# SPECIAL-PURPOSE STATEMENT OF FINANCIAL POSITION & INDEPENDENT AUDITORS' REPORT For period ended December 31, 2024 NNLE SAPARI

AG International Consulting Member of Prime Global Audit & Business Advisory Services







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# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOARD OF NNLE SAPARI

# **Opinion**

We have audited the financial statement of NNLE Sapari (hereinafter "Organization"), which comprise the special-purpose statement of financial position as at December 31, 2024 and special-purpose statement of activities, special-purpose statement of cash flows and special-purpose statement of changes in funds for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special-purpose statement of the Organization for the year ended December 31, 2024 are prepared in all material respects, in accordance with the Financial Handbook of NNLE Sapari and other financial instructions and policies effective in the Organization.

# **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 Organization in accordance with the ethical requirements that are relevant to our audit of financial statements in Georgia, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Emphasis of Matter-Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 - Accounting Policy to the financial statements, which describes the basis of accounting. The special purpose financial statement is prepared to assist the Organization to comply with the Financial Handbook of NNLE Sapari and other financial instructions and policies effective in the Organization. As a result, the financial statement may not be suitable for any other purpose. Our opinion is not modified in respect of this matter.

# Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Handbook of NNLE Sapari and other financial instructions and policies effective in the Organization 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.



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In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 the aggregate, they could reasonably be expected to influence the economic descriptions 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 scepticism 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, international 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 exercising an opinion on the
  effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting polices 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 Organization'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 date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.



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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.



Giorgi Mikabadze Director

LLC AG International Consulting Member of PrimeGlobal

Tbilisi, Georgia Date: July 20, 2025 year

# SPECIAL-PURPOSE STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	December 31, 2024 Year	December 31, 2023 Year
<u>Assets</u>			
Non-current Assets			
Property and equipment	4	106,536	115,971
Total Non-current Assets		106,536	115,971
Current Assets			
Cash and cash equivalents	5	220,264	396,543
Total Current Assets		220,264	396,543
Total Assets		326,800	512,513
Accumulated Funds and Liabilities			
Accumulated Funds			
Accumulated funds		326,800	512,513
Total Accumulated Funds		326,800	512,513
Total Accumulated Funds and Liabilities		326,800	512,513

Babutsa Pataraia Executive Director

July 20, 2025 Tbilisi, Georgia Tedo Tetvadze Financial Manager

July 20, 2025 Tbilisi, Georgia

# **SPECIAL-PURPOSE STATEMENT OF ACTIVITIES**

INCOMING RESOURCES	Notes	2024 Year	2023 Year
Income from Fundraising	6	1,887,289	1,341,412
Income from Partnership	7	83,596	151,427
Income from Donation		5,743	5,814
Total Incoming Resources		1,976,628	1,498,653
EXPENDITURES			
Salary expenses		(686,395)	(586,642)
Service expenses		(574,768)	(93,536)
Program expenses		(315,272)	(196,244)
Tax expenses		(245,670)	(217,045)
Sub-Grant expenses		(55,083)	(11,658)
Pension tax		(45,879)	(40,426)
Office rent expenses		(35,886)	(32,704)
Marketing expenses		(28,958)	(17,524)
Depreciation expense		(22,745)	(18,367)
Transportation expenses		(19,393)	(15,353)
Communication expenses		(10,213)	(9,013)
Honorary		(9,645)	(131,805)
Other operating expenses		(8,196)	(3,036)
Business trip expenses		(7,578)	(11,510)
Utility expenses		(6,312)	(7,988)
Bank expenses		(3,140)	(2,560)
other administrative expenses		(3,089)	(3,521)
Fuel expenses		(1,313)	(8,696)
Translation expenses		-	(5,231)
Insurance expenses		-	(3,918)
Security expenses		<u> </u>	(3,089)
Total expenses		(2,079,506)	(1,419,864)

Babutsa Pataraia Executive Director

July 20, 2025 Tbilisi, Georgia Tedo Tetvadze Financial Manager

July 20, 2025 Tbilisi, Georgia

# **SPECIAL-PURPOSE STATEMENT OF ACTIVITIES (continued)**

	2024 Year	2023 Year
Net surplus/deficit on operating activities	(102,878)	78,789
Non Operating income	-	850
Exchange rate gain (loss)	(82,835)	(13,688)
Net surplus/deficit before tax	(185,713)	65,952
Profit tax expenses	-	-
SURPLUS/DEFICIT AFTER TAX	(185,713)	65,952

Babutsa Pataraia Executive Director

July 20, 2025 Tbilisi, Georgia Tedo Tetvadze Financial Manager

July 20, 2025 Tbilisi, Georgia

# **SPECIAL-PURPOSE STATEMENT OF CASH FLOWS**

	December 31, 2024 Year	December 31, 2023 Year
Cash flows from operating activities		
surplus/deficit  Adjustments for non-cash income and	(185,713)	65,952
expenses:	22.745	10.267
Depreciation of property, plant and equipment	22,745	18,367
Net foreign exchange differences	82,835	13,688
Operation Cash Flows Before Working Capital		
Changes	(80,133)	98,006
Net cash flows from operating activities	(80,133)	98,006
Cash flows from investing activities		
Purchase of fixed assets	(13,310)	(75,155)
Net cash flows used in investing activities	(13,310)	(75,155)
Net increase (decrease) in cash and cash		
equivalents	(93,444)	22,852
Net foreign exchange difference	(82,835)	(13,688)
Cash and cash equivalents at beginning of year	396,543	387,379
Cash and cash equivalents at end of year	220,264	396,543

# SPECIAL-PURPOSE STATEMENT OF CHANGES IN ACCUMULATED FUNDS

	Accumulated Funds	Total
Balance at January 01, 2023	446,561	446,561
Gain/Loss for the year	65,952	65,952
Balance at December 31, 2023	512,513	512,513
Gain/Loss for the year	(185,713)	(185,713)
Balance at December 31, 2024	326,800	326,800

#### **NNLE SAPARI**

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

Amounts Expressed in Georgian Lari

# NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

## **NOTE 1. DESCRIPTION OF ACTIVITIES**

NNLE Sapari is a local non-profit organization, which was founded in January 01, 2001, the legal address is Georgia, Tbilisi, Saburtalo district, Meliton Kantharia street, N11a, registered with tax payer code: 204957617. NNLE Sapari is governed by board of members consisting from Babutsa Pataraia (ID 01003009573) - Board Member/Executive Director, Natia Gvritishvili (ID 47001033699) - Board Member and Giorgi Urchukhishvili (ID 20001014955) - Board Member.

NNLE Sapari protects women's rights, fighting against violence and discrimination, helps and takes care of the victims.

Organizations mission is to facilitate building fair and equal environment, since we believe that any member of the society deserves equal rights and equal access to the opportunities.

## **NOTE 2. BASIS OF PRESENTATION**

The financial statements have been prepared in accordance with Financial Handbook of NNLE Sapari and other financial instructions and policies effective in the Organization, on the historical cost basis of accounting. The principal accounting policies adopted are set out below.

The preparation of the special-purpose financial statements requires the use of estimates and assumption that affect the reported amounts of assets and liabilities. Although these estimates are based on management's best knowledge of current events and actions actual results ultimately may differ from those estimates.

# **NOTE 3. ACCOUNTING POLICY**

#### 3.1 Functional and presentation currency

Items included in the financial statements of the Organization are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Georgian Lari ("GEL"), which is the Organization's functional and presentation currency.

# 3.2 Foreign currencies

Transactions denominated in foreign currency are translated into GEL at the official exchange rate of National Bank of Georgia on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated into GEL at the official exchange rate of National Bank of Georgia at the balance sheet date. Exchange differences on monetary items are recognized in Statement of Activities in the period in which they arise.

#### **NOTE 3. ACCOUNTING POLICY (continued)**

Foreign currency is translated at the National Bank of Georgia rate of exchange at the given date (year end for the statements). According to official information from National Bank of Georgia the rate of Exchange of GEL to EUR and USD were:

	December 31, 2024 Year	December 31, 2023 Year
Gel/1 USD	2.8086	2.6894
Gel/1 EUR	2.9306	2.9753
Gel/1 GBP	3.5349	3.4228
Gel/10 DKK	3.9291	3.9923

# 3.3 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Depreciation is charged using the straight-line method at rates 10-20%. Depreciation charge for a period is recognized as expense in Statement of Activities.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continuing use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Activities.

Intangible assets consist from computer software. Amortization of intangible assets is charged based on suggested by the Tax Code of Georgia, which is 15%.

## 3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Organization in the management of its short-term commitments.

#### 3.5 Taxation

Activities of the Organization in part of fundraising are not subject to profit tax value; value added tax and property tax.

The Organization, as non-governmental, non-commercial organization, pays the following taxes:

- Income Tax (20%) Mentioned tax will be paid from the whole salary and from benefits that are handled to the employees according to the Georgian tax legislation. These taxes are given in financial statements - project incomes and project expenditures as the part of salary and benefits connected to it.
- Since January 1, 2019, a pension tax was established, which assumes a mandatory taxation of organizations at 2% rate of each paid salary.

# **NOTE 3. ACCOUNTING POLICY (continued)**

# 3.6 Recognition of revenues and expenses

In accordance with cash basis of accounting expenditures, including capital spending, are recognized at the time cash is disbursed, rather when incurred. Funding income is recognized in the special purpose statement of activities when received. Any surplus or deficit is shown as a special purpose balance sheet item. Revenue received in foreign currencies are translated into GEL and presented in Special-Purpose Statement of Activities using the National Bank of Georgia (NBG) exchange rate at the dates when funds are received. Issued sub grants are recognized as expenses when funds are disbursed and to the extent of amount transferred to sub grantees.

## **NOTE 4. PROPERTY AND EQUIPMENT**

	Vehicles	Computer & Office equipment	Furniture & Equipment	Total
Beginning Balance				
Balance 2023, December 31	82,465	58,804	9,122	150,390
Additions in 2024 Year	-	11,540	1,770	13,310
Write-Offs in 2024 Year	-	-	-	-
Balance 2024, December 31	82,465	70,344	10,892	163,701
Accumulated Depreciation				
Balance 2023, December 31	(11,417)	(21,177)	(1,826)	(34,420)
Depreciation charge in 2024 Year	(8,247)	(12,559)	(1,939)	(22,745)
Write-Offs in 2024 Year	-	-	-	-
Balance 2024, December 31	(19,664)	(33,736)	(3,765)	(57,165)
Balance 2023, December 31	71,048	37,627	7,296	115,971
Balance 2024, December 31	62,801	36,608	7,127	106,536

# **NOTE 5. CASH AND CASH EQUIVALENTS**

	December 31, 2024 Year	December 31, 2023 Year
Cash in Bank in GEL	144,643	345,177
Cash in Bank in USD	53,301	45,420
Cash in Bank in DKK	22,319	-
Cash in Bank in EUR	-	5,945
Total cash in banks	220,264	396,543
Petty Cash	-	-
Total Cash & Cash Equivalents	220,264	396,543

#### **NOTE 6. INCOME FROM FUNDRAISING**

	2024 Year	2023 Year
East West Management Institute Inc. (Georgia)	476,342	16,454
Mercy Corps	333,728	359,914
International Research & Exchanges Board Tbilisi branch	237,845	-
United Nations Development Programme	195,337	133,291
Män för Jämställdhet	152,418	122,533
The Kvinna till Kvinna Foundation	133,567	-
NNLE UN Association of Georgia - UNAG	131,361	-
Zinc Network	96,942	-
KVINFO (The Danish Center for Research on Women and Gender)	59,751	459,127
Human Rights House Foundation	22,169	5,510
Urgent Action Fund – For Feminist Activism	21,826	-
NNLE Women's Foundation in Georgia	15,720	56,604
Open Society Foundation of Georgia	9,303	50,983
European Foundation	952	24,250
Human Rights House Tbilisi	28	-
The Global Fund for Women	-	74,820
National Democratic Institute	-	18,272
Embassy of the Netherlands	-	12,156
Tbilisi Human Rights House		7,498
Total Income from fundraising	1,887,289	1,341,412

# **NOTE 7. INCOME FROM PARTNERSHIP**

	2024 Year	2023 Year
Georgian Center for Psychosocial and		
Medical Rehabilitation of Torture Victims	64,837	147,927
Salome Maghradze	18,759	
SOCAR Georgia Petroleum Ltd		3,500
Total Income from Partnership	83,596	151,427

## **NOTE 8. RELATED PARTY TRANSACTIONS**

Related parties or transactions with related parties, as defined by IAS 24 "Related party disclosures", could be one or more of the following:

- a) Parties that directly, or indirectly through one or more intermediaries: control, or are controlled by, or are under common control with, The Organization (this includes parents, subsidiaries and fellow subsidiaries); have an interest in The Organization that gives then significant influence over The Organization; and that have joint control over The Organization;
- b) Members of key management personnel of The Organization or its parent;
- c) Close members of the family of any individuals referred to in (a) or (b);
- d) Parties that are entities controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (b);

# **NOTE 8. RELATED PARTY TRANSACTIONS (continued)**

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Details of transactions between The Organization and other related parties are disclosed below.

Related party transactions as at 31 December 2023 and 31 December 2024 can be presented as follows:

Management Salaries	2024 Year	2023 Year
Executive Management	87,053	122,091
Total Management Salaries	87,053	122,091

#### **NOTE 9. FINANCIAL RISK MANAGEMENT**

#### Interest rate risk

The Organization's revenue and operating cash flows are independent of changes in market interest rates. The organization has no interest-bearing liabilities or significant interest-bearing assets.

#### Credit risk

The organization has no significant concentrations of credit risk.

# Liquidity risk

The Organization has no liquidity risk exposures as operations are implemented according to budget.

# Fair value estimation

The net fair of cash and cash equivalents of the Organization approximates their carrying amount.

# Foreign currency exposure risk

Currency risk arises from open position in foreign currencies and adverse movements of market exchange rates that may have a negative impact on financial performance of the Organization.

#### NOTE 10. EVENTS AFTER THE REPORTING PERIOD

The organization has no subsequent events after the reporting period.

# **NOTE 11. GOING CONCERN**

At the end of the reporting period, management discusses business continuity issues to ensure that the presentation of special purpose financial statements based on the going concern principle is fair.

Currently, NNLE Sapari is actively working on project proposals to continue some of the recent projects and start new ones in the next year. In particular, organization has a strong co-operation with their current donors and discuss with them plans for the next years.

# **NNLE SAPARI**

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024 Amounts Expressed in Georgian Lari

# **NOTE 12. APPROVAL OF FINANCIAL STATEMENTS**

These special-purpose financial statements were authorized for issue by the Management of the Company on July 20, 2025.