

**Non-state Retirement Benefit Plan of  
Sakaeronavigatsia Ltd**

**Special purpose Financial Statements And Independent  
Auditor's Report thereon  
As at and for the year ended 31 December 2022**



CONTENTS

INDEPENDENT AUDITOR'S REPORT ..... 3

Statement of Net Assets Available for Benefits ..... 5

Special-purpose Statement of Financial Position ..... 6

Special-purpose Statement of Cash Flows ..... 7

Notes to special-purpose financial statements ..... 8

1. RETIREMENT BENEFIT PLAN ..... 8

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ..... 8

3. PAID IN CAPITAL ..... 8

4. RETIREMENT BENEFIT SCHEME GROSS LIABILITY ..... 8

5. BANK BALANCES PAYABLE ON DEMAND ..... 8

6. INVESTMENT ASSETS ..... 9

7. CONTRIBUTIONS ..... 9

8. FINANCIAL INCOME — INTEREST ..... 9

9. BENEFITS PAID ..... 9



**INDEPENDENT AUDITOR'S REPORT**

---

To: The Owner and management of Sakaeronavigatsia LLC:

**Opinion**

We have audited the accompanying special-purpose financial statements of non-state retirement benefit plan (RBP) of Sakaeronavigatsia LLC (the Company) as at 31 December 2022.

In our opinion, the accompanying special-purpose financial statements are prepared, in all material respects, in accordance with the accounting policies disclosed in note 2 to the financial statements.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matter – Basis of Accounting**

We draw attention to note 2 to the special-purpose financial statements, which describes the basis of accounting. These financial statements have been prepared to present financial position, financial performance and cash flows of a non-state retirement benefit plan founded within and by the Company for the benefit of its voluntarily participating employees in accordance with the applicable Georgian legislation (i.e. Georgian Law on Non-State Pension Insurance and Provision, etc). Therefore, use of these special-purpose financial statements by persons other than those with knowledge of the relevant regulations and the rules of the Company's non-state retirement benefit scheme may not be appropriate. Our opinion is not modified in respect of this matter.

**Responsibilities of Management for the financial statements**

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the accounting policies disclosed in note 2, and for such internal control as management determines is necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibilities for the Audit of 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 decisions of users taken on the basis of these special-purpose 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, intentional 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 expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

The partner in charge of the audit resulting in this independent audit report is Mr. Ivane Jelia.

Ivane Jelia (Auditor's registration number: SARAS-A-954810)  
Managing Partner  
Baker Tilly Georgia LLC  
22 May 2023  
Tbilisi, Georgia

A.





Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC  
As at and for the year ended 31 December 2022  
(All amounts are in Georgian lari - GEL)

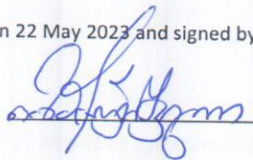
Statement of Net Assets Available for Benefits

	Note	2022	2021
Net assets at January 1		20,435,138	14,784,337
<b>Contributions</b>			
Employer contributions collected	7	3,327,772	2,912,610
Participant (employee) contributions collected	7	1,294,134	1,132,682
<b>Total contributions collected</b>		<b>4,621,906</b>	<b>4,045,292</b>
Employer contributions receivable	7	304,000	265,064
Participant (employee) contributions receivable		118,221	103,080
<b>Total contributions receivable</b>		<b>422,221</b>	<b>368,144</b>
<b>Total contributions</b>		<b>5,044,127</b>	<b>4,413,436</b>
Financial income - interest	8	2,330,394	1,876,270
<b>Total increase in net assets</b>		<b>7,374,521</b>	<b>6,289,706</b>
Administrative expenses		(113,381)	(108,564)
Benefits paid	9	(366,833)	(530,341)
<b>Total decrease in net assets</b>		<b>(480,214)</b>	<b>(638,905)</b>
<b>Net assets at December 31</b>		<b>27,329,445</b>	<b>20,435,138</b>

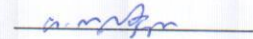
The Financial Statements were approved on 22 May 2023 and signed by:



Gocha Mezvrishvili,  
Director General of  
Sakaeronavigatsia Ltd



Irakli Zakareishvili,  
Financial Manager of  
Sakaeronavigatsia Ltd



Tamar Odiashvili  
Head of Non-State Pension, Insurance  
and Provision Department of  
Sakaeronavigatsia Ltd

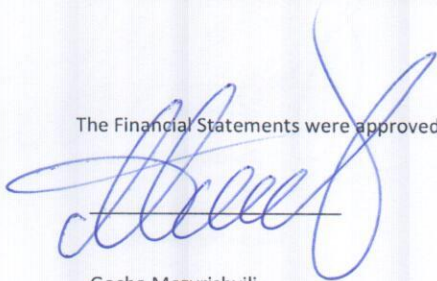


Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC  
 As at and for the year ended 31 December 2022  
 (All amounts are in Georgian lari - GEL)

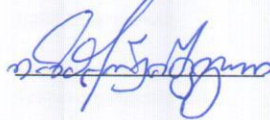
Special-purpose Statement of Financial Position

	Note	31.12.2022	31.12.2021
<b>Equity</b>			
Paid-in capital	3	2,000,000	2,001,030
<b>Total Equity</b>		<b>2,000,000</b>	<b>2,001,030</b>
<b>Liabilities</b>			
Retirement benefit scheme gross liability	4	27,329,445	20,435,138
Accounts payable		122,083	429,376
<b>Total liabilities</b>		<b>27,451,528</b>	<b>20,864,514</b>
<b>Total equity and liabilities</b>		<b>29,451,528</b>	<b>22,864,514</b>
<b>Assets</b>			
Bank balances payable on demand	5	2,019,343	2,020,198
Accounts Receivable		102,740	409,178
Investment Asset	6	27,329,445	20,435,138
<b>Total assets</b>		<b>29,451,528</b>	<b>22,864,514</b>

The Financial Statements were approved on 22 May 2023 and signed by:



Gocha Mezvrishvili,  
 Director General of  
 Sakaeronavigatsia Ltd



Irakli Zakareishvili,  
 Financial Manager of  
 Sakaeronavigatsia Ltd



Tamar Odiashvili  
 Head of Non-State Pension, Insurance  
 and Provision Department of  
 Sakaeronavigatsia Ltd



Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC  
 As at and for the year ended 31 December 2022  
 (All amounts are in Georgian lari - GEL)

Special-purpose Statement of Cash Flows <sup>1</sup>

	Year ended 31-Dec-2022	Year ended 31-Dec-2021
<b>Receipts</b>		
Contributions	4,990,099	4,418,373
Interest income (Not-restricted)	624,482	8,663
Other income (transfers from asset management company, for pension payments)	572,570	586,693
<b>Total cash inflow</b>	<b>6,187,151</b>	<b>5,013,729</b>
<b>Payments</b>		
Acquisition of Securities		
Additions to long-term deposits	(4,986,056)	(4,406,929)
Benefits paid	(366,832)	(530,341)
Collection of interest from the fund's account	(602,363)	(1,030)
<b>Total cash outflow</b>	<b>(5,955,251)</b>	<b>(4,938,300)</b>
<b>Net increase in cash and cash equivalents</b>	<b>231,900</b>	<b>75,429</b>
Cash and cash equivalents – beginning of the year	2,101,848	2,026,419
<b>Cash and cash equivalents – end of the year</b>	<b>2,333,748</b>	<b>2,101,848</b>

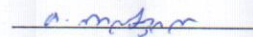
The Financial Statements were approved on 22 May 2023 and signed by:



Gocha Mezvrishvili,  
 Director General of  
 Sakaeronavigatsia Ltd



Irakli Zakareishvili,  
 Financial Manager of  
 Sakaeronavigatsia Ltd



Tamar Odiashvili  
 Head of Non-State Pension, Insurance  
 and Provision Department of  
 Sakaeronavigatsia Ltd

<sup>1</sup> The Statement does not reflect the current bank accounts of the asset management company and bank deposits that represent targeted investment assets, but includes cash flows of a special bank account that represents the investment assets and is used for the disbursement of pension.



**Notes to special-purpose financial statements**

**1. Retirement Benefit Plan**

Saqaeronavigatsia LLC has established a non-state retirement benefit plan (RBP) on 31 December 2018 for the benefit of its voluntarily participating employees. The RBP is a defined contribution plan.

The RBP is governed by the Rules of the Company's Non-state Retirement Benefit Plan. RBP is not a separate entity for legal or tax purposes. RBP assets are restricted and maybe only used for the benefit of participants and thus cannot be utilized to settle any of the Company's other obligations.

The defined contributions involve the Company as an employer and and participants (the employees) and are determined at 18 and 7 percent of the base salary cost, repesepectively.

As of the date of these financial statements 603 (2021: 580) of the Company's employees participate in the RBP.

**2. Summary of significant accounting policies**

**Basis of preparation.** These special-purpose financial statements have been prepared on accrual basis under the historical cost convention and is prepeared using certain statements of International Accounting Standard 26 – Accounting and Reporting by Retirement Benefit Plans issued by the International Accounting Standards Board (IASB). These policies have been consistently applied to all the periods presented.

**Presentation currency.** All amounts in these financial statements are in Georgian lari (GEL).

**Assets and liabilities.** Assets and liabilities presented in the special-purpose financial statements are carried at historical cost.

**Contribution and fund allocation.** RBP is financed by transferring defined periodic contributions received from member of the sheme to the asset management company (independent of Saqaeronavigatsia LLC) for subsequent investment into securities, equity and other financial instruments for the purpose of generating financial income.

**Financial income.** Financial income represents return on the investment assets.

**3. Paid in capital**

According to the legislation in force, the founder of a non-state retirement benefit plan is obliged to create and maintaine (during the existence of a Plan) pension fund's paid-in capital in the minimum amount of 2,000,000 GEL.

**4. Retirement benefit scheme gross liability**

	31.12.2022	31.12.2021
Retirement benefit scheme gross liability as at January 1	20,435,138	14,784,337
Social contributions	5,044,127	4,413,436
Interest	2,330,394	1,876,270
Retirement benefits paid	(366,832)	(530,341)
Administrative expenses	(113,382)	(108,564)
<b>Retirement benefit scheme gross liability as at December 31</b>	<b>27,329,445</b>	<b>20,435,138</b>

**5. Bank balances available on demand**

	31.12.2022	31.12.2021
Bank balances available on demand	2,019,343	2,020,198
<b>Total bank balances available on demand</b>	<b>2,019,343</b>	<b>2,020,198</b>

The note does not reflect current bank accounts of the asset management company and bank deposits that represent and are agrageted in invenstment assets.



**Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC**  
**As at and for the year ended 31 December 2021**  
**(All amounts are in Georgian lari - GEL)**

**6. Investment assets**

	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Securities</b>	<b>1,586,130</b>	<b>650,306</b>
Georgian government bonds (9.375%_18.01.2028)	395,244	395,244
Evex Hospitals JSC bonds (RR+3.1%_06.11.2024)	211,357	203,948
Georgian government bonds (9.375%_16.08.2027)	979,529	51,114
<b>Short-term deposits</b>	<b>9,606,799</b>	<b>4,912,962</b>
Cash available for pension payments	314,405	81,650
Balance on current account at bank (Asset management company)	2,736,107	2,200,798
Bank deposits expired less than 12 months after the balance sheet date	6,556,287	2,630,514
<b>Long-term deposits</b>	<b>15,820,117</b>	<b>14,605,064</b>
Bank deposits expired more than 12 months after the balance sheet date	15,820,117	14,605,064
<b>Receivables</b>	<b>422,221</b>	<b>368,143</b>
Employer contributions receivable	303,999	265,063
Participant (employee) contributions receivable	118,222	103,080
<b>Liabilities</b>	<b>(105,822)</b>	<b>(101,337)</b>
<b>Net investment assets</b>	<b>27,329,445</b>	<b>20,435,138</b>

**7. Contributions**

RBP is a defined contribution plan and contributions are determined as 18% and 7% of the employees' base salary from the Sakaeronavigatsia LLC and employees, respectively.

**8. Financial income – interest**

Financial income - interest includes interest accrued on RBP's investment assets.

**9. Benefits paid**

Pension savings are distributed to the employees involved in the scheme in the following cases: (1) the employee has reached retirement age and a pension is distributed based on the employee's request; (2) the participant leaves Sakaeronavigatsia LLC before reaching the retirement age, receives the pension savings accumulated in their pension account without deduction; (3) in the event of the death of a participant, the pension shall be paid to their heirs on the same terms and conditions as the participant. During 2022, pension savings distributed to participants amounted GEL 366,832 (2021: GEL 530,341).

**10. Events after the reporting period**

There have been no after reporting date events that require additional adjustments or disclosure in the financial statements.

**Approval of financial statement.** The management on 22 May 2023 has approved the financial statements, the management have power to amend the financial statements after issue.



### **About Baker Tilly**

Baker Tilly is a full-service accounting and advisory firm that offers industry specialised services in assurance, tax and advisory.

Baker Tilly Georgia LLC trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and in dependent legal entities.



### **Contact us**

Baker Tilly  
BC Mantashev Rows  
7 Bambis Rigi  
Tbilisi 0105, Georgia  
office@bakertilly.ge  
T: +995 032 2 438 999  
[www.bakertilly.ge](http://www.bakertilly.ge)