

NPLE „FIRST STEP GEORGIA”

**Financial Statements
For the year ended 31 December 2021
and the independent auditor's report**

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INDEPENDENT AUDITOR'S REPORT

To the Management and the Board of Directors of FIRST STEP GEORGIA

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of FIRST STEP GEORGIA (the Organization) which comprise the statement of financial position as at 31 December 2021, and the statement of activities and changes in net assets, statement of changes in accumulated funds and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, and its activities and changes in net assets and its cash flows for the year then ended in accordance with the basis of accounting policies described in note 2 of the financial statements.

Basis for Qualification

During the whole period company operates it has not performed any revaluation of fixed assets. Total book value of fixed assets in company statements is 718,146 GEL. Because no evaluation was done we could not obtain reliable audit evidence on fair value of above mentioned assets.

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 International Ethics Standards Board for Accountants, Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Georgia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

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

Management is responsible for the preparation and fair presentation of these standalone financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of standalone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management wither intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatements, 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 decision of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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, misrepresentations, or the override of internal controls;
- Evaluate the appropriateness of accounting policies used and the seasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concerns 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 of the Company's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence.

The engagement partner on the audit resulting in this independent auditor's report is Zviad Akhvlediani.

Zviad Akhvlediani

Russell Bedford AAC LLC

28 March 2022

Tbilisi, Georgia

INDEPENDENT AUDITOR'S REPORT

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The engagement partner on the audit resulting in this independent auditor's report is Zviad Akhvlediani.

Zviad Akhvlediani
Russell Bedford AAC LLC
28 March 2022
Tbilisi, Georgia



STATEMENT OF FINANCIAL POSITION

As at 31 December 2021, in GEL

	Note	31-Dec-21	31-Dec-20
ASSETS			
Current assets			
Cash and cash equivalents		908,727	856,933
Receivables		392,443	435,937
Inventories		792	792
Prepaid Tax		1,281	5,334
Prepaid expenses		375	195
Total current assets		1,303,618	1,299,192
Non-current assets			
Fixed assets		718,146	716,330
Intangible assets		1,788	2,463
Total non-current assets		719,934	718,793
Total assets		2,023,552	2,017,985
ACCUMULATED FUNDS AND LIABILITIES			
Current liabilities			
Accounts payable		141,971	222,592
Taxes payables		10,670	-
Total current liabilities		152,641	222,592
Accumulated Funds			
Restricted funds		1,852,001	1,654,068
Unrestricted funds		18,910	141,325
Total accumulated funds		1,870,911	1,795,393
Total accumulated funds and liabilities		2,023,552	2,017,985

Signed by:

Director:

Financial Manager:

28 March 2022

Tbilisi, Georgia

The notes on pages 9-19 form an integral part of these financial statements. The Independent Auditor's Report is on pages 3-4.

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28 March 2022

Tbilisi, Georgia

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STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

As at 31 December 2021, in GEL

Note	Restricted	Unrestricted	Total 2021	Restricted	Unrestricted	Total 2020
Revenue from Child Care Activities	-	2,628,995	2,628,995	-	1,777,082	1,777,082
Contribution from Donors	298,246	-	298,246	386,649	-	386,649
Income from donations	-	348,530	348,530	-	329,436	329,436
Total Incoming Resources	298,246	2,977,525	3,275,771	386,649	2,106,518	2,493,167
Program expenses	-	(2,583,377)	(2,583,377)	-	(1,723,639)	(1,723,639)
Administrative expenses	-	(366,818)	(366,818)	-	(329,436)	(329,436)
Depreciation expenses	-	(109,648)	(109,648)	-	(116,857)	(116,857)
Total Expenditures	-	(3,059,843)	(3,059,843)	-	(2,169,932)	(2,169,932)
Net surplus/deficit on operating activities	298,246	(82,318)	215,928	386,649	(63,414)	323,235
Non-operating expenses	-	(44,872)	(44,872)	-	(7,505)	(7,505)
Non-operating income	-	64,812	64,812	-	73,252	73,252
Total Financial Activities	-	19,940	19,940	-	65,747	65,747
Net surplus/deficit before tax	298,246	(62,378)	235,868	386,649	2,333	388,982
Net surplus/deficit After tax	298,246	(62,378)	235,868	386,649	2,333	388,982
Net assets as at 31 December 2020	621,601	69,781	691,382	234,952	67,448	302,400
Net surplus/deficit 2021	298,246	(62,378)	235,868	386,649	2,333	388,982
Net assets as at 31 December 2021	919,847	7,403	927,250	621,601	69,781	691,382

Signed by:

Director:

Financial Management:

28 March 2022

Tbilisi, Georgia

The notes on pages 9-19 form an integral part of these financial statements. The Independent Auditor's Report is on pages 3-4.

Financial statements and notes for the year ended 31 December 2021

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

As at 31 December 2021, in GEL

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28 March 2022

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STATEMENT OF CHANGES IN ACCUMULATED FUNDS

As at 31 December 2021, in GEL

Funds available as at 31 December 2019	1,423,739
Changes in temporary restricted funds	379,455
Changes in unrestricted funds	(7,802)
Funds available as at 31 December 2020	1,795,392
Changes in temporary restricted funds	197,933
Changes in unrestricted funds	(122,414)
Funds available as at 31 December 2021	1,870,911

STATEMENT OF CASH FLOWS

For the years 2021 and 2020 in GEL

	Year 2021	Year 2020
Cash flows from operating activities		
Net surplus/deficit before tax	235,868	388,982
Adjustments for:		
Depreciation and amortization	108,974	116,857
Interest Received	(9,976)	-
Other adjustments	(19,940)	-
Cash inflows/(outflow) from operating activities before changes in operating assets and liabilities	314,926	505,839
Movements in working capital		
Decrease (increase) in Accounts receivable	43,494	(235,881)
Decrease (increase) in Prepaid tax	4,053	665
Decrease (increase) in Prepaid expenses	(180)	(120)
Increase (decrease) in Accounts payable	(80,621)	108,016
Increase (decrease) in Taxes payable	10,670	(1,277)
Cash inflow/(outflow) from operating activities	292,342	377,242
Net cash inflow/(outflow) from operating activities	292,342	377,242
Cash flows from investing activities		
Purchase of property, plant and equipment	(111,465)	(33,007)
Net cash outflow from investing activities	(111,465)	(33,007)
Cash flows from financial activities		
Net cash inflow from financing activities	-	-
Net effect of Ex-Rate fluctuations	(129,083)	(17,519)
Net increase in cash and cash equivalents	51,794	326,716
Cash and cash equivalents at the beginning of the year	856,933	530,217
Cash and cash equivalents at the end of the year	908,727	856,933

The notes on pages 9-19 form an integral part of these financial statements. The Independent Auditor's Report is on pages 3-4.

1. GENERAL INFORMATION

Non-entrepreneurial (non-commercial) legal entity First Step Georgia ("the Organization") is a non-profit organization dedicated to enhancing the quality of life for children with special need by providing direct care, public advocacy, family support services and training.

The Organization exists to create safe, supportive and nurturing environments for children with mental and physical disabilities so they can receive the specific educational, physical, mental and medical support their conditions require.

The Organization strives to create these environments in several ways:

- In day care centers, where organization provides direct services to and for disabled children;
- In the private homes of disabled children, where organization provides services, training and support to children and the families of these children, lessening their isolation;
- In broader society, where organization works to de-stigmatize disabilities in general;
- On policy levels, where organization lobbies the government to be more aware, inclusive, supportive and responsive to the particular needs of this group of Georgian citizens.

The legal address of the Organization is 150 Agmashenebeli Avenue, Tbilisi, Georgia. The Organization is registered in November 6, 1998 year and the tax code is 202 061 838.

Grants related to activity in year ended 31 December 2021 are following:

AMERICAN FRIENDS OF GEORGIA

Project period: 2021 January-December

Project Name: Supporting Tbilisi Specialized Day care center for children from 7-18 years

Project Amount: 9500,00 USD

Brief Overview of the Day Care Center

FSG Day Care Center (DCC) is the only center in Tbilisi which serves children with severe and profound disability who also have challenging behavioral problems. Besides the specialized service and education programs, children are provided with the transportation and food. For children with severe disabilities, the day care is only place where they have an opportunity to get friends and become more socially adapted.

FSG day care center is located in FSG village in Tbilisi and serves 35 children with severe and profound intellectual disability from age 6 to 18.

The overall goal of the DCC is to increase the level of independent functioning of children with special needs and to ensure their social inclusion through acquisition of skills and knowledge.

From May 2014 FSG got registration as a specialized day care provider. According to this new policy FSG strengthens individual occupational and psychological assistance of the beneficiaries. Day care program continued strengthening of self-care skills of children and management of challenging behaviors and applied non-verbal communication system.

Specific goals are:

- To ensure wide range of education programs of 35 children with severe and profound intellectual disabilities at FSG day care center.
- To ensure development of life and communicative skills and academic knowledge of the beneficiaries of FSG education program
- To ensure development of social contacts and social inclusion of the beneficiaries of FSG education program
- To support families of disabled children

To raise awareness of the public on social and education inclusion of children with special needs.

THE NEXT STEP - THE SLANEY FOUNDATION

Project period: 2021 January-December

Project Name: Supporting Tbilisi Specialized Day care center for children from 7-18 years

Project Amount: 49994,00 USD

Brief Overview of the Day Care Center

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To raise awareness of the public on social and education inclusion of children with special needs.

CTC CONSULTATION AND TRAINING CENTER

Project name: Improving the quality of online working process of programs and independence of families of children with severe and profound mental and physical developmental delays in crisis period.

Total budget (GEL): 50098.00

Project period: 2020-2021

Project goal and objectives

Define the goal i.e., what kind of specific change / result you expect to achieve as a result of this project. Indicate the key tasks/objectives that will help you to achieve your goal.

The goal and objectives should be formulated specifically to reflect a specific achievable / measurable outcome / change (maximum 0.5 pages).

Project Goal: to study the needs of the families of beneficiaries of the day care center and home-based care programs of First Step for children with severe and profound mental and physical disabilities regarding accessibility for distance services, assess technical and human resources and provide goods and skills tailored to needs after which the majority of parents will be able to be involved independently in online meetings organized by First Step and gain access to healthcare services.

SLOVAKAIDS

Project name: A playground for children with special needs

Total budget (euro): 9995.00

Project period: -2021

Project goal and objectives:

First Step Georgia is located in 21 B. Lubliana street, Dighomi district, Tbilisi, Georgia, and it provides services to more than 700 children per month. There are 3 buildings (cottage like) in the possession of the organization and in addition, it has got a yard. In one of the cottages (first one) there is a center of Early Development, in the second cottage there is a specialized Day Care center and the third one holds Autism center.

Between the cottages of the day care center and autism center there is a playground which was constructed in 2005 but since then it has become beyond repair and currently unavailable.

The playground was used for therapeutic purposes by the specialists. This space was a great assistance to children to use newly obtained skills during lessons in the natural environment outside which is most important for the beneficiaries of First Step. Children with severe and profound disabilities of the day care center used to spend their leisure time on the playground.

Concluding contract with a relevant company that will carry out all works related to greening/ arranging the surrounding area (250 sq./m) of the playground.

OPEN SOCIETY FUND GEORGIA

Project name: Overcome challenges caused by the pandemic and promoting the sustainability of newly developed services in the regions.

Total budget (GEL): 23351.50

Project period: 2021

Project goal and objectives

Support organizations providing services to children with disabilities in the regions in Georgia;
Provide online consultations on methodology and administration;
Promote advocacy process with local and central governmental agencies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with accounting policies adopted at the Organization.

Basis of measurement

The financial statements have been prepared under the historical cost basis.

The reporting period for the Organization is the calendar year from January 1 to December 31.

Going concern

These financial statements have been prepared on the assumption that the Organization is a going concern and will continue its operations for the foreseeable future. The management and shareholder have the intention to develop future activities of the Organization in Georgia. The management believes that the going concern assumption is appropriate for the Organization.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Organization operates („the functional currency“). Financial statements are presented in Georgian Lari (GEL), which is the Organization’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are premeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are included in the statement of profit or loss and other comprehensive income for the period.

Foreign exchange gains and losses resulted from monetary assets/liabilities are presented in the statement of comprehensive income within “Non-operating income and Non-operating expenses”.

Exchange rate	31 Dec 2021	31 Dec 2020
1 USD/GEL	3.0976	3.2766
1 EUR/GEL	3.5040	4.0233

Revenue

Rendering of service

Revenue from rendering of services is recognized when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;

Financial statements and notes for the year ended 31 December 2021

- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably

Grants received

Received grants are presented in the statement of financial position as restricted fund and is recognized as Contribution from Donors in statement of activity and changes in net assets over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Donation

Donations collected, including cash and goods for resale, are recognized as revenue when the Organization gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Organization and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Income Tax

Income tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are not taxable or deductible in current period. The Organization's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary 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. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences, except where the Organization is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Taxes other than income tax

Taxes other than income tax are recognized when obligating events have occurred. The obligating events are an event that raises a liability to pay a tax. Taxes are calculated in accordance with Georgian legislation. Prepaid taxes are recognized as assets.

Property, plant and equipment

All Property, plant and equipment is carried at its historical cost less any accumulated depreciation and accumulated impairment losses. The historical cost of an item of Property, plant and equipment comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the item to the

location and condition necessary for it to be capable of operating in the manner intended by the management of the Organization; (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, (d) the obligation for which the Organization incurs either when the item is acquired or as a consequence of having used the item during a particular period.

Subsequently capitalized costs include major expenditures for improvements and replacements that extend the useful lives of the assets or increase their revenue generating capacity. Repairs and maintenance expenditures that do not meet the foregoing criteria for capitalization are charged to the statement of profit or loss and other comprehensive income as incurred.

Charging depreciation on the Property, plant and equipment or particular items starts when such Property, plant and equipment are ready to use in the manner intended by the management of the Organization. Depreciation of Property, plant and equipment is charged so as to write off the depreciable amount over the useful life of an asset and is calculated using a diminishing balance method.

Useful lives of Property, plant and equipment are as follows:

	Useful lives
Building	4%
Vehicles	33%
Office equipment	20%
Computers & accessories	30%
Furniture and Equipment	25%
Outdoor infrastructure	20%

Intangible assets

Intangible assets are carried at cost less accumulated amortization. Amortization is recognized on a straight-line basis over 15%. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal; or when no future economic benefits are expected from use or disposal. Gains or losses arising from recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the statement of activity.

Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the Organization from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The weighted average cost method is used for inventories.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets

The financial assets are classified into one of the following categories: financial assets „at fair value through profit or loss (FVTPL), „held-to-maturity' investments, „available-for-sale' (AFS) financial assets and „loans and receivables', depending on the purpose for which the asset was acquired.

The Organization's financial assets represent receivables. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognized at cost.

The Organization's receivables comprise trade, funds receivable from the donor organizations, and other receivables; as well as cash and cash equivalents. The financial assets are presented in the statement of financial position. Cash and cash equivalents include cash on hand and current accounts with banks. Cash and cash equivalents are carried at fair value.

Financial liabilities

The Organization classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Organization's financial liabilities represent financial liabilities at cost. Financial liabilities at cost includes trade payables and other short-term monetary liabilities, which are initially recognized at fair value.

Recognition of expenses

The Organization incurs expenses in the course of its normal operations, as well as other expenses not related to the main activity of the Organization.

Expenses are recognized in the income statement if there arises any decrease of future economic profit related to the decrease of an asset or increase of a liability that can be reliably assessed.

Expenses are recognized in the income statement on the basis of direct comparison of expenses incurred and income on certain items.

If economic profit is expected to arise during several reporting periods and association with income can be traced only as a whole or indirectly, expenses in the income statement are recognized based on the method of rational distribution.

Expenses are recognized in the income statement immediately, if the expenses do not result in future economic profit any more, or if future economic profit do not meet or stop to meet the requirements of recognition as an asset in the balance sheet.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 December 2021 and 2020 can be presented as follows:

Cash and Cash equivalents	31-Dec-2021	31-Dec-2020
Cash in GEL in banks	132,835	203,995
Cash in USD in banks	775,487	651,725
Cash in GBP in banks	-	1,114
Petty cash in GEL	405	99
Total Cash and Cash Equivalents	908,727	856,933

4. ACCOUNTS RECEIVABLE

Accounts receivable as at 31 December 2021 and 2020 can be presented as follows:

Receivables	31-Dec-2021	31-Dec-2020
Beneficiaries	91,790	119,224
Program	131,330	153,058
Partner Organizations	164,435	158,952
Advances to suppliers	3,491	4,241
Receivable from personnel	1,392	457
Receivable from donors	5	5
Total Receivables	392,443	435,937

Carrying amounts of financial receivables within accounts receivables approximate fair values due to their short-term maturities. All parts of accounts receivables are not past due and not impaired.

5. FIXED ASSETS

Fixed assets as at 31 December 2021 can be presented as follows:

	Land	Buildings	Office equipment	Computers and Accessories	Outdoor infrastructure	Furniture and Equipment	Vehicles	Total
Historical cost								
31.12.2019	1,600	1,143,208	38,296	70,631	25,210	195,563	171,702	1,646,210
Additions	-	13,600	230	900	9,410	8,868	-	33,008
Disposals	-	-	-	-	-	-	-	-
Historical cost								
31.12.2020	1,600	1,156,808	38,526	71,531	34,620	204,431	171,702	1,679,218
Additions	-	67,957	-	1,400	34,114	7,319	-	110,790
Disposals	-	-	-	-	-	-	-	-
Historical cost								
31.12.2021	1,600	1,224,765	38,526	72,931	68,734	211,750	171,702	1,790,008
Accumulated depreciation								
31.12.2019	-	(534,331)	(21,427)	(55,430)	(23,623)	(152,146)	(59,939)	(846,896)
Depreciation charge for the year	-	(46,215)	(5,462)	(6,577)	(718)	(14,726)	(42,294)	(115,992)
Disposals	-	-	-	-	-	-	-	-
Accumulated depreciation								
31.12.2020	-	(580,546)	(26,889)	(62,007)	(24,341)	(166,872)	(102,233)	(962,888)
Depreciation charge for the year	-	(48,062)	(4,721)	(5,676)	(3,812)	(15,004)	(31,699)	(108,974)

Financial statements and notes for the year ended 31 December 2021

Disposals								-
Accumulated depreciation								
31.12.2021	-	(628,608)	(31,610)	(67,683)	(28,153)	(181,876)	(133,932)	(1,071,862)
Net book value								
31.12.2019	1,600	608,877	16,869	15,201	1,587	43,417	111,763	799,315
Net book value								
31.12.2020	1,600	576,262	11,637	9,524	10,279	37,559	69,469	716,330
Net book value								
31.12.2021	1,600	596,157	6,916	5,248	40,581	29,874	37,770	718,146

6. ACCOUNTS PAYABLE

Accounts payables as at 31 December 2021 and 2020 can be presented as follows:

Accounts payable	31-Dec-2021	31-Dec-2020
Beneficiaries	125,673	210,351
Payables - trade	8,341	4,029
Salaries payable	2,344	2,299
Other payables	5,613	5,913
Total Accounts payable	141,971	222,592

7. REVENUE

Company receives revenue from two sources: Revenue from Child care activities and income from donations and contributions from donors. Revenue received during the year 2021 can be represented as follows:

Revenue from child care activities	2021 Year	2020 Year
Revenue from child care activities	2,628,995	1,777,082
Total revenue from child care activities	2,628,995	1,785,694

Income from donations	2021 Year	2020 Year
Individuals	295,399	214,932
TNS	155,241	200,232
American Friends for Georgia	29,897	95,390
VAT Tax returns	53,132	70,599
Slovak embassy	72,080	9,227
Women International Association IWA	-	6,000
McLane's Fund	-	5,255
US Embassy	-	191
Other Donations	41,027	114,259
Total Income from donations	646,776	716,085

8. PROGRAM EXPENSES

Program expenses for the year ended 31 December 2021 and 2020 can be presented as follows:

Program expenses	2021 Year	2020 Year
Staff salary	(2,382,248)	(1,574,285)
Utilities expense	(62,650)	(31,977)
Repairing expense	(38,155)	(14,156)
Fuel expense	(23,309)	(15,851)
Vehicle maintenance expense	(7,546)	(3,348)
Insurance expense	(4,470)	(7,487)
PR expense	(1,697)	(2,964)
Communication expense	(125)	(125)
Other expense	(63,177)	(73,446)
Total Program Expenses	(2,583,377)	(1,723,639)

9. ADMINISTRATIVE EXPENSES

Administrative expenses for the year ended 31 December 2021 and 2020 can be presented as follows:

Administrative expenses	2021 Year	2020 Year
Administration salary	(191,582)	(167,119)
Lease expense	(67,628)	(66,065)
Stationary expense	(22,400)	(9,353)
Hygiene material expense	(21,727)	(18,443)
Communication expense	(18,013)	(16,914)
Tax expense	(10,672)	(12,216)
Computer expense	(6,337)	(4,323)
Repair expense	(5,896)	-
Business trip expense	(4,450)	(5,369)
Bank commission	(4,270)	(2,037)
Printing expense	(3,595)	(2,878)
Consulting expense	(2,584)	(540)
Representation expense	(2,398)	(16,457)
Transporting expense	-	(746)
Other expenses	(5,266)	(6,976)
Total Administrative Expenses	(366,818)	(329,436)

10. RELATED PARTY TRANSACTIONS

Related parties or operations with related parties as defined by the IAS 24 "Notes on Parties" are:

- (a) Parties directly or indirectly through one or more mediators: the accountants are controlled or controlled by the Company (including the parents, subsidiaries and partners) under the overall control; Holds a share in the company which gives a significant influence and has a joint control over the company;
- (b) Partner Enterprise - The enterprises, which have a significant impact and are not a subsidiary company or joint venture.
- (c) joint ventures where the company is an enterprise;
- (d) the personnel of the company or its parent.

(e) the close family members referred to in (a) or (d);

(f) The Party controlled, jointly controlled or suffered, or has significant suffrage, directly or indirectly, the individual referred to in (d) or (e).

(g) the employment of further remuneration for the employee or the party concerned with the company.

	2021 Year	2020 Year
Key management personnel compensation:	148,615	164,837

11. COMMITMENTS AND CONTINGENCIES

Capital commitments - the management is not aware of any commitments and contingencies. Which would have a material impact on the financial statements of the Organization for the year ended 31 December 2021.

Operating environment - the Organization's principal activities are within Georgia. Laws and regulations affecting the business environment in Georgia are subject to rapid changes and the Organization's assets and operations could be at risk due to negative changes in the political and business environment.

12. GOING CONCERN CONSIDERATIONS

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business of the Company.

During the reporting periods the Company has not faced any financial difficulties, it has no cash shortage or any other indication that company operations can be terminated by any reason.

13. EVENTS AFTER THE REPORTING PERIOD

These financial statements have been approved by the group management on 28 March 2022.

No significant subsequent events, which have effect on presented financial statements, have been identified after the reporting date.