 2014	<u>-</u>	<u>9,367,306</u>	<u>-</u>	<u>9,367,306</u>

WARGAMING.NET LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

8. Tangible fixed assets-Group

	Leasehold improvements US\$	Plant and machinery US\$	Total US\$
Cost			
At 1 April 2014	745,081	833,301	1,578,382
Additions	16,864	244,135	260,999
Exchange differences	(125,636)	(139,864)	(265,500)
Impairment	-	-	-
At 31 March 2015	<u>636,309</u>	<u>937,572</u>	<u>1,573,881</u>
Depreciation			
At 1 April 2014	89,473	488,863	578,336
Charge for the year	47,512	183,957	231,469
Exchange differences	(20,898)	(95,324)	(116,222)
At 31 March 2015	<u>116,087</u>	<u>577,496</u>	<u>693,583</u>
Net book amount			
At 31 March 2015	<u>520,222</u>	<u>360,076</u>	<u>880,298</u>
At 31 March 2014	<u>655,608</u>	<u>344,438</u>	<u>1,000,046</u>

8. Tangible fixed assets-LLP (none at the balance sheet date)

9. Fixed asset investments – Group

	Listed Investments US\$	Totals US\$
COST		
At 1 April 2014	48,611,000	48,611,000
Additions	6,643,854	6,643,854
Reversal of revaluation	(20,252,000)	(20,252,000)
Impairments	(9,821,419)	(9,821,419)
NET BOOK VALUE		
At 31 March 2015	<u>25,181,435</u>	<u>25,181,435</u>

9. Fixed asset investments – LLP

	Shares in undertakings US\$	Listed Investments US\$	Totals US\$
COST			
At 1 April 2014	15,451,492	48,611,000	64,062,492
Additions	100,000	6,643,854	6,743,854
Revaluation	-	(20,252,000)	(20,252,000)
Impairments	(2,600,000)	(9,821,419)	(12,421,419)
At 31 March 2015	<u>12,951,492</u>	<u>25,181,435</u>	<u>38,132,927</u>

WARGAMING.NET LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

The investments at the balance sheet date in the share capital of companies include the following:

Name	Country of incorporation	Principal activities	Holding %		Investment Cost	
			2015	2014	2015 US\$	2014 US\$
Wargaming Australia Pty Limited	Australia	Development and holding of intellectual property	100	100	46,148,859	46,148,859
Wargaming.Net Ltd	Cyprus	Holding of intellectual property	100	-	100,000	-
					<u>46,248,859</u>	<u>46,148,859</u>

Listed investments

Listed investments relates to shares and warrants held by the group / LLP in Kong Zhong Corporation an online game developer and operator in China listed on NASDAQ. The shares were acquired during the year by exercising the warrants issued as consideration of extension of licenses granted for the distribution of an online game in China. Additional shares in Kong Zhong Corporation were acquired for cash during the year.

The warrants held as at the yearend were also issued for consideration of licences relating to games which are exercisable by the LLP within 3 years after the commercial launch of the relevant games.

The share and warrants are valued by the members as at the yearend based on the quoted price of the shares as at the year end.

10. Debtors

	2015		2014	
	Group	LLP	Group	LLP
	US\$	US\$	US\$	US\$
Trade debtors	115,605,609	115,605,609	183,429,479	183,380,414
Other Debtors	251,643,151	252,247,387	161,875,008	162,548,303
Prepayments	1,074,311	779,960	279,655	-
Corporation tax	-	-	677,512	-
	<u>368,323,071</u>	<u>368,632,956</u>	<u>346,261,654</u>	<u>345,928,717</u>

Included in prepayment is US\$292,419 is amounts recoverable after more than one year (2014: US\$279,655).

11. Creditors – amounts falling due within one year

	2015		2014	
	Group	LLP	Group	LLP
	US\$	US\$	US\$	US\$
Trade creditors	16,225,383	16,157,413	17,178,132	16,318,241
Amounts owed to group undertakings	-	8,229,814	-	7,293,990
VAT	724,323	724,323	-	-
Other Creditors including loans	13,500,447	12,908,582	-	-
Accruals and deferred income	3,977,745	3,824,205	3,727,975	3,093,219
	<u>34,427,898</u>	<u>41,844,337</u>	<u>20,906,107</u>	<u>26,705,450</u>

WARGAMING.NET LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

12. Creditors – amounts falling due after more than one year

	2015		2014	
	Group	LLP	Group	LLP
	US\$	US\$	US\$	US\$
Accruals and deferred Income	188,121	-	3,346,000	3,346,000
Deferred Tax Liability (Note 13)	795,701	-	2,154,209	-
	983,822	-	5,500,209	3,346,000

13. Provision for liabilities

	Deferred tax 2015		Deferred tax 2014	
	Group	LLP	Group	LLP
	US\$	US\$	US\$	US\$
Balance at 1 April 2014	2,154,209	-	3,740,128	-
Charged/(credited) to:				
Group profit and loss account	(1,134,611)	-	(1,180,224)	-
Foreign exchange differences	(223,897)	-	(405,695)	-
Balance at 31 March 2015	795,701	-	2,154,209	-

14. Members' capital

	Kloyster Systems Corp. US\$	Lunarbell Management Inc. US\$	Ockster Financial Corp. US\$	Sandrix Business Inc. US\$	Total US\$
At 1 April 2014	796	398	398	398	1,990
Acquisition and dissolution of Sandrix membership	-	-	-	(398)	(398)
At 31 March 2015	796	398	398	-	1,592

15. Members' other interests - Group

	Kloyster Systems Corp. US\$	Lunarbell Management Inc. US\$	Ockster Financial Corp. US\$	Sandrix Business Inc. US\$	Total US\$
At 1 April 2014	105,142,423	210,276,039	105,142,423	105,142,423	525,703,308
Share of profit	4,169,337	8,338,672	4,169,337	1,542,269	18,219,615
Share of reserve	(127,473)	(254,946)	(127,473)	509,892	-
	109,184,287	218,359,765	109,184,287	107,194,584	543,922,923
Less: Acquisition of Sandrix Business	(11,340,862)	(22,681,722)	(11,340,862)	(107,194,584)	(152,558,030)
At 31 March 2015	97,843,425	195,678,043	97,843,425	-	391,364,893

WARGAMING.NET LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

15. Members' other interests – Group Cont'd

On 2nd September 2014 an agreement was signed between the partnership and one of its members for the acquisition of Sandrix Business Inc., for US\$152,558,428. Sandrix Business Inc's membership in the LLP was subsequently cancelled on 18th September 2014 and the company dissolved on 27th March 2015.

15. Members' other interests - LLP

	Kloyster Systems Corp. US\$	Lunarbell Management Inc. US\$	Ockster Financial Corp. US\$	Sandrix Business Inc. US\$	Total US\$
At 1 April 2014	104,728,866	209,448,921	104,728,866	104,728,866	523,635,519
Share of profit	3,513,870	7,027,741	3,513,870	1,543,670	15,599,151
Share of reserve	(384,847)	(769,698)	(384,847)	1,539,392	-
	107,857,889	215,706,964	107,857,889	107,811,928	539,234,670
Less: Acquisition of Sandrix Business	(11,186,525)	(22,373,050)	(11,186,527)	(107,811,928)	(152,558,030)
At 31 March 2015	96,671,364	193,333,914	96,671,362	-	386,676,640

On 2nd September 2014 an agreement was signed between the partnership and one of its members for the acquisition of Sandrix Business Inc., for US\$152,558,428. Sandrix Business Inc's membership in the LLP was subsequently cancelled on 18th September 2014 and the company dissolved on 27th March 2015.

16. Other reserves

	2015		2014	
	Group US\$	LLP US\$	Group US\$	LLP US\$
Balance at 1 April 2014	25,787,920	27,786,572	(116,289)	-
Unrealised revaluation reserves	(20,252,000)	(20,252,000)	20,252,000	20,252,000
Unrealised foreign exchange gains (losses)	(7,534,572)	(7,534,572)	7,534,572	7,534,572
Exchange differences arising on consolidation	(2,593,131)	-	(1,882,363)	-
Balance at 31 March 2015	(4,591,783)	-	25,787,920	27,786,572

Foreign exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. United States Dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Foreign exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

WARGAMING.NET LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

17. Members' other interests— Group

	Members' capital (classified as equity) US\$	Reserves US\$	Other reserves US\$	Total US\$	Loans and other debts due to members US\$	Total US\$
Balance at 1 April 2014	1,990	-	25,787,920	25,789,910	525,703,308	551,493,218
Profit for the financial year available for discretionary division among members	-	18,219,615	(30,379,703)	(12,160,088)	-	(12,160,088)
Members' interests after profit for the year	1,990	18,219,615	(4,591,783)	13,629,822	525,703,308	539,333,130
Acquisition and dissolution of Sandrix	(398)	-	-	(398)	(152,558,030)	(152,558,428)
Other divisions of profit	-	(18,219,615)	-	(18,219,615)	18,219,615	-
Balance at 31 March 2015	1,592	-	(4,591,783)	(4,590,191)	391,364,893	386,774,702

17. Members' other interests— LLP

	Members' Capital (classified As equity) US\$	Reserves US\$	Other reserves US\$	Total US\$	Loans and other debts due to members US\$	Total US\$
Balance at 1 April 2014	1,990	-	27,786,572	27,788,562	523,635,519	551,424,081
Profit for the financial year available for discretionary division among members	-	15,599,151	(27,786,572)	(12,187,421)	-	(12,187,421)
Members' interests after profit for the year	1,990	15,599,151	-	15,601,141	523,635,519	539,236,660
Acquisition and dissolution of Sandrix	(398)	-	-	(398)	(152,558,030)	(152,558,428)
Other divisions of profit	-	(15,599,151)	-	(15,599,151)	15,599,151	-
Balance at 31 March 2015	1,592	-	-	1,592	386,676,640	386,678,232

WARGAMING.NET LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

18. Related parties

Included in other debtors are amounts due from companies under the control of the partners of the LLP. The amounts are repayable on demand on which interest is charged on a commercial rate agreed on a third party basis. The balance receivable as at 31 March 2015 amounted to US\$20,960,903 (2014: US\$4,425,711).

WGVC Limited

A company which is under common control with the LLP

Included in other debtors are amounts due from WGVC Limited. The amounts are repayable on demand on which interest is charged on a commercial rate agreed on a third party basis. The balance receivable as at 31st March 2015 amounted to US\$20,144,582 (2014: \$1,124,610).

Wargaming Group Limited (Formerly Wargaming Public Company Limited)

A company which is under common control with the LLP

Included in other debtors are amounts due from Wargaming Group Limited. The amounts are repayable on demand. The balance receivable as at 31 March 2015 amounted to US\$209,302,160 (2014: US\$155,302,160).

The company also signed a loan agreement under which US\$15million is granted to the LLP. As at the year end the amount outstanding under the loan agreement of US\$12,908,582 was classified as other creditors including loans on which interest is charge at 1.75% per annum.

The company also recharged the LLP during the year US\$52,343,397 (2014: US\$ 29,247,169). These expenses are paid on behalf of the LLP and recharged accordingly under various agreements.

Lesta Co. Limited

A subsidiary company of Wargaming Public Company Limited.

During the year the LLP was party to an agreement with Lesta Co. Ltd for a software product project relating to the "World of Warships" under which US\$12,036,295 (2014: US\$ 7,079,379) were charged by the company.

19. Commitments

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015 US\$	2014 US\$
Within one year	236,653	257,969
Between one and five years	733,528	825,502
After five years	-	154,782
	<u>970,181</u>	<u>1,238,253</u>

20. Post Balance sheet events

On 30th June the LLP contributed the title "world of warships" to its subsidiary Wargaming.net Ltd in exchange for shares.

On 30th November 2015, the LLP sold to an affiliated company 40million ordinary shares held in Kong Zhong Corporation an online game developer and operator in China for US\$6,780,000 being the market value listed on NASDAQ.

21. Ultimate Controlling Party

The group and the limited liability partnership is controlled by the members and no one member is considered to be a controlling party.

WARGAMING.NET LLP

COST OF SALES AND ADMINISTRATION EXPENSES FOR THE YEAR ENDED 31 MARCH 2015

	2015 US\$	2014 US\$
Cost of sales		
Direct costs		
Purchases	94,934,258	60,735,840
Conferences and shows	3,633,398	6,305,780
Consultancy fees	176,681	4,345,496
Payroll costs	8,728,503	6,739,132
	<u>107,472,840</u>	<u>78,126,248</u>
	2015 US\$	2014 US\$
Administration expenses		
Rent, licence and rates	403,968	301,187
Electricity	56,127	47,286
Water supply and cleaning	35,209	17,493
Insurance	22,135	12,216
Repairs and maintenance	10,086	12,758
Subscriptions	51,979	37,283
Telephone, postage, printing and stationery	64,538	81,088
Staff training and other costs	154,726	76,796
Auditors' remuneration	110,000	139,182
Legal and professional fees	799,623	808,732
Travelling	459,658	485,838
Advertising	770,006	2,658,541
Entertaining	60,902	60,778
Sundry expenses	68,023	20,803
Amortisation and depreciation	2,956,698	3,281,097
Loss on disposal of fixed asset	-	236,427
Loss on investment	9,821,419	-
Bank charges	35,205	42,787
	<u>15,880,302</u>	<u>8,320,292</u>