

GIPA - Georgian Institute of Public Affairs

FINANCIAL STATEMENTS
and Independent Auditor's Report

For The Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

NNLE „GIPA - Georgian Institute of Public Affairs"

Opinion

We have audited the following accompanying financial statements of NNLE „GIPA - Georgian Institute of Public Affairs", the statement of financial position as of December 31, 2021, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements, in all material respects, provide true and fair view of financial position of NNLE „GIPA - Georgian Institute of Public Affairs" as of December 31, 2021, and (of) its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

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 NNLE „GIPA - Georgian Institute of Public Affairs" in compliance with the relevant ethical requirements, which refers to financial statements audited by us in Georgia. We have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control, as management determines is necessary to enable the preparation of

financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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 decisions of users taken on the basis of these financial statements.

Konstantine Kiknadze

Engagement Partner

KK Group

N11 Ar. Qurdiani st. Tbilisi

July 28, 2022

NNLE „GIPA – Georgian Institute of Public Affairs”

Statement of Financial Position

Reporting Currency – GEL

	Note	31.12.2021	31.12.2020
Long-Term Assets			
Property and equipment	4	4 650 237	4 790 686
Other intangible assets		36 230	39 939
Total Long-Term Assets		4 686 468	4 830 626
Current Assets			
Inventory		7 431	8 487
Accounts receivable	7	1 353 293	1 175 816
Accounts receivable to Donors	6	-	1 067 899
Prepaid expenses		170 189	190 347
Tax receivables			8 494
Cash	5	3 013 914	1 522 094
Total Current Assets		4 544 828	3 973 138
Assets		9 231 295	8 803 763
Funds (Equity)			
Net profit		299 436	1 349 128
Equity		8 122 560	6 773 432
Total Funds (Equity)		8 421 996	8 122 560
Current Liabilities			
Accounts payable		103 581	118 675
Liabilities to donors	8	659 638	562 528
Tax Liabilities		46 082	
Total Current Liabilities		809 301	681 204
Liabilities and Equity		9 231 295	8 803 764


 Rector
 Marine Ioseliani
 28 July 2022
 Tbilisi, Georgia




 Chief Accountant
 Vasil Qavtaradze
 28 July 2022
 Tbilisi, Georgia

Statement of Comprehensive Income

Reporting Currency - GEL

	Note	2021	2020
Operating Income	9	7 456 953	6 077 845
Income from grants	9	2 481 433	4 579 413
Total Income		9 938 386	10 657 258
Gross profit		9 938 386	10 657 258
Commercial expenses	10	(6 937 944)	(5 448 830)
Grant expenses	11	(2 481 433)	(4 579 413)
Total expenses		(9 419 377)	(10 028 243)
Operating Profit (Loss)		519 009	629 015
Non-Operating Income	12	236 087	1 390 206
Non-Operating Expenses	13	(455 660)	(670 093)
Non-Operating Profit (Loss)		-219 576	720 113
Profit Before Taxes		299 436	1 349 128
Income Tax		-	-
Net Profit		299 436	1 349 128



Rector
Marine Ioseliani
 28 July 2022
 Tbilisi, Georgia




Chief Accountant
Vasil Qavtaradze
 28 July 2022
 Tbilisi, Georgia

NNLE „GIPA - Georgian Institute of Public Affairs“

Statement of Changes in Equity

Reporting Currency - GEL

	Profit for the current year	Equity	Total
Balance at 31 December 2019		6 615 980	6 615 980
Increase/Decrease		1 506 580	1 506 580
Balance at 31 December 2020		8 122 560	8 122 560
Increase/Decrease	299 436		299 436
Balance at 31 December 2021	299 436	8 122 560	8 421 996



Rector
Marine Ioseliani
28 July 2022
Tbilisi, Georgia



Chief Accountant
Vasil Qvataradze
28 July 2022
Tbilisi, Georgia

NNLE „GIPA - Georgian Institute of Public Affairs"

Statement of Cash Flows

Reporting Currency - GEL

	2021	2020
Earnings before tax	299 435	1 349 128
Corrections:		
Depreciation and amortization	570 897	430 770
Cash from operating activities before the change in operating assets and liabilities	870 333	1 779 898
Change in accounts receivable	(177 477)	(267 487)
Change in inventories	1056	(4 845)
Change in Accounts receivable to donors	(1 067 899)	(1 067 899)
Change in other short-term accounts receivable	20 158	60 058
Change in Accounts payable	(15 094)	(47 859)
Changes in Taxes Payable	54 576	
Change in Liabilities to donors	(97 109)	(50 222)
Total cash from operating activities	1 918 560	401 644
Cash flows from investing activities:		
Decrease/(increase) in fixed assets	(426 739)	(916 030)
Total cash flows from investing activities	(426 739)	(916 030)
Cash flows from financing activities		
Equity increase		
Total cash flows from financing activities	-	-
Net change in cash and cash equivalents	(1491 821)	(514 386)
Cash and cash equivalents at the beginning of the year	1 522 094	2 036 480
Cash and cash equivalents at the end of the year	3 013 915	1 522 094

Note: please find attached Statement of Cash Flows (direct method) annex N1.



Rector
Marine Ioseliani
28 July 2022
Tbilisi, Georgia



Chief Accountant
Vasil Qavtaradze
28 July 2022
Tbilisi, Georgia

NNLE „GIPA - Georgian Institute of Public Affairs"

Notes to the Financial Statements

1. Background

NNLE „GIPA - Georgian Institute of Public Affairs" was founded on September 18, 2001. Identification Code: 20429341. Legal Address: Georgia, Tbilisi, Mtatsminda district, Marie Brosset St. No. 2. The main sphere is educational activities. The University implements educational programs of all levels of academic education, based on the existing legislation. The following schools are represented in the university structure:

- School of Governance;
- Caucasus School of Journalism and Media Management;
- School of Law and Politics;
- School of Social Sciences.

The University also has a Department of Rural Development and Vocational Education, which aims at implementing grant projects and vocational education programs, funded by foreign and local donors and governments. The initial aim of the Department is to introduce modern agricultural and rural development practices and increase the levels of education and existing capacities while providing support for institutional development in all of the regions of Georgia.

The conceptual plan for the development of the university and its policy is defined by its highest governing body - a board, consisting of Georgian and American representatives from public sector, and academic society. The chief executive officer is the Rector of the Institute, appointed by the Board.

2. Basis of accounting

Statement of compliance

GIPA carries out accounting in accordance with Georgian legislation and prepares financial statements in Georgian lari (GEL) in accordance with International Financial Reporting Standards (IFRS).

The reporting period of GIPA covers the calendar year from January 1 to December 31. Preparation of financial statements in accordance with IFRS, requires certain estimates and judgments. from the management of the university has to formulate and make the most reasonable accounting estimates based on reasoning.

Financial accounting of GIPA is carried out through the accounting software "ORIS Manager".

Basics of evaluation

The financial statements are prepared on the historical cost basis.

3. Review of significant accounting policies

The significant accounting policies used in the preparation of the financial statements are set out below. Accounting policies are applied continuously for all years unless otherwise stated.

Financial instruments

(A) Financial Assets

Financial assets are classified at fair value through the statement of profit or loss, compliance to IAS 39, loans and receivables, investments held to maturity or available-for-sale financial assets. GIPA determines the classification of its financial assets at initial recognition.

Financial assets recorded at fair value through the statement of profit or loss

Financial assets are classified at fair value through the statement of profit or loss, when the financial asset is held for trading or designated as a financial asset at fair value. It is recognised at fair value adjusted of any profit or losses arising on re-valuation, that are recognized in the statement of profit or loss.

GIPA has assets intended for service and has voluntarily classified financial assets as at fair value through the statement of profit or loss.

Derecognition of financial assets

GIPA derecognises financial assets when (a) the contractual rights to receive cash from the financial assets have expired; (b) has transferred the rights to the cash flows from the financial assets or entered into an arrangement when (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

(B) Financial Liabilities

Financial liabilities are classified as liabilities existing to GIPA. Financial liabilities are initially evaluated at fair value, decreased with transaction costs.

Derecognition of financial liabilities

GIPA derecognises financial liabilities in the case of redemption, cancellation or expiry of the period of limitation. When an existing financial liability is replaced by another, from the same lender with the substantially different terms, or the terms of existing liability are substantially modified, such amendment or modification shall be deemed to cease recognition of the original obligation and the recognition of a new obligation, and the difference between the carrying amount and the paid or payable reimbursement amount is recognized in the statement of profit and loss.

(B) Overlap

Financial assets and liabilities are overlapped and net amount is presented in the statement of financial position, only when there is a statutory right to cover the recognized amounts and GIPA intends to present the aforementioned amounts in net or sell the asset and cover the liability simultaneously.

(D) IFRS 7 - Hierarchy of valuations at fair value

IFRS 7 requires explanatory notes about the assumptions used in determining of financial assets and liabilities at fair value. The fair value hierarchy includes the following levels:

1. Level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
3. Level three measurements are valuations not based on observable market data (that is, unobservable inputs).

The fair value hierarchy is defined at the lowest level, which substantially affects the determination of fair value. Financial assets and liabilities are classified at one of the levels.

GIPA does not have any financial assets and liabilities at fair value, therefore they are not presented at fair value through the hierarchical valuation of fair value.

Property, plant and equipment

All items of property, plant and equipment are stated at historical cost, less accumulated depreciation. Costs of replacing significant parts are capitalized, and replacement cost values is written off.

The carrying value of property, plant and equipment are revised at the end of each reporting period to verify that they are recognized at fair value. The recoverable amount is the higher of an asset's fair value, less costs of disposal and value in use.

When the present value exceeds the designated recoverable value, the asset is written down to its recoverable value. Impairment is recognized in the relevant period and in operating expenses. Impairment losses on property, plant and equipment in previous years are revised if the assumptions used to determine the fair value of the property or the fair value less costs to sell are changed.

Profit and losses from disposal that are determined by the carrying amount comparatively to the exchange amount are recognized in the statement of profit or loss for the current year.

Depreciation is calculated using the linear method over the useful life.

Group	%
Buildings	2
Means of transportation	14
Furniture and office equipment	20

Inventories

Inventories are recorded at the lower of cost and net realizable value. Cost includes the cost of purchasing inventories and expenditures for bringing them to their required location and condition. GIPA accounts tangible assets as inventories, that are intended for use in the course of business.

Cash and cash equivalents

Cash and cash equivalents are assets that are easily convertible into cash and are subject of a slight risk to change in value. Cash and cash equivalents include balances in bank accounts.

Equity & Dividends

Equity consists of chartered capital and retained earnings. Dividend was not issued during the reporting and comparable period.

Taxation

Profit tax expense is the sum of the profit tax liabilities for the reporting period. The tax payable is based on taxable profit. According to the tax legislation, GIPA will be subject to the Estonian model's profit tax, from January 1, 2019, in which taxable profit differs from

the profit recognised in the comprehensive income statement, because it does not include income and expenses that is not taxable or deductible in the current period and depends on the amount of the dividend issued.

Given the specifics of the Georgian tax system, for the reporting period, there are no differences between the carrying and tax values of assets and liabilities for the companies registered in Georgia, which may result the recognition of deferred tax assets or liabilities. The Company's current tax expenses related to its core business is calculated in accordance with Georgian tax law.

Revenue

Revenue is recognized at the fair value of the compensation received or receivable. The bulk of GIPA's revenues is comprised of educational activities and grants from donors. Rental income is recognised as non-operating income. Revenue is reflected in the financial statements using the accrual method.

Recognition of Costs

Costs are recognized in the comprehensive income statement, if there is a decrease in future economic benefits, associated with a decrease in the asset or an increase in the liability, that can be determined reliably.

Costs are recognized in the statement of profit or loss as incurred, if no future economic benefits are expected or if future economic benefits no longer meet the criteria to be recognized in the balance sheet.

Foreign Currency Operation

The financial statements are valued at the currency of the economic environment, in which the company operates ("functional currency"). The financial statements are presented in Georgian GEL, which is the company's functional and reporting currency.

Monetary assets and liabilities are converted into the company's functional currency in compliance with the official exchange rates, set by the National Bank of Georgia.

The table below represents the official exchange rates for the years ended December 31, 2020-2021:

	USD	Euro
Exchange rates for december 31,2021	3.0976	3.5040
Exchange rates for december 31,2020	3.2766	4.0233

4. Long-Term Assets

	Land	Unfinished construction	Premises	Vehicles	Furniture, office equipment and other assets	Library Books	Other assets	Total
Balance at 31/12/2020	750 000	55 404	2 483 128	251 101	2 341 705	453 833	92 031	6 427 202
Acquisitions		19 844		22 299	394 594	8 116		444 854
Disposals				4 000	14 400			18 400
Balance at 31/12/2021	750 000	75 248	2 483 128	269 400	2 721 899	461 949	92 031	6 853 656
Accumulated Depreciation								
Balance at 31/12/2020	0	0	526 581	154 913	862 990		52 092	1 596 576
Charge for the period			50 458	40 469	476 262		3 709	570 897
Write offs					286			286
Balance at 31/12/2021	-	-	577 039	195 382	1 338 966	-	55 801	2 167 188
Balance at 31/12/2020	750 000	55 404	1 956 547	96 188	1 478 715	453 833	39 939	4 830 626
Balance at 31/12/2021	750 000	75 248	1 906 089	74 018	1 382 933	461 949	36 230	4 686 468

5. Cash and cash equivalents

Cash and cash equivalents placed on the bank accounts as of December 31, 2020-2021 may be reported as follows:

	31.12.2021	31.12.2020
Cash in Bank GEL	943 160	1 002 520
Cash in Bank USD	1 067 663	509 858
Cash in Bank EUR	842 396	9 715
Cash in Bank SEK	160 695	
Total:	3 013 914	1 522 093

6. Accounts receivable to donors

Accounts receivable to Donors as of December 31, 2021 can be reported as follows:

	31.12.2021	31.12.2020
Commission des Communautés rue de la loi 200 b-1040 Brussels Belgium		870 623
MIN DEZV REG ADM PUB SI FOND EURO		197 276
Total:		1 067 899

7. Trade and other requirements

Trade and other requirements as of December 31, 2020-2021 may be reported as follows:

	31.12.2021	31.12.2020
Tuition fees receivable from students	1 076 937	984 004
State grants for students	236 588	169 088
Social support of students	39 769	22 725
Total requirements	1 353 293	1 175 816

8. Liabilities to donors

Liabilities to donors as of December 31, 2021 can be reported as follows:

	31.12.2021	31.12.2020
KINGS COLLEGE LONDON	298	897
Lands O'Lakes International Development Georgia	(11 792)	-
INTERNATIONAL RESEARCH	157 821	

CNFA - Georgia/ target. Eng. Agricultural Department pr.	17 327	
German Society for International Cooperation GIZ	4 722	83 767
US DEPARTMENT	16 204	16 204
"Mercy Corps" is a non-profit organization representative	(712)	185
one. Eng. Ivane Javakhishvili's house Tbilisi State University	32 955	49 978
Director of the UNDP-United Nations Development Program	3 118	3 118
Commission des Communautés rue de la loi 200 b-1040 Brussels Belgium	55 663	
THOMSON REUTERS FOUNDATION RETAIL 30 SOUTH COLONNADE CANARY WHARF GB-LONDON, LONDON E14 5EP	63 470	
US DISBURSING OFC SYMBOL	261 745	308 902
THE FRONTLINE CLUB CHARITABLE TRUST 13 NORFOLK PLACE LONDON W2 1QJ GB GB	2 383	2 383
IP Internews - Georgia	10 066	
DEUTSCHE WELLE ANSTALT DESOEFFENTLICHEN RECHTS	2 435	3 199
CLOVEK V TISNI, O.P.S.	43 926	93 894
International Center for Migration Policy Development	9	
Total	659 638	562 527

9. Revenue

An essential part of revenue is the tuition fee income, which is reported as follows:

Operating Income	31.12.2020	31.12.2020
Income from study programs	6 134 566	5 237 565
Income from training center	558 883	477 825
Income from corporate consulting	763 504	362 455
Income from grants	2 481 433	4 579 413
Total:	9 938 386	10 657 258

Revenue from student programs is reported as follows:

N	Name of the program	2021	2020
	BA programs	GEL 3 882 411	GEL 3 440 535
1	Business Administration	GEL 627 071	GEL 569 403
2	Audio-visual and media arts	GEL 569 090	GEL 651 888
3	Digital Media and Communication	GEL 331 850	GEL 233 349
4	Law	GEL 654 510	GEL 568 940
5	International Relations	GEL 571 684	GEL 406 650
6	Social Sciences	GEL 450 262	GEL 595 577
7	Economic	GEL 121 018	GEL 80 118
8	Psychology	GEL 245 200	GEL 171 657
9	Sociology	GEL 123 374	GEL 54 318
10	Political Science	GEL 188 352	GEL 108 635
	MA programs	GEL 1 904 780	GEL 1 526 939
1	Business Administration	GEL 362 499	GEL 201 514

2	Public policy	GEL 153 907	GEL 100 358
3	Public administration	GEL 145 044	GEL 98 361
4	Local self-government	GEL 133 591	GEL 108 228
5	Environmental protection	GEL 141 529	GEL 130 033
6	Management	GEL 170 160	GEL 131 338
7	Public Relations	GEL 392 956	GEL 339 807
8	International law	GEL 103 792	GEL 92 025
9	International Relations	GEL 161 792	GEL 182 530
10	Psychology	GEL 139 510	GEL 142 745
	PhD	GEL 73 413	GEL 83 100
	Social Sciences	GEL 73 413	GEL 83 100
	Vocational Education Program	GEL 273 962	GEL 186 991
	Occupational Safety and Environmental Protection		
	Technologies	GEL 273 962	GEL 186 991
	Total	GEL 6 134 566	GEL 5 237 565

Revenue from the training center is reported as follows:

N	Description	2021	2020
1	General Management 1	71 490	83 320
2	Marketing	19 990	44 000
3	financial management	19 725	33 075
4	HR 1	113 917	121 270
5	Business Management 1	41 250	39 775
6	Management Psychology	10440	
7	Basics of Psychology (Preparatory)	15950	23 600
8	PR and event management 1	15 800	18 920
9	advertisement	13 291	
10	Photography 1		1 170
11	Interpersonal relationships	8 170	22 825
12	Sales Management	22 790	
13	Hotel Case Management	10 710	16 320
14	Existentialism	7 500	
15	Clinic Management	92 160	34 200
16	Strategic communication	36770	10 810
17	Production Lab	27450	24 400
18	Basics of Filmmaking		4 140
19	Psychology of education	31480	
	Total	GEL 558 883.00	GEL 477 825.00

Revenues from grants are presented as follows:

Project Name	Income from Grants
St. Dap. Radio-Frontline	128
USDA Animal Health Program	22262.96
ENPARD2	411498.48
ABC.TEMPUS.	5184.48
Erasmus	7103.76
e-Learning St. Dap	1998.84
E-Learning	144097.75
Mercy corps	897.05
Youth Journalism Development in Ethnic Minority Regions	47893.08
Piloting Modern Trading	188236.32
E-School in Georgia and the south Caucasus (2019)	4873.32
Media Literacy	791.61
Russian E-learning	127533.98
HERD (ERASMUS)	9919.2
Local Action Group Tskaltubo	281795.74
Multimedia Literacy Skills and Civic Development for Ethnic Minority Youth	46272.8
Media Literacy Campaign	4133.2
CSJMM- Budget of multimedia journalism and media management for 5 Armenian students 2019 -2021	32130.3
St. Dap. Azerbaijan 2019-2020	16247.97
News Media Literacy Training and Georgian Social Media Reviews	29657.96
Public Talk Series / Georgian Social Media Reviews	695.6
CSJMM- Budget for multimedia journalism and media management armenian students 2020 -2022	89112.71
GIZ_ EPIC	982.68
St. Dap. Azerbaijan 2020-2021	142529.11
Kings College London (Development of Strategic Communications Research Laboratory in Georgia)	599.5
GIZ EPIC Promotion of Economic and Social Involvement of Vulnerable IDPs and Local Population in the Caucasus	67904.9
USAID/CNFA Specialty Vegetables education program	178370.16
E-scool in Georgia and the south Caucasus (2021)	150279.87
USDA/Landolake 37	60645
ISMPD	13963.81
EU Violence	3358.38

IREX_Median and Journalism Activity	49306.7
Frontline _ Internews Georgia	14602.48
Reuters Foundation Consultant LTD	33024.83
St. Dap. Azerbaijan 2021-2023	75179.95
CSJMM- Budget for multimedia journalism and media management armenian students 2021-2024	61935.97
Multimedia, social media, media literacy and social entrepreneurship skills for ethnic Minority youth	63735.16
Mainstreaming Gender Balance and Equal Opportunities in the Regional TVET Institutions	15623.56
Land O'Lakes Venture (The Food for Progress Program)	22481.12
St. Dap. - Multimedia skills	31780.91
World bank project	126
IREX	22537.54
Grand Total	2 481 433

10. The commercial expenses

The commercial expenses for 2020-2021 years is reported as follows:

	2020	2020
Staff wage expense	5 308 751	4 583 550
Capital expenses	29 627	3 393
Inventory expense	17 474	28 342
Rent expense	373 327	301 842
Utilities expense	97 768	66 817
Representative expenses	43 200	5 909
Other administrative expense	1 067 797	458 977
Total	6 937 944	5 448 830

11. Grant expenses

Grants expenses for 2020-2021 years is reported as follows:

	2020	2020
Staff wage expense	1 562 124	2 058 422
Capital expenses	-	-
Inventory expense	9 725	17 695
Rent expense		25 942
Utilities expense	-	-
Representative expenses	-	-
Sub Grant Expenses	299 984	1 710 279

Other administrative expense	399 146	572 076
Depreciation	210 454	195 000
Total	2 481 433	4 579 413

12. Non-operating income

Non-operating income for 2020-2021 years is reported as follows:

	2021	2020
Rental Income	79 285	69 276
Interest Income	56 391	34 720
Currency appropriation	93 109	358 808
Assessment of fixed assets		749 882
Other Income	7 302	177 520
Total	236 087	1 390 206

13. Non-operating expenses

Non-operating expenses for 2019-2020 years is reported as follows:

	2021	2020
Interest expense	12 986	12 033
Depreciation	136 579	235 770
Currency appropriation	305 972	209 822
Other non-operating expenses	122	212 468
Total	455 660	670 093

14. A functioning enterprise

The current economic situation in the world, including in Georgia, has been challenged due to the spread of the Covid-19. In the current situation the company assessed the future prospects after the events of the reporting period (see Note 15) and as a result, the company's management believes that there is no doubt about the company's performance for at least 12 months after the reporting period.

15. Subsequent events of the reporting period

This financial statement was approved for issue on July 25.

The following non-adjusting events occurred after the reporting period:

Since the beginning of 2020, a new coronavirus (a.k.a. Covid-19) has spread worldwide, and on March 11, 2020, the World Health Organization declared the virus a pandemic. Due to

these circumstances, on March 21, 2020, a state of emergency was declared in Georgia. As a result of the situation, the company faced some challenges. However, it is still unclear how long it will take to get out of the crisis. Such a global integrated crisis is the first in the history of Georgian business and, consequently, there is no corporate experience. Nevertheless, management estimates that the crisis caused by the above-mentioned negative factors will not prevent the company from continuing to operate as a functioning enterprise.

Statement of Cash Flows (direct method)

Reporting Currency – GEL

	2021	2020
Cash Balance		
Cash at Beginning of Period	1 522 094	2 036 480
Cash at End of Period	3 013 914	1 522 094
Cash change	1 491 820	(514 386)
Cash Inflows	10 990 258	9 553 759
Cash from operations	10 933 867	9 519 039
Income from BA, MA and PHD programs	5 850 749	4 894 987
Cash from training center	579 891	430 137
Cash from donors	3 564 516	3 387 315
Cash from rents and other service	847 532	485 034
Difference between exchange rates	91 179	321 566
Cash Outflows	9 498 438	10 068 145
Operations	5 790 787	5 498 165
Net wages and honoraria	4 106 930	3 555 422
Purchased goods and services	306 735	918 687
Employees' secondment and additional work performed	4 508	0
Bank service fee	23 474	18 539
Taxes paid	1 127 715	813 960
Difference between exchange rates	221 424	191 557
Grants	1 659 540	4 344 675
Net wages and honoraria	1 241 272	1 634 044
Income tax	326 714	455 631
Amounts paid to suppliers	81 682	2 234 308
Staff trips and extra work	9 872	20 693
Financing	12 986	12 033
Repayment of principal		
Investing	2 035 125	213 272
Purchase of property and equipment (Comercial)	1 465 311	74 155
Purchase of property and equipment (Grants)	569 814	139 117

M. Ioseliani

Rector
Marine Ioseliani
 28 July 2022
 Tbilisi, Georgia



V. Qvartaradze

Chief Accountant
Vasil Qvartaradze
 28 July 2022
 Tbilisi, Georgia