

**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 2021**



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## INDEPENDENT AUDITOR'S REPORT

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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 2021.

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.

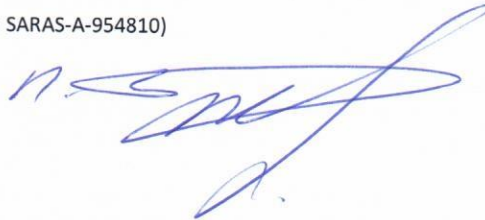


- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies 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  
27 May 2022  
Tbilisi, Georgia



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)

Statement of Net Assets Available for Benefits

	Note	2021	2020
Net assets at January 1		14,784,337	9,604,594
<b>Contributions</b>			
Employer contributions collected	7	2,912,610	2,696,929
Participant (employee) contributions collected	7	1,132,682	1,048,806
<b>Total contributions collected</b>		<b>4,045,292</b>	<b>3,745,735</b>
Employer contributions receivable	7	265,064	268,618
Participant (employee) contributions receivable		103,080	104,462
<b>Total contributions receivable</b>		<b>368,144</b>	<b>373,080</b>
<b>Total contributions</b>		<b>4,413,436</b>	<b>4,118,815</b>
Financial income - interest	8	1,876,270	1,267,106
<b>Total increase in net assets</b>		<b>6,289,706</b>	<b>5,385,921</b>
Administrative expenses		(108,564)	(76,670)
Benefits paid	9	(530,341)	(129,508)
<b>Total decrease in net assets</b>		<b>(638,905)</b>	<b>(206,178)</b>
<b>Net assets at December 31</b>		<b>20,435,138</b>	<b>14,784,337</b>

The Financial Statements were approved on 27 May 2022 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

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**Special-purpose Statement of Financial Position**

	Note	31.12.2021	31.12.2020
<b>Equity</b>			
Paid-in capital	3	2,000,000	2,001,030
Retained earnings		-	-
<b>Total Equity</b>		<b>2,000,000</b>	<b>2,001,030</b>
<b>Liabilities</b>			
Retirement benefit scheme gross liability	4	20,435,138	14,784,337
Accounts payable		429,376	136,581
<b>Total liabilities</b>		<b>20,864,514</b>	<b>14,920,918</b>
<b>Total equity and liabilities</b>		<b>22,864,514</b>	<b>16,921,948</b>
<b>Assets</b>			
Bank balances payable on demand	5	2,020,198	2,018,433
Accounts Receivable		409,178	119,178
Investment Asset	6	20,435,138	14,784,337
<b>Total assets</b>		<b>22,864,514</b>	<b>16,921,948</b>

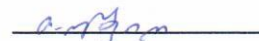
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Special-purpose Statement of Changes in Equity

	Paid-in Capital	Retained earnings	Total
Balance at 1 January 2020	3,001,392	265,225	3,266,617
Interest income	-	270,994	270,994
Distribution of not-restricted gains	(1,000,362)	(536,219)	(1,536,581)
Balance at 31 December 2020	2,001,030	-	2,001,030
Interest income	-	-	-
Distribution of not-restricted gains	(1,030)	-	(1,030)
Balance at 31 December 2021	2,000,000	-	2,000,000

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Special-purpose Statement of Cash Flows

	Year ended 31-Dec-2021	Year ended 31-Dec-2020
<b>Receipts</b>		
Contributions	4,418,373	4,055,719
Interest income (Not-restricted)	8,663	151,997
Other income (transfers from asset management company, for pension payments)	586,693	135,146
<b>Total cash inflow</b>	<b>5,013,729</b>	<b>4,342,862</b>
<b>Payments</b>		
Acquisition of Securities	-	-
Additions to long-term deposits	(4,406,929)	(4,053,552)
Benefits paid	(530,341)	(129,508)
Collection of interest from the fund's account	(1,030)	(1,400,000)
<b>Total cash outflow</b>	<b>(4,938,300)</b>	<b>(5,583,060)</b>
<b>Net increase in cash and cash equivalents</b>	<b>75,429</b>	<b>(1,240,198)</b>
Cash and cash equivalents – beginning of the year	2,026,419	3,266,617
<b>Cash and cash equivalents – end of the year</b>	<b>2,101,848</b>	<b>2,026,419</b>

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



**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, repsepectively.

As of the date of these financial statements 580 (2020: 588) 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 based on 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.

**Financing.** RBP is financed by transferring defined periodic contributions to the plans management company (independent of Saqaeronavigatsia LLC) for subsequent investment into securities, equity and other financial instruments for the purpose of generating financial gains.

**Financial income.** Financial income represents return on investments.

**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. The amount of pension fund's capital defined by Sakaeronavigatsia LLC is 3,000,000 GEL, which was placed on a separate bank account (hereinafter "Special Account") on September 17, 2015. Interest (GEL 14,014) accrued on a balance (GEL 3,000,000) of Special Account before January 1, 2016 were added to paid-in capital of the pension fund. During the year 2021 Sakaeronavigatsia LLC withdrew GEL 1,030 from the paid-in capital.

**4. Retirement benefit scheme gross liability**

	<b>31.12.2021</b>	<b>31.12.2020</b>
Retirement benefit scheme gross liability as at January 1	<b>14,784,337</b>	<b>9,604,594</b>
Social contributions	4,413,436	4,118,815
Interest	1,876,270	1,267,106
Retirement benefits paid	(530,341)	(129,508)
Administrative expenses	(108,564)	(76,670)
<b>Retirement benefit scheme gross liability as at December 31</b>	<b>20,435,138</b>	<b>14,784,337</b>

**5. Bank balances payable on demand**

	<b>31.12.2021</b>	<b>31.12.2020</b>
Bank balances payable on demand	2,020,198	2,018,433
<b>Total bank balances payable on demand</b>	<b>2,020,198</b>	<b>2,018,433</b>

Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC  
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6. Investment assets

	31.12.2021	31.12.2020
<b>Securities</b>	<b>650,306</b>	<b>649,703</b>
Georgian government bonds (9.375%_18.01.2028)	395,244	395,244
Evex Hospitals JSC bonds (RR+3.1%_06.11.2024)	203,948	203,345
Georgian government bonds (9.375%_16.08.2027)	51,114	51,114
<b>Short-term deposits</b>	<b>4,912,962</b>	<b>5,128,921</b>
Cash available for pension payments	81,650	7,986
Balance on current account at bank (Asset management company)	2,200,798	1,410,047
Bank deposits expired less than 12 months after the balance sheet date	2,630,514	3,710,888
<b>Long-term deposits</b>	<b>14,605,064</b>	<b>8,632,633</b>
Bank deposits expired more than 12 months after the balance sheet date	14,605,064	8,632,633
<b>Receivables</b>	<b>368,143</b>	<b>373,080</b>
Employer contributions receivable	265,063	268,618
Participant (employee) contributions receivable	103,080	104,462
<b>Liabilities</b>	<b>(101,337)</b>	<b>-</b>
<b>Net investment assets</b>	<b>20,435,138</b>	<b>14,784,337</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 2021, pension savings distributed to participants amounted GEL 530,341 (2020: GEL 129,508).

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 27 May 2022 has approved the financial statements, the management has 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.



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