SPECIAL-PURPOSE STATEMENT OF FINANCIAL POSITION & INDEPENDENT AUDITORS' REPORT For period ended December 31, 2023 NNLE SAPARI



PrimeGlobal

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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, 2023 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, 2023 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.

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.



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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.

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.

ng Giorgi Mikabadze Director LLC AG International Consulting Member of PrimeGlobal

Tbilisi, Georgia Date: October 24, 2024 year

Consult

SPECIAL-PURPOSE STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	December 31, 2023 Year	December 31, 2022 Year
Assets			
Non-current Assets			
Property and equipment	4	115,971	59,183
Total Non-current Assets		115,971	59,183
Current Assets			
Cash and cash equivalents	5	396,543	387,379
Total Current Assets		396,543	387,379
Total Assets		512,513	446,561
Accumulated Funds and Liabilities			
Accumulated Funds			
Accumulated funds		512,513	446,561
Total Accumulated Funds		512,513	446,561
Total Accumulated Funds and Liabilities		512,513	446,561

Babutsa Pataraia Executive Director

October 24, 2024 Tbilisi, Georgia Tedo Tetvadze Financial Manager

October 24, 2024 Tbilisi, Georgia

SPECIAL-PURPOSE STATEMENT OF ACTIVITIES

INCOMING RESOURCES	Notes	2023 Year
Income from Fundraising	6	1,341,412
Income from Partnership	7	151,427
Income from Donation		5,814
Other Operating Income		-
Total Incoming Resources		1,498,653
EXPENDITURES		
Salary expenses		(586,642)
Tax expenses		(217,045)
Program expenses		(196,244)
Honorary		(131,805)
Service expenses		(93,536)
Pension tax		(40,426)
Office rent expenses		(32,704)
Depreciation expense		(18,367)
Marketing expenses		(17,524)
Transportation expenses		(15,353)
Sub-Grant expenses		(11,658)
Business trip expenses		(11,510)
Communication expenses		(9,013)
Fuel expenses		(8,696)
Utility expenses		(7,988)
Translation expenses		(5,231)
Insurance expenses		(3,918)
other administrative expenses		(3,521)
Security expenses		(3,089)
Other operating expenses		(3,036)
Bank expenses		(2,560)
Total expenses		(1,419,864)

Babutsa Pataraia Executive Director

October 24, 2024 Tbilisi, Georgia Tedo Tetvadze Financial Manager

October 24, 2024 Tbilisi, Georgia

SPECIAL-PURPOSE STATEMENT OF ACTIVITIES (continued)

Net surplus/deficit on operating activities	78,789
Non Operating income Exchange rate gain (loss)	850 (13,688)
Net surplus/deficit before tax	65,952
Profit tax expenses	
SURPLUS/DEFICIT AFTER TAX	65,952

Babutsa Pataraia Executive Director

October 24, 2024 Tbilisi, Georgia Tedo Tetvadze Financial Manager

October 24, 2024 Tbilisi, Georgia

SPECIAL-PURPOSE STATEMENT OF CASH FLOWS

	December 31, 2023 Year
Cash flows from operating activities	
surplus/deficit	65,952
Adjustments for non-cash income and expenses:	
Depreciation of property, plant and equipment	18,367
Net foreign exchange differences	13,688
Operation Cash Flows Before Working Capital Changes	98,006
Net cash flows from operating activities	98,006
Cash flows from investing activities	
Purchase of fixed assets	(75,155)
Net cash flows used in investing activities	(75,155)
Net increase (decrease) in cash and cash equivalents	22,852
Net foreign exchange difference	(13,688)
Cash and cash equivalents at beginning of year	387,379
Cash and cash equivalents at end of year	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

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.

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, 2023 Year	December 31, 2022 Year
Gel/1 USD	2.6894	2.8844
Gel/1 EUR	2.9753	2.7020
Gel/1 GBP	3.4228	3.2581
Gel/10 DKK	3.9923	3.8786

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 2022, December 31	19,500	50,622	5,114	75,236
Additions in 2023 Year	62,965	8,182	4,008	75,155
Write-Offs in 2023 Year	-	-	-	-
Balance 2023, December 31	82,465	58,804	9,122	150,390
Accumulated Depreciation				
Balance 2022, December 31	(5,845)	(10,028)	(180)	(16,053)
Depreciation charge in 2023 Year	(5,573)	(11,149)	(1,645)	(18,367)
Write-Offs in 2023 Year	-	-	-	-
Balance 2023, December 31	(11,417)	(21,177)	(1,826)	(34,420)
= Balance 2022, December 31	13,655	40,594	4,934	59,183
Balance 2023, December 31	71,048	37,627	7,296	115,971

NOTE 5. CASH AND CASH EQUIVALENTS

	December 31, 2021 Year	December 31, 2020 Year
Cash in Bank in GEL	345,177	248,534
Cash in Bank in USD	45,420	137,911
Cash in Bank in EUR	5,945	934
Total cash in banks	396,543	387,379
Petty Cash		_
Total Cash & Cash Equivalents	396,543	387,379

NOTE 6. INCOME FROM FUNDRAISING

NNLE SAPARI NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 *Amounts Expressed in Georgian Lari*

	2023 Year
KVINFO (The Danish Center for Research on Women and Gender)	459,127
Mercy Corps	359,914
United Nations Development Programme	133,291
Män för Jämställdhet	122,533
The Global Fund for Women	74,820
NNLE Women's Foundation in Georgia	56,604
Open Society Foundation of Georgia	50,983
European Foundation	24,250
National Democratic Institute	18,272
East West Management Institute Inc. (Georgia)	16,454
Embassy of the Netherlands	12,156
Tbilisi Human Rights House	7,498
Human Rights House Foundation	5,510
Total Income from fundraising	1,341,412

NOTE 7. INCOME FROM PARTNERSHIP

	2023 Year
Georgian Center for Psychosocial and Medical Rehabilitation of Torture Victims	147,927
SOCAR Georgia Petroleum Ltd	3,500
Total Income from Partnership	151,427

NOTE 8. EXPENSES BY FUNDING SOURCES

	2023 Year
Mercy Corps	320,884
KVINFO (The Danish Center for Research on Women and Gender)	245,172
MATRA	133,077
Georgian Center for Psychosocial and Medical Rehabilitation of Torture Victims	123,809
Män för Jämställdhet	106,316
Global Fund for Women	101,484
European Foundation	61,326
Open Society Foundation of Georgia	60,727
UN Women	52,396
United Nations Development Programme	35,268
Calala	30,417
United Nations Population Fund	28,384
Administrative expenses	24,526
NNLE Women's Foundation in Georgia	23,111
Expenses paid by donations	21,306
National Democratic Institute	13,446
East West Management Institute Inc. (Georgia)	12,595
Human Rights House Foundation	7,253
Total Expenses by Donor	1,401,497

NOTE 9. 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:

- 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);

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 can be presented as follows:

Management Salaries	2023 Year
Executive Management	122,091
Total Management Salaries	122,091

NOTE 10. 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.

NOTE 10. FINANCIAL RISK MANAGEMENT (continued)

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 11. EVENTS AFTER THE REPORTING PERIOD

The organization has no subsequent events after the reporting period.

NOTE 12. 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.

NOTE 13. APPROVAL OF FINANCIAL STATEMENTS

These special-purpose financial statements were authorized for issue by the Management of the Company on October 24, 2024.