GEORGIA EDUCATION GROUP

International Financial Reporting Standards
Consolidated Financial Statements and
Independent Auditor's Report

31 December 2020

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INDEPENDENT AUDITOR'S REPORT

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Independent Auditor’s Report

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Independent Auditor's Report

To the Owner and Management of Georgia Education Group LLC

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Georgia Education Group LLC (the "Company") and its subsidiaries (together the "Group") as at 31 December 2020, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Law of Georgia on Accounting, Reporting and Auditing.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 consolidated financial statements section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

Management is responsible for the other information. The other information comprises the Management Report (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the Management Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the Management Report is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

In addition, we are required by the Law of Georgia on Accounting, Reporting and Auditing to express an opinion whether certain parts of the Management Report comply with respective regulatory normative acts and to consider whether the Management Report includes the information required by the Law of Georgia on Accounting, Reporting and Auditing.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements;
- the information given in the Management Report complies with the requirements of paragraph 6 of article 7 of the Law of Georgia on Accounting, Reporting and Auditing.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

PricewaterhouseCoopers Georgia LLC

PricewaterhouseCoopers Georgia LLC (Reg.# SARAS-F-775813)

Lasha Janelidze (Reg.#SARAS-A-562091)

27 September 2021
Tbilisi, Georgia

In thousands of Georgian Lari	Note	2020	2019
Revenue from contracts with customers and income	8	**25,794**	**11,470**
Operating expenses			
Employee benefits expense	9	(13,741)	(5,768)
Legal and other professional services		(442)	(359)
Taxes other than on income		(389)	(106)
Meals for learners		(380)	(510)
Allowance for impairment of trade and other receivables		(317)	(111)
Repair and maintenance expenses		(227)	(121)
Utilities		(222)	(117)
Educational materials		(209)	(169)
Transportation		(180)	(218)
School uniforms		(180)	(157)
Stationary		(174)	(166)
Subscription to education portals		(155)	(108)
Education trips		(116)	(208)
Summer school expenses		(41)	(45)
Other losses	10	(673)	(486)
Profit before finance costs and finance income, income tax, depreciation and amortisation, foreign exchange loss, management contract termination, reversal of interest expense, foreign exchange loss and call option fair value remeasurement		**8,348**	**2,821**
Reversal of interest expense and foreign exchange loss accrued on trade payable		1,109	–
Depreciation and amortisation	11	(1,996)	(873)
Foreign exchange (losses)/gains		(3,842)	348
Finance costs	19	(1,484)	(661)
Finance income		258	36
Call option fair value remeasurement		755	(7)
Profit before income tax expense		**3,148**	**1,664**
Income tax		–	–
PROFIT FOR THE YEAR		**3,148**	**1,664**
Attributable to:			
Equity holders of the parent		1,136	357
Non-controlling interest		2,012	1,307
PROFIT FOR THE YEAR		**3,148**	**1,664**
Other comprehensive income		–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,148**	**1,664**
Attributable to:			
Equity holders of the parent		1,136	357
Non-controlling interest		2,012	1,307
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,148**	**1,664**

In thousands of Georgian Lari	Note	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Property, plant and equipment	11	57,481	54,301
Intangible assets		56	54
Prepayments for property, plant and equipment	12	1,301	738
Goodwill	13	42,900	42,900
Other assets	21	1,225	469
Total non-current assets		**102,963**	**98,462**
Current assets			
Inventories		204	99
Trade and other receivables	14	601	532
Loans issued		11	19
Prepayments		293	455
Other assets		65	57
Restricted cash	15	-	400
Cash and cash equivalents	15	6,399	5,133
Total current assets		**7,573**	**6,695**
TOTAL ASSETS		**110,536**	**105,157**
EQUITY AND LIABILITIES			
Equity			
Charter capital	16	56,882	56,785
Other reserves		(4,821)	(1,649)
Retained earnings	16	1,493	357
Equity attributable to equity holders of the parent		**53,554**	**55,493**
Non-controlling interest	16	3,592	1,270
TOTAL EQUITY		**57,146**	**56,763**
Non-current liabilities			
Borrowings	17	21,076	16,990
Trade and other payables	18	–	3,094
Accruals and other liabilities	20	9,654	6,455
Contract liabilities from asset acquisition	8	339	433
Contract liabilities	8	61	561
Lease liability	19	720	720
Total non-current liabilities		**31,850**	**28,253**
Current liabilities			
Borrowings	17	3,871	2,819
Trade and other payables	18	2,318	1,150
Accruals and other liabilities	20	2,950	3,275
Contract liabilities from asset acquisition	8	93	111
Contract liabilities	8	12,220	12,734
Lease liabilities	19	38	–
Tax liabilities, net		50	52
Total current liabilities		**21,540**	**20,141**
TOTAL LIABILITIES		**53,390**	**48,394**
TOTAL EQUITY AND LIABILITIES		**110,536**	**105,157**

Signed and authorized for issue on behalf of the management of the Group on 27 September 2021:

Giorgi Ketiladze
Director

Tbilisi, Georgia

Georgia Education Group
Consolidated Statement of Financial Position

In thousands of Georgian Lari	Note	31 December 2020	31 December 2019
ASSETS			
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TOTAL LIABILITIES		**53,390**	**48,394**
TOTAL EQUITY AND LIABILITIES		**110,536**	**105,157**

Signed and authorized for issue on behalf of the management of the Group on 27 September 2021:

Giorgi Ketiladze
Director

Tbilisi, Georgia

The accompanying notes on pages 5 to 38 are an integral part of these financial statements.

In thousands of Georgian Lari	**Notes**	**Charter capital**	**Retained earnings**	**Other reserves**	**Equity attributable to the equity holders of the parent**	**Non-controlling interest (Note 16)**	**Total equity**
Balance at 7 July 2019		**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the year		–	357	–	357	1,307	1,664
Increase in charter capital through capital reorganization	16	42,316	–	–	42,316	2,673	44,989
Contributions to charter capital		14,469			14,469	-	14,469
Elimination with put option		–	–	–	–	(2,710)	(2,710)
Increase in other reserve		–	–	(1,649)	(1,649)	–	(1,649)
Balance at 31 December 2019		**56,785**	**357**	**(1,649)**	**55,493**	**1,270**	**56,763**
Total comprehensive income for the year		–	1,136	–	1,136	2,012	3,148
Increase in charter capital		97	–	–	97	50	147
Elimination with put option		–	–	–	–	260	260
Increase in other reserve		–	–	(3,172)	(3,172)	–	(3,172)
Balance at 31 December 2020		**56,882**	**1,493**	**(4,821)**	**53,554**	**3,592**	**57,146**

In thousands of Georgian Lari	**Note**	**2020**	**2019**
Cash flows from operating activities			
Cash received from tuition fee		23,013	9,523
Cash received from state vouchers		633	232
Cash received for summer/winter camps		68	769
Cash received from other services		565	317
Net proceeds from learners' deposits		206	209
Cash paid for services and goods		(3,313)	(2,486)
Salaries and benefits paid		(13,589)	(5,406)
Operating taxes paid		(296)	(22)
Placement of restricted cash	22	400	-
Interest received		191	30
Net cash from operating activities		**7,878**	**3,166**
Cash flows from investing activities			
Cash paid for acquisition and construction of property and equipment		(7,154)	(2,909)
Proceeds from sale of property, plant and equipment		24	-
Acquisition of subsidiaries, net of cash acquired		-	4,757
Loans repaid		-	6
Net cash (used in)/from investing activities		**(7,130)**	**1,854**
Cash flows from financing activities			
Proceeds from increase in charter capital	16	-	967
Proceeds from borrowings	17	2,753	295
Repayment of borrowings	17	(1,521)	(918)
Capital increase		201	327
Interest paid	17	(1,355)	(427)
Repayment of lease liabilities	17	-	(121)
Net cash from financing activities		**78**	**123**
Net increase in cash and cash equivalents		**826**	**5,143**
Cash and cash equivalents at the beginning of the year	15	5,133	–
Effects of exchange rate difference from cash and cash equivalents		440	(10)
Cash and cash equivalents at the end of the year	15	**6,399**	**5,133**

Significant non-cash transactions

In 2019 two land plots with the value of GEL 8,927 thousand and 5,228 thousand were contributed to charter capital of the Company.

1. General Information

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and with the requirements of the Law of Georgia on Accounting, Reporting and Auditing for the year ended 31 December 2020 for Georgia Education Group LLC (the "Company") and its subsidiaries (together referred to as the "Group").

Georgia Education Group LLC, identification number 400271059, is a limited liability company incorporated on 7 July 2019 under the laws of Georgia.

As at 31 December 2020 and 31 December 2019 the Group's owner was JSC Georgia Capital.

The Group is ultimately owned and controlled by Georgia Capital PLC (the "GCAP"), a company incorporated in the United Kingdom and listed on London Stock Exchange.

In summer 2019, JSC Georgia Capital acquired interests in the following entities:

- 70% in British Georgian Academy – 23 July 2019;
- 80% in Buckswood International School of Tbilisi – 29 July 2019;
- 80% in Tbilisi Green School – 22 August 2019.

On 29 June 2020 JSC Georgia Capital transferred ownership of the above-mentioned schools to Georgia Education Group LLC. As a result of the capital reorganization all liabilities of JSC Georgia Capital as well as rights between JSC Georgia Capital and each subsidiary were transferred to the Company along with the ownership interests. Capital reorganization was applied retrospectively, hence comparatives include financial information of subsidiaries from the date of acquisition of each subsidiary by JSC Georgia Capital.

As at 31 December 2020 and 2019 the consolidated financial statements include the following subsidiaries:

Subsidiary	**Ownership %, 2020**	**Ownership %, 2019**	**Country**	**Industry**	**Control**	**Acquisition/ incorporation date**
British Georgian Academy LLC	70%	70%	Georgia	Education	Yes	23 July 2019
British International School of Tbilisi, NNLE	n/a	n/a	Georgia	Education	Yes	23 July 2019
British International School of Tbilisi, LLC	70%	70%	Georgia	Education	Yes	5 September 2019
Buckswood International School – Tbilisi LLC	80%	80%	Georgia	Education	Yes	29 July 2019
Sakhli Tskhnetshi LLC	80%	80%	Georgia	Education	Yes	29 July 2019
Tbilisi Green School LLC	80%	80%	Georgia	Education	Yes	22 August 2019
Green School LLC	90%	90%	Georgia	Education	Yes	21 October 2019

(*) As BIST NNLE is a non-commercial entity, legally it does not have equity shares, i.e. it does not have shareholders who own interest in BIST NNLE, which would give them voting rights, as is common with commercial entities. However, as a founder of BIST NNLE, its charter gives the Group the rights to direct relevant activities of BIST NNLE.

Principal activity. The Group combines four schools located in Tbilisi and its main activity is overseeing the schools' performance and seeking expansion in education sector, both school and kindergarten.

Registered address and place of business. The principal operating office of the Group is situated at Petre Melikishvili Avenue N8a / Erekle Tatishvili street N1, Tbilisi, Georgia.

Presentation currency. These financial statements are presented in Georgian Lari (GEL), unless otherwise stated.

2. Operating Environment of the Group

The Group's principal business activities are within Georgia. Georgia displays certain characteristics of an emerging market. The future economic direction of Georgia is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal, regulatory and political developments.

In March 2020, the World Health Organization confirmed the novel coronavirus ("COVID-19") as a global pandemic. There is uncertainty over the magnitude of the global slowdown that will result from this pandemic and its impact on Georgian economy. The Government of Georgia has introduced number of measures aimed at containment of the spread of COVID-19, which have significant social and economic impact.

The Group is monitoring impact of COVID-19 outbreak on its business, customers and employees and follows the official guidance introduced by the Government of Georgia to safeguard its people and to maintain business continuity. In order to adapt with the changed environment after COVID-19 outbreak, the Group has implemented distance learning. Considering the reduction in operating costs related to distance learning, the Group offered discounts as well as roll-over of certain services that it has not been able provide to the learners during such period. The Group has lost few learners mostly due to the fact that kindergarten services are not easily replaceable by online learning. In 2020, the Group's tuition revenue was affected by the discount offered by the Group to the learners in proportion with reduction in operating expenses due to distance learning and roll-over of certain services.

Management is unable to predict all developments which could have an impact on the Georgian economy and consequently what effect, if any, they could have on the future financial position of the Group. Management believes it is taking all the necessary measures to support the sustainability and development of the Group's business.

3. Basis for Preparation and Measurement

Basis of preparation and measurement. These consolidated financial statements have been prepared in accordance with IFRS and with the requirements of the Law of Georgia on Accounting, Reporting and Auditing, under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value. The 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.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

JSC Georgia Capital has transferred Investments in British-Georgian Academy, Buckswood International School – Tbilisi and Tbilisi Green School to Georgia Education Group wholly owned subsidiary (Note 1). Transfer of ownership occurred in June 2020 and is accounted as capital reorganization using the predecessor values method. The consolidated financial statements of Georgia Education Group are presented as if the businesses had been combined from the date of acquisition of the above-mentioned entities by JSC Georgia Capital, that is the date when the combining entities were first brought under common control.

4. Basis for Preparation and Measurement (Continued)

Assets and liabilities of the above-mentioned subsidiary companies are at the predecessor entity's carrying amounts. Related goodwill inherent in the predecessor entity's original acquisitions is also recorded in these consolidated financial statements.

Carrying value of assets and liabilities transferred are listed below:

In thousands of Georgian Lari	**Total**
Property, plant and equipment	37,019
Intangible assets	48
Prepayments for property, plant and equipment	732
Goodwill	42,900
Total non-current assets	**80,699**
Inventories	121
Prepayments	868
Other assets	946
Accounts receivable	524
Cash and cash equivalents	4,757
Total current assets	**7,216**
Total assets	**87,915**
Long-term loans	20,840
Other non-current liabilities	592
Accruals and other liabilities, non-current	4,358
Liability for contingent consideration incurred at acquisition of Tbilisi Green School LLC	656
Total non-current liabilities	**26,446**
Accounts payable	134
Advances received	3,460
Deferred revenue	2,060
Contract liability, current	11,657
Other current liabilities	700
Tax liabilities	3,807
Total current liabilities	**21,818**
Total liabilities	**48,264**
Net assets	**39,651**
NCI	**(1,693)**
Net assets attributable to the owner	**37,958**

4. Significant Accounting Policies

Consolidated financial statements. Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than the majority of the voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of the investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

Purchases of subsidiaries from parties under common control. Purchases of subsidiaries from parties under common control are accounted for using the predecessor values method. Under this method the consolidated financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented or, if later, the date when the combining entities were first brought under common control. The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying amounts.

The predecessor entity is considered to be the highest reporting entity in which the subsidiary's IFRS financial information was consolidated. Related goodwill inherent in the predecessor entity's original acquisitions is also recorded in these consolidated financial statements. Any difference between the carrying amount of net assets, including the predecessor entity's goodwill, and the consideration for the acquisition is accounted for in these consolidated financial statements as an adjustment to other reserves within equity.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and the fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill" or a "bargain purchase") is recognised in profit or loss, after management reassesses whether it identified all the assets acquired and all the liabilities and contingent liabilities assumed and reviews the appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including the fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs related to the acquisition of and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Group and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Group. Non-controlling interest forms a separate component of the Group's equity.

4. Significant Accounting Policies (Continued)

Foreign currency translation. The functional currency of the entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Group and its presentation currency is the national currency of the Georgia, Georgian Lari ("GEL"). The financial statements are presented in Georgian Lari ("GEL"), which is the Group's presentation currency.

Transactions and balances. Monetary assets and liabilities are translated into Group's functional currency at the official exchange rate of the National Bank of the Georgia ("NBG") at the respective end of the reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into each entity's functional currency at year-end official exchange rates of the NBG are recognised in profit or loss as 'Foreign exchange losses'. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income within 'other operating expenses – net'. Translation at year-end rates does not apply to non-monetary items that are measured at historical cost. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined. Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

As at 31 December 2020, the official rate of exchange, as determined by the NBG, was US Dollar ("USD") 1 = GEL 3.2766 and Euro ("EUR") = GEL 4.0233 (31 December 2019: USD 1 = GEL 2.8677 and EUR 1 = GEL 3.2095).

Property, plant and equipment. Property and equipment are carried at its historical cost less any accumulated depreciation and accumulated impairment losses.

The historical cost of an item of property 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 Group; (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 Group incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period; and I for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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 comprehensive income as incurred.

Depreciation. Depreciation of property and equipment is charged so as to write off the depreciable amount over the useful life of an asset and is calculated using a straight-line method. Useful lives of the Group's property and equipment are as follows:

Categories of property and equipment	Useful life
Buildings	20-50 years
Motor vehicles	5-10 years
Computers and office equipment	5-10 years
Furniture and fixtures	2-10 years
Library books	3-5 years
Other	2-10 years

4. Significant Accounting Policies (Continued)

Depreciable amount is the cost of an item of property and equipment less its residual value. The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Group expects to use the asset until the end of its physical life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The effect of any changes from previous estimates is accounted for prospectively as a change in an accounting estimate.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss and comprehensive income.

Construction in progress comprises costs directly related to construction of property and equipment. Construction in progress is not depreciated. Depreciation of the construction in progress, on the same basis as for other property and equipment items, commences when the assets are available for use, i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by the management.

Right-of-use assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Lease periods in years are:

	Lease periods
Land	50
Buildings	50

Goodwill. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such units or groups of units represent the lowest level at which the Group monitors goodwill and are not larger than an operating segment.

The Group tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. The carrying value of the cash-generating unit containing goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation, generally measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

Impairment of non-financial assets. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Financial instruments – key measurement terms. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

4. Significant Accounting Policies (Continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses *("ECL")*. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to the maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of the related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments

Financial instruments – initial recognition. Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC, resulting in an immediate accounting loss.

Financial assets – classification and subsequent measurement – measurement categories. The Group classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets – classification and subsequent measurement – business model. The business model reflects how the Group manages the assets in order to generate cash flows. The Group's solely objective is to collect the contractual cash flows from the assets ("hold to collect contractual cash flows").

Financial assets – classification and subsequent measurement – cash flow characteristics. The Group's the business model is to hold assets to collect contractual cash flows, thus the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI").

Financial assets – reclassification*.* Financial instruments are reclassified only when the business model for managing the portfolio as a whole change. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The entity did not change its business model during the current and comparative period and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL. The Group has two types of financial assets that is subject to the ECL model – trade and other financial receivables and cash and cash equivalents.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Individual assessment approach is utilized for ECL measurement.

4. Significant Accounting Policies (Continued)

Note 12 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. Indicators that there is no reasonable expectation of recovery include: receivables being past due over 360 days, liquidation or bankruptcy proceedings or enforcement activities were completed. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - derecognition. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (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.

Financial liabilities – measurement categories. The Group's financial liabilities are classified as subsequently measured at AC.

Financial liabilities – derecognition. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Offsetting financial instruments. Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.

Cash and cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL. Features mandated solely by legislation, such as the bail-in legislation in certain countries, do not have an impact on the SPPI test, unless they are included in contractual terms such that the feature would apply even if the legislation is subsequently changed. The ECLs for cash and cash equivalents balances were insignificant as at 31 December 2020 and 2019.

Trade and other receivables. Trade and other receivables are recognised initially at fair value and are subsequently carried at AC using the effective interest method.

Trade and other payables. Trade payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at AC using the effective interest method.

Borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently carried at AC using the effective interest method.

Capitalisation of borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Lease liabilities. Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: fixed payments (including in-substance fixed payments), less any lease incentives receivable.

4. Significant Accounting Policies (Continued)

Lease payments are allocated between principal and finance costs. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

To determine the constant periodic rate, the Group uses recent third-party financing rate, disclosed by National Bank of Georgia (NBG).

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Uncertain tax positions. The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions are recorded within the income tax charge.

Value added tax. Output value added tax related to sales is payable to tax authorities when goods or services are delivered to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. According to Georgian tax legislation main source or revenue of the Group, in particular realisation of Fruit and Vegetables product, is free from output VAT with keeping right to recover all input VAT. VAT related to sales and purchases is recognised in the statement of financial position on a net basis and disclosed under the trade and other receivable or payable caption. The tax authorities permit the settlement of VAT on a net basis.

Income taxes. Income taxes have been provided for in the preliminary special purpose financial information in accordance with legislation enacted or substantively enacted by the end of the reporting period.

On 13 May 2016 the Government of Georgia enacted the changes in the Tax Code of Georgia whereby companies (other than banks, credit unions, insurance companies, microfinance organizations and pawn shops) do not have to pay income tax on their profit earned since 1 January 2017, until that profit is distributed or deemed distributed in a form of dividend.

The income tax at 15 % is payable on gross up value (i.e. net dividends shall be grossed up by withholding tax 5%, if applicable, and divided by 0.85) at the moment of the dividend payment to individuals or to non-resident legal entities. Dividends paid to resident legal entities from the profits earned since 1 January 2017 are tax exempted.

Income tax arising from distribution of dividends is accounted for as an income tax expense in the period in which dividends are declared, regardless of the actual payment date or the period for which the dividends are paid. A contingent income tax liability which would arise upon the payment of dividends is not recognised in the statement of financial position.

4. Significant Accounting Policies (Continued)

In addition to the distribution of dividends, the tax is still payable on expenses or other payments incurred not related to economic activities, free delivery of assets or services and representation costs that exceed the maximum amount determined by the Tax Code of Georgia. All advances paid to entities registered in jurisdictions having preferential tax regime and other certain transactions with such entities as well as loans granted to individuals or non-residents are immediately taxable. Such taxes along with other taxes, net of tax credits claimed on assets or services received in exchange for the advances paid to entities registered in jurisdictions having preferential tax regime or recovery of loans granted to individuals or non-residents, are recorded under Taxes other than on income within operating expenses.

Prepayments. Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

Charter capital. The changes in the Group's Charter (including changes in charter capital, ownership, etc.) shall be made only based on the decision of the Group's owner.

Dividends. Dividends are recorded as a liability and deducted from equity in the period in which they are declared and approved. The statutory accounting reports of the Group are the basis for profit distribution and other appropriations. Georgian legislation identifies the basis of distribution as the current year net profit.

Provisions for liabilities and charges. Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be

required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Levies and charges, such as taxes other than income tax or regulatory fees based on information related to a period before the obligation to pay arises, are recognised as liabilities when the obligating event that gives rise to pay a levy occurs, as identified by the legislation that triggers the obligation to pay the levy. If a levy is paid before the obligating event, it is recognised as a prepayment.

Where the Group expects a provision to be reimbursed, for example under a construction contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Revenue recognition. The Group is in the business of providing tuition services to the learners.

The Group recognises revenue when control of the services are transferred to the customer at the amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

4. Significant Accounting Policies (Continued)

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same. Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Following considerations are relevant for specific revenue streams:

Tuition revenue. Group's contracts with customers have a duration of one to three years. The agreements state the annual fee.

The Group offers students educational service in line of programs determined by the National Goals of Education and Curriculum. The Group also offers additional services, such as catering and transportation. Tuition revenue is recognized over time with the proportion of days passed of the academic calendar.

Income from state grant. The Ministry of Education and Science of Georgia distributes annual vouchers to all licensed schools. The annual amount is GEL 0.3 thousand per learner. The respective annual amount is equally divided and distributed at the end of every month, when performance obligation is already satisfied.

Contract liabilities. Advances received from customers, before the Group transfers control of the products to the customer are recognised as contract liabilities. Contract liabilities are the Group's obligations to transfer goods and services to customers for which the Group has received consideration.

Employee benefits. Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services) are accrued in the year in which the associated services are rendered by the employees of the Group. The Group has no legal or constructive obligation to make pension or similar benefit payments.

Segment reporting. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. Reportable segments and corporate centre are reported separately.

Inventories. Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Transactions with owner. The Group accounts for transactions with the owner at cost, unless the relevant standard requires a transaction to be recognised at fair value. Results from transactions with the owner acting in their capacity as a shareholder are recorded through equity.

Amendment of the financial statements after issue. Any changes to these financial statements after issue require approval of the Group's owner who authorised these financial statements for issue.

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Assumption of certain assets and liabilities of Buckswood International Primary School – Tbilisi LLC. In June 2019, a Memorandum of Understanding ("MOU") was formed between shareholders of the Group, Buckswood International Primary School – Tbilisi LLC and Georgia Capital JSC, concurrently with acquisition of controlling stake in the Group by Georgia Capital JSC. The management determined that the Group and Buckswood International Primary School – Tbilisi LLC were entities under common control at the date of the MOU.

Based on the MOU, debt liabilities of Buckswood International Primary School – Tbilisi LLC in the amount of GEL 3,780 thousand, trade and other receivables of GEL 218 thousand, short-term liabilities of GEL 218 thousand (including the tuition contracts with learners with respective contract liabilities of GEL 138 thousand) were assumed by to the Group. The Group accounted for the resulted loss in the value of GEL 3,780 thousand directly in equity as a result of a transaction with shareholders not in the ordinary course of business. The Group believes that a transaction did not result in the business combination under IFRS 3, as the acquired assets and liabilities did not meet the definition of the business.

Control over Non-entrepreneurial Non-commercial Legal Entity (NNLE). The Group is the founder of the non-entrepreneurial (non-commercial) legal entity – British International school of Tbilisi, NNLE (the "BIST NNLE"). As BIST NNLE is a non-for-profit organization, equity interest in BIST NNLE cannot be legally owned, i.e. it does not have shareholders who own interest, which would give them voting rights, however it may still be 'controlled' by another entity per IFRS 10. The Group analyzed the requirements of IFRS 10 and concluded that it has power over BIST NNLE defined by the Group's Charter, as Group has rights to appoint Director and management of the BIST NNLE and direct its relevant activities. As control is achieved by BIST NNLE's charter alone and the equity of BIST NNLE is restricted and non-distributable BIST NNLE's net assets are classified as non-controlling interest.

Estimated impairment of goodwill. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Initial recognition of related party transactions. In the normal course of business, the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analyses. Terms and conditions of related party balances are disclosed in Note 7.

Useful lives of property and equipment. The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Group. The following primary factors are considered: (a) the expected usage of the assets; (b) the expected physical wear and tear, which depends on operational factors and maintenance programme; and (c) the technical or commercial obsolescence arising from changes in market conditions.

Were the estimated useful lives to differ by 10% from management's estimates, the impact on depreciation for the year ended 31 December 2020 would be to increase it by GEL 94 thousand or decrease it by GEL 72 thousand (2019: increase by GEL 132 thousand or decrease by GEL 94 thousand).

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

Depreciation of right-of-use assets. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of building and lands, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate) the lease.
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate) the lease.

Otherwise, the Company considers other factors including historical lease durations and the costs required to replace the leased asset.

Expected credit loss. The Group creates expected credit loss to account for estimated losses resulting from the inability of customers to make the required payments or suppliers to deliver agreed products or service. When evaluating the adequacy of an expected credit loss, management takes into consideration current overall economic conditions, ageing of the receivables and prepayments balances, historical write-off experience, customer and supplier creditworthiness and changes in payment terms. Changes in the economy, industry or specific customer and supplier conditions may require adjustments to the expected credit loss recorded in the financial statements. Following the judgment, GEL 211 thousand and GEL 59 thousand refer to the allowance for accounts receivable at the end of the year 2020 and 2019, respectively.

Put option. The Group has recognised put option of non-controlling interests of the three subsidiaries (Buckswood International School - Tbilisi LLC, Tbilisi Green school LLC and Green School LLC) giving them the right to sell shares to the Group. The option is accounted for as a liability rather than derivative instrument. The strike price is calculated by using pre-determined EBITDA multiple and net debt. Management judgementally assigns probabilities to the various outcomes of future EBITDA and net debt, resulting in weighted amount to be recognized as a liability.

Call option. The Group has recognised call option representing an option on acquisition of remaining 20% equity interest in Tbilisi Green School LLC from non-controlling interests based on pre-determined EBITDA multiple and net debt of Tbilisi Green School LLC. The Group has applied binomial model for option valuation.

6. New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2021 or later, and which the Group has not early adopted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary The Group does not expect any impact of the amendments on its financial statements.

IFRS 17 "Insurance Contracts"(issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021). IFRS 17 replaces IFRS 4, which has given companies dispensation to carry on accounting for insurance contracts using existing practices. As a consequence, it was difficult for investors to compare and contrast the financial performance of otherwise similar insurance companies. IFRS 17 is a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The standard requires recognition and measurement of groups of insurance contracts at: (i) a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information;

6. New Accounting Pronouncements (Continued)

plus (if this value is a liability) or minus (if this value is an asset) (ii) an amount representing the unearned profit in the group of contracts (the contractual service margin). Insurers will be recognising the profit from a group of insurance contracts over the period they provide insurance coverage, and as they are released from risk. If a group of contracts is or becomes loss-making, an entity will be recognising the loss immediately. The Group does not expect any impact of the amendments on its financial statements.

Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022). These narrow scope amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. The right to defer only exists if the entity complies with any relevant conditions as of the end of the reporting period. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a Group might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 1 on classification of liabilities as current or non-current was issued in January 2020 with an original effective date 1 January 2022. However, in response to the Covid-19 pandemic, the effective date was deferred by one year to provide companies with more time to implement classification changes resulting from the amended guidance. The Group is currently assessing the impact of the amendments on its financial statements.

Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such items, together with the costs of producing them, are now recognised in profit or loss. An entity will use IAS 2 to measure the cost of those items. Cost will not include depreciation of the asset being tested because it is not ready for its intended use. The amendment to IAS 16 also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. An asset might therefore be capable of operating as intended by management and subject to depreciation before it has achieved the level of operating performance expected by management.

The amendment to IAS 37 clarifies the meaning of 'costs to fulfil a contract'. The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract; and an allocation of other costs that relate directly to fulfilling. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

IFRS 3 was amended to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. Prior to the amendment, IFRS 3 referred to the 2001 Conceptual Framework for Financial Reporting. In addition, a new exception in IFRS 3 was added for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 or IFRIC 21, rather than the 2018 Conceptual Framework. Without this new exception, an entity would have recognised some liabilities in a business combination that it would not recognise under IAS 37.

6. New Accounting Pronouncements (Continued)

Therefore, immediately after the acquisition, the entity would have had to derecognise such liabilities and recognise a gain that did not depict an economic gain. It was also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

The amendment to IFRS 9 addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

Illustrative Example 13 that accompanies IFRS 16 was amended to remove the illustration of payments from the lessor relating to leasehold improvements. The reason for the amendment is to remove any potential confusion about the treatment of lease incentives.

IFRS 1 allows an exemption if a subsidiary adopts IFRS at a later date than its parent. The subsidiary can measure its assets and liabilities at the carrying amounts that would be included in its parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. IFRS 1 was amended to allow entities that have taken this IFRS 1 exemption to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. The amendment to IFRS 1 extends the above exemption to cumulative translation differences, in order to reduce costs for first-time adopters. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.The requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41 was removed. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis. The Group is currently assessing the impact of the amendments on its financial statements.

Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023). The amendments include a number of clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard. The following amendments to IFRS 17 were made:

- *Effective date:* The effective date of IFRS 17 (incorporating the amendments) has been deferred by two years to annual reporting periods beginning on or after 1 January 2023; and the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 has also been deferred to annual reporting periods beginning on or after 1 January 2023.

- *Expected recovery of insurance acquisition cash flows: An entity is required to allocate part of the acquisition costs to related expected contract renewals, and to recognise those costs as an asset until the entity recognises the contract renewals. Entities are required to assess the recoverability of the* asset at each reporting date, and to provide specific information about the asset in the notes to the financial statements.

- *Contractual service margin attributable to investment services*: Coverage units should be identified, *considering* the quantity of benefits and expected period of both insurance coverage and investment services, for contracts under the variable fee approach and for other contracts with an 'investment-return service' under the general model. Costs related to investment activities should be included as cash flows within the boundary of an insurance contract, to the extent that the entity performs such activities to enhance benefits from insurance coverage for the policyholder.

- *Reinsurance contracts held – recovery of losses:* When an entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or on addition of onerous underlying contracts to a group, an entity should adjust the contractual service margin of a related group of reinsurance contracts held and recognise a gain on the reinsurance contracts held. The amount of the loss recovered from a reinsurance contract held is determined by multiplying the loss recognised on underlying insurance contracts and the percentage of claims on underlying insurance contracts that the entity expects to recover from the reinsurance contract held. This requirement would apply only when the reinsurance contract held is recognised before or at the same time as the loss is recognised on the underlying insurance contracts.

6. New Accounting Pronouncements (Continued)

Other amendments: Other amendments include scope exclusions for some credit card (or similar) contracts, and some loan contracts; presentation of insurance contract assets and liabilities in the statement of financial position in portfolios instead of groups; applicability of the risk mitigation option when mitigating financial risks using reinsurance contracts held and non-derivative financial instruments at fair value through profit or loss; an accounting policy choice to change the estimates made in previous interim financial statements when applying IFRS 17; inclusion of income tax payments and receipts that are specifically chargeable to the policyholder under the terms of an insurance contract in the fulfilment cash flows; and selected transition reliefs and other minor amendments. The Group does not expect any impact of the amendments on its financial statements.

Interest rate benchmark (IBOR) reform – phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (issued on 27 August 2020 and effective for annual periods beginning on or after 1 January 2021). The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The amendments cover the following areas:

- *Accounting for changes in the basis for determining contractual cash flows as a result of IBOR reform:* For instruments to which the amortised cost measurement applies, the amendments require entities, as a practical expedient, to account for a change in the basis for determining the contractual cash flows asa result of IBOR *reform* by updating the effective interest rate using the guidance in paragraph B5.4.5 of IFRS 9. As a result, no immediate gain or loss is recognised. This practical expedient applies only to such a change and only to the extent it is necessary as a direct consequence of IBOR reform, and the new basis is economically equivalent to the previous basis. Insurers applying the temporary exemption from IFRS 9 are also required to apply the same practical expedient. IFRS 16 was also amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of IBOR reform.
- *End date for Phase 1 relief for noncontractually specified risk components in hedging relationships:* The *Phase* 2 amendments require an entity to prospectively cease to apply the Phase 1 reliefs to a non-contractually specified risk component at the earlier of when changes are made to the non-contractually specified risk component, or when the hedging relationship is discontinued. No end date was provided in the Phase 1 amendments for risk components.
- *Additional temporary exceptions from applying specific hedge accounting requirements:* The Phase 2 amendments *provide* some additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

Additional IFRS 7 disclosures related to IBOR reform: The amendments require disclosure of: (i) how the entity is managing the transition to alternative benchmark rates, its progress and the risks arising from the transition; (ii) quantitative information about derivatives and non-derivatives that have yet to transition, disaggregated by significant interest rate benchmark; and (iii) a description of any changes to the risk management strategy as a result of IBOR reform. The Group does not expect any impact of the amendments on its financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates.

6. New Accounting Pronouncements (Continued)

The Group does not expect any impact of the amendments on its consolidated financial statements.

Covid-19-Related Rent Concessions – Amendments to IFRS 16 (issued on 31 March 2021 and effective for annual periods beginning on or after 1 April 2021). In May 2020 an amendment to IFRS 16 was issued that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19, resulting in a reduction in lease payments due on or before 30 June 2021, was a lease modification. An amendment issued on 31 March 2021 extended the date of the practical expedient from 30 June 2021 to 30 June 2022. The Group does not expect any impact of the amendments on its financial statements.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 12 specify how to account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which both an asset and a liability are recognised. The amendments clarify that the exemption does not apply and that entities are required to recognise deferred tax on such transactions. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The Group does not expect any impact of the amendments on its financial statements.

7. Balances and Transactions with Related Parties

Details of transactions between the Group and related parties (entities under common control) are disclosed below:

In thousands of Georgian Lari	**2020**	**2019**
Lease expense	–	63
Insurance expense	50	55
Utilities	63	47
Other operating expenses	3	2
Total	**116**	**167**

The balances with related parties (entities under common control) are:

In thousands of Georgian Lari	**31 December 2020**	**31 December 2019**
Prepayments	22	203
Trade and other payables	269	203
Total	**291**	**406**

Prepayments and accounts payables towards related parties represent amounts related to construction of school sports hall and insurance.

During 2019, the owner of the Group made contributions to charter capital with the amount of GEL 3,223 thousand (note 16). No contributions were made during 2020.

7. Balances and Transactions with Related Parties (Continued)

Compensation of key management personnel. In 2020 and 2019 the amounts recognized as an expense related to management personnel are as follows:

In thousands of Georgian Lari	**2020**	**2019**
Key Management salary	2,278	1,848
Termination of contract	-	449
Total	**2,278**	**2,297**

As at 31 December 2020 and 31 December 2019 accrued liabilities towards key management personnel amounted GEL 318 thousand and GEL 105 thousand.

8. Revenue from Contracts with Customers and Income

In thousands of Georgian Lari	**2020**	**2019**
Tuition	24,806	10,822
Summer/winter camp	80	34
Other revenues*	275	294
Revenue from contracts with customers	**25,161**	**11,150**
State fund for summer/winter camp	**-**	89
Income from state vouchers	633	231
Total revenue from contracts with customers and income	**25,794**	**11,470**

(*) Other revenue mainly consists of revenue from goods sold and revenue from extracurricular clubs, outdoor and indoor activities.

Timing of revenue recognition (for each revenue stream) is as follows:

In thousands of Georgian Lari	**2020**	**2019**
At a point in time	316	320
Over time	25,478	11,150
Total revenue from contracts with customers	**25,794**	**11,470**

The following table shows the amounts of revenue recognized in the current reporting period that were included in the contract liabilities and accounts receivables at the beginning of the reporting year:

Tuition receivables and contract liabilities. The Group has recognised the following revenue-related contract assets and liabilities:

In thousands of Georgian Lari	**31 December 2020**	**31 December 2019**
Trade and other receivables (a)	778	409
Contract liabilities (b)	12,713	13,839

a) Trade and other receivables are recognized when the right to consideration becomes unconditional. For details, please see Note 13.

8. Revenue from Contracts with Customers and Income (Continued)

b) The movement of contract liabilities during 2019 is as follows:

In thousands of Georgian Lari	**2020**	**2019**
At 1 January	**13,295**	**-**
Additions through business combinations	-	13,717
Recognised as revenue during the year	(23,645)	(10,746)
Deferred during the year	22,631	10,324
At 31 December	**12,281**	**13,295**

Tuition fees received from learners are generally paid in advance before the beginning of academic year and are initially recorded as contract liability. Revenue is recognised proportionately over the relevant period of the applicable school term based on academic days. The portion of tuition fee received from learners but not earned is recorded as contract liability and is reflected as a current liability if amounts represent revenue that the Group expects to release to profit or loss within one year or as a non-current liability if the Group expects to release amounts to profit or loss within more than one year.

Contract liabilities to be recognised in revenue as at 31 December 2020 and 31 December 2019 are as follows:

In thousands of Georgian Lari	**31 December 2020**	**31 December 2019**
Within one year	12,220	12,734
After one year but no more than two years	61	514
After two years but no more than three years	-	47

Contract liability from asset acquisition**.** On 23 June 2011 Kakha Davituri and Bakur Sulakauri, directors of Tbilisi Green School LLC, acquired existing land and building of the school from Government of Georgia. Amendment to the school acquisition contract dated 28 September 2012 includes liability of enrolling new 1st graders from socially vulnerable families for 8 forthcoming years and providing free educational services till their graduation. The amount of provision is GEL 432 thousand and GEL 544 thousand as at 31 December 2020 and 2019, respectively. The Company estimates average cost per student for free educational services and recognizes respective provision. The reduction in contract liability from asset acquisition during the year is recognized in revenue (2020: GEL 191 thousand and 2019: GEL 87 thousand). The related finance cost amounted GEL 79 thousand and GEL 39 thousand in financial years of 2020 and 2019 respectively. The current portion of the contract liability from the asset acquisition totalled GEL 93 thousand and GEL111 thousand as at 31 December 2020 and 2019, non-current portion equalled to GEL 339 thousand and GEL 433 thousand.

9. Employee Benefits Expense

During the year ended 31 December 2020 and 31 December 2019 salaries and employee benefits were as follows:

In thousands of Georgian Lari	**2020**	**2019**
Salaries	(12,286)	(5,308)
Other employee benefits	(1,455)	(460)
Total employee benefits expense	**(13,741)**	**(5,768)**

10. Other Losses

In thousands of Georgian Lari	2020	2019
Communication	(55)	(31)
Personnel training and recruitment	(51)	(7)
Insurance	(48)	(57)
Security	(29)	(11)
Cleaning	(27)	(20)
Extracurricular activities	(19)	(26)
Cost of goods sold	(19)	(23)
Marketing	(18)	(24)
Travel	(17)	(28)
Banking services	(16)	(15)
Other	(374)	(244)
Other losses recognised in profit or loss	**(673)**	**(486)**

11. Property, Plant and Equipment

In thousands of Georgian Lari	**Land & buildings**	**CIP**	**Furniture & fixtures**	**Motor vehicles**	**Compute & office equipment**	**Library books**	**Right of use asset**	**Other assets**	**Total**
Cost									
As at 1 January 2019	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Additions through business combinations (Note 3)	29,615	205	3,848	3,920	1,412	642	720	630	40,992
Additions	17,569	2,051	563	15	226	24	–	26	20,474
Transfers	1,244	(1,244)	–	–	–	–		–	–
Disposals	–	–	–	(30)	–	–	–	–	(30)
As at 31 December 2019	**48,428**	**1,012**	**4,411**	**3,905**	**1,638**	**666**	**720**	**656**	**61,436**
Additions	331	4,318	222	25	186	52	–	47	5,181
Transfers	13	(13)	–	–	–	–	–	–	–
Disposals	–	–	–	(33)	–	–		(5)	(38)
Write-offs	–	–	–	–	–	–	–	(70)	(70)
As at 31 December 2020	**48,772**	**5,317**	**4,633**	**3,897**	**1,824**	**718**	**720**	**628**	**66,509**
Accumulated depreciation									
As at 1 January 2019	–	–	–	–	–	–	–	–	–
Charge through business combinations	1,171	–	1,836	1,815	533	562	20	353	6,290
Charge for the year	186	–	262	239	107	26	7	45	872
Eliminated on disposals	–	–	–	(27)	–	–	–	–	(27)
As at 31 December 2019	**1,357**	**–**	**2,098**	**2,027**	**640**	**588**	**27**	**398**	**7,135**
Charge for the year	489	–	565	507	270	48	14	100	1,993
Disposals	–	–	–	(29)	–	–	–	(71)	(100)
As at 31 December 2020	**1,846**	**–**	**2,663**	**2,505**	**910**	**636**	**41**	**427**	**9,028**
Net carrying amount									
As at 1 January 2019	–	–	–	–	–	–	–	–	–
As at 31 December 2019	47,071	1,012	2,313	1,878	998	78	693	258	54,301
As at 31 December 2020	**46,926**	**5,317**	**1,970**	**1,392**	**914**	**82**	**679**	**201**	**57,481**

11. Property, Plant and Equipment (Continued)

As at 31 December 2020 and 31 December 2019 there were fully depreciated assets in the amount of GEL 2,582 thousand and GEL 1,455 thousand, respectively included in property, plant and equipment.

The Group pledged all of its property, plant and equipment as collateral of its borrowings from a Georgian commercial bank (see Note 17). The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity without the bank's permission.

12. Prepayments for Property, Plant and Equipment

Movements in prepayments for property, plant and equipment were as follows:

In thousands of Georgian Lari	**Prepayments for property, plant and equipment**
Carrying value at 1 January 2019	-
Additions through business combinations	732
Additions	236
Prepayments derecognised on receipt of related goods or services	230
Total prepayments at 31 December 2019	**738**
Additions	2,052
Prepayments derecognised on receipt of related goods or services	1,489
Total prepayments at 31 December 2020	**1,301**

13. Goodwill

Movements in goodwill arising on the acquisition of subsidiaries are:

In thousands of Georgian Lari	**2020**	**2019**
Carrying amount at 1 January	**42,900**	**-**
Addition through business combination	-	42,900
Other	-	-
Carrying amount at 31 December	**42,900**	**42,900**

In thousands of Georgian Lari	**31 December 2020**	**31 December 2019**
Gross book value	42,900	42,900
Accumulated impairment losses	-	-
Carrying amount	**42,900**	**42,900**

13. Goodwill (Continued)

The recoverable amount of each CGU was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a eight-year period. The Group applied the income approach using discounted cash flow method. Assumptions used for value-in-use calculations to which the recoverable amount is most sensitive were terminal growth rate beyond eight years 3% p.a. (in 2019 3%) and WACC after income tax 12.5% p.a. (in 2019 14.6%)

The Group forecasts sales volumes based on actual number of students and available capacity of the schools, considering the last three years average number of intakes. Sales prices are based on contract terms with students. Forecasted average prices derive from actual fees plus fees for new students.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

14. Trade and Other Receivables

As at 31 December 2020 and 31 December 2019 accounts receivable balances were as follows:

In thousands of Georgian Lari	**31 December 2020**	**31 December 2019**
Tuition receivables	1,101	573
Other receivables (*)	65	217
Total financial assets within trade and other receivables	**1,166**	**790**
Allowance for expected credit losses	(565)	(258)
Total trade and other receivables	**601**	**532**

(*) Major part of other receivables as of 31 December 2020 and 2019 is receivable due from employees, which were collected subsequently, during first half of 2021 and 2020.

Movement in the allowance for expected credit losses (estimated on a life-time basis under simplified approach) for the years 2020 and 2019 was as follows:

In thousands of Georgian Lari	**2020**	**2019**
Allowance for expected credit losses at 1 January	**258**	**–**
Additions through business combinations	–	(159)
Allowance charge for expected credit losses	(307)	(99)
Allowance for expected credit losses at 31 December	**(565)**	**(258)**

The Group applies the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade and other receivables. Individual assessment approach is utilized for ECL measurement. For details on application of simplified approach refer to Note 23.

14. Trade and Other Receivables (Continued)

The aging analysis of tuition trade and other receivables is as follows:

31 December 2020	Not past due	30-90 days	90-180 days	180-360 days	Total
Gross carrying amount	166	316	281	403	**1,166**
Expected loss rate	11%	20%	100%	50%	
Expected credit loss	18	63	281	203	**565**
31 December 2019	**Not past due**	**30-90 days**	**90-180 days**	**180-360 days**	**Total**
Gross carrying amount	291	228	271	–	**790**
Expected loss rate	4%	27%	68%	0%	
Expected credit loss	12	62	184	–	**258**
1 January 2019	**Not past due**	**30-90 days**	**90-180 days**	**180-360 days**	**Total**
Gross carrying amount	–	–	–	–	**–**
Expected loss rate	–	–	–	–	**–**
Expected credit loss	–	–	–	–	**–**

Trade and other receivables are non-interest bearing.

15. Cash and Cash Equivalents

As at 31 December 2020 and 31 December 2019 cash and cash equivalents balances were as follows:

In thousands of Georgian Lari	31 December 2020	31 December 2019
Cash on hand in local currency	5	108
Cash on hand in foreign currency	9	8
Bank balances payable on demand in local currency	1,835	2,278
Bank balances payable on demand in foreign currency	4,458	121
Term deposits with credit institutions	92	2,618
Total cash and cash equivalents	**6,399**	**5,133**

Current accounts earn interest at annual 8%-8.5% in GEL and 1.5% in USD in 2020 and 2019. Interest income on funds placed in banks totaled GEL 191 thousand and GEL 97 thousand during 2020 and 2019 respectively. The Group’s cash at banks was kept with bank having external rating of BB- (Fitch) as at 31 December 2020 and 31 December 2019.

16. Charter Capital and Non-controlling Interest

As at 31 December 2020 and 31 December 2019 charter capital of the Company equaled 56,882 thousand and 56,785 thousand respectively.

During 2020 cash contribution to charter capital equaled GEL 97 thousand while during 2019 owners of the Group contributed GEL 56,785 thousand to Group’s charter capital, of which GEL 314 thousand was contributed in cash, GEL 14,155 thousand in the form of land plots and GEL 42,316 thousand in the form of company acquisitions (Note 3).

During 2020 and 2019 the Group did not distribute any dividends.

16. Charter Capital and Non-controlling Interest (Continued)

The following table provides information about each subsidiary that has non-controlling interest that is material to the Group:

In thousands of Georgian Lari	Place of business (and country of incorpo-ration if different)	Proportion of non-contro-lling interest	Proportion of non-control-ling interest's voting rights held	Profit or loss attribu-table to non-control-ling interest	Contributions by non-control-ling interest in the subsi-diary	Dividends paid to non-control-ling interest during the year	Accumulated non-control-ling interest in the subsi-diary
Year ended 31 December 2020							
BGA & BIST	Georgia	30%	30%	2,012	1,580	-	3,592
Year ended 31 December 2019							
BGA & BIST	Georgia	30%	30%	1,307	(37)	-	1,270

	At 31 December				Year ended 31 December			
In thousands of Georgian Lari	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss)	Total comprehensive income	Cash flows
2020								
BGA & BIST	5,082	27,767	17,021	9,958	17,348	4,229	4,229	901
2019								
BGA & BIST	4,248	23,976	15,317	11,264	7,361	1,576	1,576	(527)

17. Borrowings

As at 31 December 2020 and 31 December 2019 borrowing balances were as follows:

In thousands of Georgian Lari	31 December 2020	31 December 2019
Current	3,871	2,819
Non-current	21,076	16,990
Total	**24,947**	**19,809**

As at 31 December 2020 and 31 December 2019 borrowings include four and three loans from a Georgian bank denominated in USD with weighted average effective interest rate of 8.0% and 8,4%, respectively. The loans are secured by all existing property and equipment of the Group (see Note 10).

18. Trade and Other Payables

In thousands of Georgian Lari	**31 December 2020**	**31 December 2019**
Liabilities for purchased property, plant and equipment	1,804	3,646
Accrued liabilities and other creditors	514	598
Total trade and other payables	**2,318**	**4,244**

19. Reconciliation of Liabilities Arising from Financing Activities

In thousands of Georgian Lari	**Lease liability**	**Borrowings**	**Total**
At 1 January 2019	**–**	**–**	**–**
Additions through business combinations	782	20,839	**21,621**
Finance cost accrued	45	459	**504**
Interest paid	(45)	(382)	**(427)**
Net-off interest	–	(67)	**(67)**
Capitalization of interest (b)	–	81	**81**
Repayment of capitalized interest (b)	–	(73)	**(73)**
Repayment of borrowings	(121)	(918)	**(1,039)**
Net-off principal		(151)	**(151)**
Proceeds from borrowings	–	295	**295**
Foreign exchange loss	59	(274)	**(215)**
At 31 December 2019	**720**	**19,809**	**20,529**
Finance cost accrued	108	1,297	**1,405**
Interest paid	(70)	(1,285)	**(1,355)**
Capitalization of interest (b)	–	83	**83**
Repayment of capitalized interest (b)	–	(83)	**(83)**
Repayment of borrowings	–	(1,521)	**(1,521)**
Net-off of principal		(116)	**(116)**
Proceeds from borrowings	–	2,753	**2, 753**
Foreign exchange loss	–	4,089	**4,089**
Gain due to the modification of the loan	–	(66)	**(66)**
At 31 December 2020	**758**	**24,960**	**25,718**

(a) The Group had lease contract for school buses for 3 years from November 2016 to November 2019. The Group also has a lease contract for supplementary buildings and outdoor spaces used in its operations with lease term of 50 years.

(b) During 2020 interest expense in the amount of GEL 81 thousand (GEL 26 thousand in 2019) were capitalized as a part of property and equipment under construction. Capitalization rates were 7.4% and 7.9% for the years ended 31 December 2020 and 31 December 2019, respectively.

20. Accruals and Other Liabilities

As at 31 December 2020 and 31 December 2019 accruals and other liabilities include learners' security deposits, tax liabilities and accruals for employee benefits.

In thousands of Georgian Lari	31 December 2020	31 December 2019
Liability related to put option of NCI's (a)	7,271	4,358
Learners' deposits (b)	1,707	1,445
Accruals for employee benefits	1,051	810
Tax liabilities	1,839	2,461
Liability for contingent consideration incurred at acquisition of Tbilisi Green School LLC	736	656
Total accruals and other liabilities	**12,604**	**9,730**

(a) At 31 December 2020 the Group has recognized liability related to put option of non-controlling interests of Tbilisi Green School LLC and Green School LLC giving them the right to sell shares to the Group. The strike price is calculated using predetermined EBITDA multiple and net debt. The options can be exercised from 1 January 2025 till 1 July 2025. The discounted value of cash outflows recognised as a liability equal GEL 2,261 thousand (2019: GEL 2,003 thousand).

At 31 December 2020 the Group has recognized liability related to put option of non-controlling interests of Buckswood International School - Tbilisi LLC giving them the right to sell shares to the Group. The strike price is calculated using on pre-determined EBITDA multiple and net debt. The options can be exercised from 1 July 2024 till 1 November 2024. The discounted value of cash outflows recognised as a liability equal GEL 4,010 thousand (2019: GEL 2,355 thousand).

(b) The security deposit is a one-time payment upon enrolling the learners and will be refunded fully when the learner is leaving the school. In case, the schools have damages related for which learner is responsible, the damage amount is funded through security deposit. For the learners in the graduate classes, the respective deposit amount is included under current liabilities (GEL 13 thousand at 31 December 2020 and GEL 4 thousand at 31 December 2019).

21. Derivative Financial Instruments

Derivative financial instruments include call option representing an option on acquisition of remaining 20% equity interest in Tbilisi Green School LLC from non-controlling interests based on pre-determined EBITDA multiple and net debt of Tbilisi Green School LLC. The Group has applied binomial model for option valuation. The option can be exercised from 1 July 2025 till 31 December 2025. The fair value of the outstanding call option was recognised as an asset of GEL 1,225 thousand (2019: GEL 469 thousand). Refer to Note:

In thousands of Georgian Lari	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
At 31 December 2020						
Purchased call options	-	-	-	1,225	-	**1,225**
Total potential cash outflows						
At 31 December 2019						
Purchased call options	-	-	-	469	-	**469**
Total potential cash outflows						

22. Commitments and Contingences

***Taxation contingencies*.** The taxation system in Georgia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes unclear, contradictory and subject to varying interpretation. In the event of a breach of tax legislation, no liabilities for additional taxes, fines or penalties may be imposed by the tax authorities after three years have passed since the end of the year in which the breach occurred.

These circumstances may create tax risks in Georgia that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Georgian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

Insurance. The insurance industry in Georgia is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its property, or business interruption. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

Litigation related to lease payments. As at 31 December 2019 the Group has litigation related to lease payments. According to Supreme Court of Georgia's decision the Group transferred GEL 400 thousand as a guarantee, which is presented under restricted cash in consolidated financial statements.

The case was closed in 2020 year and GEL 400 thousand was returned to the Group and the Group paid GEL 322 thousand to the plaintiff.

Tax inspection results. In 2016 and 2017 the Revenue Service of Georgia (the "RSG") issued tax audit act for years 2012-2016. Under this act, the RSG accrued taxes and fines of GEL 1,816 thousand for British Georgia Academy, consisting of tax principal of GEL 885 thousand and tax fine of GEL 930 thousand. The Group appealed the RSG's decision on the tax dispute board of the RSG. As of the date of issuing these consolidated financial statements the case is transferred to the court and no decision is reached on the level of the court. The Group has provisioned for litigations in accordance with IFRS.

23. Financial Risk Management

The risk management function within the Group is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise operational and legal risks.

The Group's principal financial liabilities comprise interest-bearing loans and borrowings and accounts payables. The main purpose of these financial liabilities is to finance the Group's operating and investing activities. The Group's principal financial assets include accounts receivables, cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk, interest rate risk and foreign currency risk.

Currency risk. In respect of currency risk, management sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

23. Financial Risk Management (Continued)

The table below summarises the Group's exposure to foreign currency exchange rate risk at the end of the reporting period:

In thousands of Georgian Lari	31 December 2020 USD USD 1 = 3.2766 GEL	31 December 2020 EUR EUR 1 = 4.0233 GEL	31 December 2020 GBP GBP 1 = 4,4811 GEL	31 December 2019 USD USD 1 = 2.8677 GEL	31 December 2019 EUR USD 1 = 3.2095 GEL	31 December 2019 GBP GBP 1 = 3.3955 GEL
Financial assets						
Cash and cash equivalents	4,445	32	–	164	82	6
Trade and other receivables	350	–	341	291	–	131
Total financial assets	**4,795**	**32**	**341**	**455**	**82**	**137**
Financial liabilities						
Borrowings	12,257	12,679	–	9,356	10,365	–
Trade and other payables	434	2	109	3,448	4	–
Learners' deposits	1,707	–	–	1,455	–	–
Total financial liabilities	**14,398**	**12,681**	**109**	**14,259**	**10,369**	–
Total net position	**(9,603)**	**(12,649)**	**232**	**(13,804)**	**(10,287)**	**137**

Analysis provided below calculates the effect of a reasonably possible movement of the currency rate against the Georgian Lari, with all other variables held constant on the statement of profit or loss and comprehensive income. A negative amount in the table reflects a potential net reduction in statement of profit or loss and comprehensive income or equity, while a positive amount reflects a net potential increase.

In thousands of Georgian Lari	Change in currency rate in %	Strengthening	Weakening
31 December 2020			
USD	10.00%	(962)	962
EUR	10.00%	(1,263)	1,263
GBP	10.00%	23	(23)
31 December 2019			
USD	10.00%	(1,380)	1,380
EUR	10.00%	(1,029)	1,029
GBP	10.00%	14	(14)

Interest rate risk. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. However, changes in interest rates do not impact any component of the Group's financial assets or liabilities. All interest-bearing loans and borrowings and cash and cash equivalents have fixed interest rates and therefore the Group is not exposed to the interest rate risk from these financial assets and liabilities.

Credit risk. Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from accounts receivables and cash and cash equivalents at banks.

Accounts receivable. Accounts receivable balances comprise mainly of receivables from tuition revenue. The Group's exposure to credit risk is influenced mainly by individual creditworthiness of each customer.

23. Financial Risk Management (Continued)

The Group manages the credit risk of all those receivables by regular communication with the debtors. In case of significant delays, the Group forms individual payments schedule for tuition fee receivable for the customer.

Cash on current account and short-term deposits. The Group manages the credit risk by depositing the majority of available cash with well-known banks in Georgia. Management of the Group continually monitors the status of the banks where deposits are maintained, also status of major customers and respective receivables are monitored on daily bases.

At 31 December 2020 and 31 December 2019 total credit risk exposure equaled to GEL 6,976 thousand and GEL 5,436 thousand respectively.

Expected credit loss (ECL) measurement. The Group utilizes individual assessment approach for ECL measurement, as trade receivables portfolio is comprised of limited number of customers, with no shared credit risks characteristics.

The expected loss rates are based on sales payment profiles over a period of 24 months before 31 December 2020 or 31 December 2019, respectively, and the corresponding historical credit losses experienced within this period for individual customer. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of customers to settle receivables, such as, future outlook of individual customer, the sector the customers operates in and macroeconomic factors based on the NBG's publication.

***Liquidity risk*.** Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

As at 31 December 2020, the Group's current assets amounted to GEL 7,578 thousand, of which GEL 6,399 thousand represented cash and cash equivalents. Current assets of the Group as at 31 December 2020 exceeded its current liabilities net of deferred revenue (which is not settled in cash). Consequently,

management strongly believes that Group does not face any liquidity issues and there are no significant risks associated with its ability to continue its operations for the foreseeable future.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

In thousands of Georgian Lari	**Weighted average effective interest rate,%**	**On demand**	**Less than 3 months**	**3 months to 1 year**	**1-5 years**	**5+ years**	**Total**	**Carrying amount**
31 December 2020								
Borrowings	7.4%	195	1,059	3,879	17,375	7,522	30,030	24,947
Trade and other payables		42	335	1,941	–	–	2,318	2,328
Lease liabilities		38	–	–	–	720	758	758
Total		**275**	**1,394**	**5,820**	**17,375**	**8,242**	**33,106**	**28,033**
31 December 2019								
Borrowings	7.7%	156	727	2,702	14,392	7,206	25,183	19,809
Trade and other payables		31	850	270	4,546	–	5,697	4,244
Lease liabilities		–	–	–	–	720	720	720
Total		**187**	**1,577**	**2,972**	**18,938**	**7,926**	**31,600**	**24,773**

23. Financial Risk Management (Continued)

Fair value of financial instruments. The estimates of fair value are intended to approximate the amount for which a financial instrument could be exchanged between knowledgeable, willing parties in an arm's length transaction However given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realizable in an immediate sale of the assets or settlement of liabilities.

All of the Group's financial assets (accounts receivable and cash and cash equivalents) and financial liabilities (accounts payable) are short-term and therefore the carrying amounts approximate to their fair value.

The carrying value of borrowings and lease liability approximates fair value. For put and call options please refer to the Notes 20 and 21.

24. Management of Capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for owner and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to owner, return capital to owner, or sell assets to reduce debt. The amount of capital that the Group managed as of 31 December 2020 and 31 December 2019 was GEL 53,554 thousand and GEL 55,493 thousand, respectively.

25. Events After the Reporting Period

Covid-19 developments. Since November 2020 till mid-February 2021 the ministry of education prohibited live learning due to the pandemic of COVID-19. On 15 February 2021 live learning was resumed and currently the Group continues its normal operations. In case restrictions are imposed once again, the Group plans to operate on distance and reduce fees to the learners in proportion with the reduction in operating expenses due to distance learning and roll-over of certain services.

26. Segment Information

For management purposes, the Group is organised into the following operating segments: schools operating in premium, midscale and affordable private education markets and corporate centre. Management Board is the Chief Operating Decision Maker (CODM) and it monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance, as explained below, is measured according to IFRS standards in the same manner as profit or loss in the consolidated financial statements, with the exception of functional currency of premium and mid-scale segments, where profit or loss is measured as if functional currency was USD and GBP respectively.

- Premium: represented by British-Georgian Academy and British International School of Tbilisi
- Midscale: represented by Buckswood International School
- Affordable: represented by Green School
- Corporate Centre: represented by Georgia Education Group LLC, which is not an operating segment

For performance evaluation and decision-making management looks at Revenue and Profit before finance costs and finance income, income tax, depreciation and amortization as if functional currency was the currency in which tuition fee is denominated for a separate segment: USD for the premium segment, GBP for the midscale segment and GEL for the affordable segment. Transactions denominated in USD and GBP are translated into GEL at the official exchange rate determined by NBG at the transaction date. Since tuition fees are received in advance and tuition revenue is recognized over time, foreign exchange rate fluctuations have effect on revenue figure. Transactions between segments are accounted for at actual transaction prices.

26. Segment Information (Continued)

The following tables present income statement information regarding the Group's operating segments:

In thousands of Georgian Lari	**Premium**	**Midscale**	**Affordable**	**Corporate Centre**	**Total**	**Reconciling item ****	**IFRS FS**
2020							
Revenue and income	18,589	4,949	3,777	-	27,315	(1,521)	25,794
Salaries and employee benefits	(9,395)	(2,264)	(2,071)	-	(13,730)	(11)	(13,741)
Transportation expenses	(60)	(119)	-	-	(179)	(1)	(180)
Meals for learners	(194)	(80)	(106)	-	(380)	-	(380)
Subscription to educational portals	(155)	-	-	-	(155)	-	(155)
Education trips	(74)	(42)	-	-	(116)	-	(116)
School uniforms	-	(175)	-	-	(175)	(5)	(180)
Legal and other professional services	(150)	(152)	(61)	(78)	(441)	(1)	(442)
Educational materials	(86)	(119)	-	-	(205)	(4)	(209)
Summer school expenses	-	(40)	-	-	(40)	(1)	(41)
Utilities	(128)	(42)	(50)	-	(220)	(2)	(222)
Operating taxes	(194)	(38)	(29)	(113)	(374)	(15)	(389)
Stationary expenses	(131)	(19)	(24)	-	(174)	-	(174)
Repair and maintenance	(176)	(9)	(41)	-	(226)	(1)	(227)
Allowance for impairment of trade receivables	(152)	(30)	(135)	-	(317)	-	(317)
Other operating expenses	(389)	(166)	(111)	(4)	(670)	(3)	(673)
Profit before finance costs and finance income, income tax, depreciation and amortisation, foreign exchange loss, management contract termination, reversal of interest expense, foreign exchange loss and call option FV remeasurement	**7,305**	**1,654**	**1,149**	**(195)**	**9,913**	**(1,565)**	**8,348**
Reversal of interest expense and foreign exchange loss accrued on trade payable	1,109	-	-	-	1,109	-	1,109
Depreciation and amortisation	(1,419)	(347)	(230)	-	(1,996)	-	(1,996)
Foreign exchange (losses)/gains	1	88	(1,068)	(1)	(980)	-	(980)
Finance costs	(661)	(492)	(318)	(13)	(1,484)	-	(1,482)
Finance income	192	36	30	-	258	-	258
Call option fair value remeasurement	-	-	(1)	756	755	-	755
Profit before income tax expense	**6,527**	**939**	**(438)**	**547**	**7,575**	**(1,565)**	**6,012**
Income tax	-	-	-	-	-	-	-
PROFIT FOR THE YEAR	**6,527**	**939**	**(438)**	**547**	**7,575**	**(1,565)**	**6,012**

26. Segment Information (Continued)

In thousands of Georgian Lari	Premium	Midscale	Affordable	Corporate Centre	Total	Reconciling item**	IFRS FS
2019							
Revenue and income	7,747	2,411	1,769	-	11,927	(457)	11,470
Salaries and employee benefits	(3,869)	(1,002)	(907)	-	(5,778)	10	(5,768)
Transportation expenses	(61)	(155)	-	-	(216)	(2)	(218)
Meals for learners	(214)	(169)	(128)	-	(511)	1	(510)
Subscription to educational portals	(108)	-	-	-	(108)	-	(108)
Education trips	(65)	(142)	-	-	(207)	(1)	(208)
School uniforms	-	(153)	-	-	(153)	(4)	(157)
Legal and other professional services	(44)	(99)	(25)	(191)	(359)	-	(359)
Educational materials	(50)	(117)	-	-	(167)	(2)	(169)
Summer school expenses	-	(45)	-	-	(45)	-	(45)
Utilities	(65)	(18)	(34)	-	(117)	-	(117)
Operating taxes	(75)	(23)	(8)	-	(106)	-	(106)
Stationary expenses	(87)	(49)	(30)	-	(166)	-	(166)
Repair and maintenance	(67)	(24)	(29)	-	(120)	(1)	(121)
Allowance for impairment of trade receivables	(59)	(14)	(38)	-	(111)	-	(111)
Other operating expenses	(304)	(122)	(56)	-	(482)	(4)	(486)
Profit before finance costs and finance income, income tax, depreciation and amortisation, foreign exchange loss, management contract termination, reversal of interest expense, foreign exchange loss	**2,679**	**279**	**514**	**(191)**	**3,281**	**(460)**	**2,821**
Reversal of interest expense and foreign exchange loss accrued on trade payable	-	-	-	-	-	-	-
Depreciation and amortisation	(651)	(150)	(72)	-	(873)	-	(873)
Foreign exchange (losses)/gains	(61)	48	15	-	2	-	2
Finance costs	(399)	(151)	(111)	-	(661)	-	(661)
Finance income	23	11	2	-	36	-	36
Call option fair value remeasurement	-	12	(19)	-	(7)	-	(7)
Profit before income tax expense	**1,591**	**49**	**329**	**(191)**	**1,778**	**(460)**	**1,318**
Income tax	-	-	-	-	-	-	-
PROFIT FOR THE YEAR	**1,591**	**49**	**329**	**(191)**	**1,778**	**(460)**	**1,318**

** Difference between financial information having functional currency in GEL and in USD and GBP.

26. Segment Information (Continued)

The following tables present balance sheet information regarding the Group's operating segments:

In thousands of Georgian Lari	**Premium**	**Midscale**	**Affordable**	**Corporate Centre**	**Total**	**Reconciling item ****	**IFRS FS**
31 December 2020							
Total non-current assets	59,287	17,194	11,102	15,380	102,963	-	102,963
Total current assets	5,083	1,239	1,238	(37)	7,523	-	7,523
Total assets	**64,370**	**18,433**	**12,340**	**15,343**	**110,486**	**-**	**110,486**
Total non-current liabilities	9,958	8,719	5,166	8,007	31,850	-	31,850
Total current liabilities	17,021	3,106	1,374	(11)	21,490	-	21,490
Total liabilities	**26,979**	**11,825**	**6,540**	**7,996**	**53,340**	**-**	**53,340**
31 December 2019							
Total non-current assets	55,496	17,142	11,200	14,624	98,462	-	98,462
Total current assets	4,247	1,669	773	6	6,695	-	6,695
Total assets	**59,743**	**18,811**	**11,973**	**14,630**	**105,157**	**-**	**105,157**
Total non-current liabilities	11,264	7,596	4,379	5,014	28,253	-	28,253
Total current liabilities	15,317	3,418	1,406	-	20,141	-	20,141
Total liabilities	**26,581**	**11,014**	**5,785**	**5,014**	**48,394**	**-**	**48,394**

საქართველოს განათლების ჯგუფის

2020 წლის მმართველობის ანგარიშგება

1. კომპანიის ძირითადი საქმიანობა და განვითარების გეგმები

სს საქართველოს განათლების ჯგუფი

სს საქართველოს განათლების ჯგუფი (შემდგომში, „ჯგუფი“) საქართველოს კანონმდებლობის ქვეშ დაარსდა 2019 წლის 7 ივლისს. ჯგუფის პირდაპირი მფლობელი არის საინვესტიციო კომპანია სს საქართველოს კაპიტალი, რომელმაც 2019 წლიდან გადაწყვიტა განათლების სექტორში შესვლა.

განათლების სეგმენტში ჯგუფს აქვს დივერსიფიცირებული პორტფელი, რომელიც აერთიანებს სკოლებსა და სკოლამდელი აღზრდის დაწესებულებებს სამი სხვადასხვა სეგმენტიდან: პრემიუმი, საშუალო და ხელმისაწვდომი.

- პრემიუმ სეგმენტი წარმოდგენილია შპს ბრიტანულ-ქართული აკადემიის სახით, რომლის 70%-ის შეძენა 2019 წლის 23 ივლისს მოხდა;
- საშუალო სეგმენტს წარმოადგენს შპს ბაქსვუდის საერთაშორისო სკოლა - თბილისი, რომლის 80%-ის შესყიდვა მოხდა 2019 წლის 29 ივლისს.
- ხელმისაწვდომი სეგმენტი კი შპს თბილისის მწვანე სკოლის სახით არის წარმოდგენილი, რომლის შესწყიდვაც 2019 წლის 22 აგვისტოს მოხდა.

შესაბამისად, 31 დეკემბრით დასრულებული 2019 და 2020 წლებისთვის, პარტნიორული შეთანხმებების სახით ჯგუფის შემადგენლობაში იყო სამი სკოლა. პარტნიორული შეთანხმებების საფუძველზე, სკოლების ყოფილი მფლობელები გახდნენ უმცირესობის წილის აქციონრები, რომლებიც მართავენ სკოლების ყოველდღიურ ოპერაციებს და კომპანიების განვითარებაზე არიან პასუხისმგებელნი.

ამჟამად სამივე სკოლას ჯამურად შეუძლია დაიტიოს 2,810 მოსწავლე (6% საბაზრო წილი თბილისის კერძო სკოლებში), ჯგუფის მიზანი კი არის 2025 წლისთვის ტევადობის 6,000 მოსწავლემდე გაზრდა არსებულ სკოლებში, ხოლო ახალი შესყიდვების საშუალებით 15,000 მოსწავლემდე.

ქვემოთ მოცემულია დეტალური ინფორმაცია თითეული სკოლის საქმიანობასა და განვითარების გეგმებზე ინდივიდუალურად.

შპს ბრიტანულ ქართული აკადემია

შპს ბრიტანულ ქართული აკადემია წარმოაგენს საქართველოს კანონმდებლობით დაფუძნებულ შეზღუდული პასუხისმგებლობის საზოგადოებას (შემდგომში „ბრიტანულ- ქართული აკადემია“). კოპანია დაარსდა 2006 წელს და მისი სარეგისტრაციო ნომერია 204497829. კომპანიის ფაქტიური და იურიდიული მისამართია საქართველო, თბილისი, საბურთალოს რაიონი, ლეო კვაჭაძის ქ., №17. 2019 წელს ბრიტანულ ქართული აკადემიის ერთპიროვნულ მფლობელებს წარმოადგენდნენ ნათია ჯანაშია და სააქციო საზოგადოება საქართველოს კაპიტალი.

კომპანიის ძირითად საქმიანობას წარმოადგენს საგანმანათლებლო საქმიანობა, რომელიც საშუალო სკოლის განათლებას მოიცავს. მას გააჩნია შესაბამისი საგანმანათლებლო ლიცენზია, რომელიც გასცა ზოგადსაგანმანათელო დაწესებულებების ავტორიზაციის საბჭომ 2017 წელს 6 წლის ვადით დაწყებითი, საბაზო და საშუალო საფეხურების საგანმანათლებლო პროგრამების

1. კომპანიის ძირითადი საქმიანობა და განვითარების გეგმები (გაგრძელება)

განხორციელების მიზნით, სკოლის მისიაა მოსწავლეებს მისცეს საუკეთესო ხარისხის განათლება, რომელიც მათ 21-ე საუკუნის გამოწვევებისთვის მოამზადებს. ბრიტანულ-ქართული აკადემია ხელმძღვანელობს საქართველოს სახელმწიფოს მიერ დადგენილი ეროვნული სასწავლო გეგმით, ამავდროულად ავტონომიურად განსაზღვრავს სასწავლო გეგმებსა და სწავლების მეთოდოლოგიას.

2015 წელს სკოლამ განახორციელა მნიშვნელოვანი ცვლილება თავის საქმიანობაში და გახსნა სასწავლო კამპუსი ლისის ტბის მიდამოებში. ამგვარი ცვლილების შედეგად სკოლამ შეიძინა 15,000 კვ/მ-ზე განთავსებული თანამედროვე კამპუსი. აკადემიის შენობის პროექტირებისას, გათვალისწინებულ იქნა არქიტექტურული გეგმარების მოდერნული ელემენტები, რაც სწავლისა და სწავლების პროცესის ინოვაციური მეთოდოლოგიით წარმართვის შესაძლებლობას იძლევა.

ამ რეორგანიზაციის შედეგად სკოლამ მიიღო თანამედროვე სტანდარტებით აღჭურვილი, ფართო საკლასო ოთახები, სამეცნიერო ლაბორატორიები, ტექნოლოგიური მეცნიერებისა და ხელოვნების ოთახები, მრავალფუნქციური სივრცეები, რომლებიც სპეციალურად დაპროექტდა როგორც ინდივიდუალური, ისე ჯგუფური სამუშაოებისთვის. სასწავლო სივრცეების გარდა მოეწყო სპორტული და რეკრეაციული სივრცეები, რომელშიც ერთიანდება საცურაო აუზი, სპორტული დარბაზი, მრავალფუნქციური კალათბურთის, ჩოგბურთის, ხელბურთის, ყველა სეზონზე მორგებული ხელოვნურსაფარიანი ფეხბურთისა და რაგბის ღია მოედნები. თანამედროვე ტექნიკით აღჭურვილი ინფორმაციული ტექნოლოგიებისა და კომუნიკაციის ინფრასტრუქტურა, რომელსაც განეკუთვნება პორტაბელური და სტაციონარული კომპიუტერები, პლანშეტები, ინტერაქტიური ეკრანის მქონე დაფები და პროექტორები, უზრუნველყოფს მოსწავლეების მრავალფეროვან გამოცდილებას ტექნოლოგიური მეცნიერებების განხრით სკოლის ძირითადი სტრატეგიაა საუკეთესო ხარისხის განათლების შეთავაზება ქართული სექტორისათვის. ამ მიზნით სკოლამ გადაახალისა თავისი აკადემიური პერსონალი, როგორც ადგილობრივი კადრებით, ასევე მოწვეული სპეციალისტებით. აკადემიის ყველა თანამშრომელი გამოირჩევა მაღალი ეთიკური სტანდარტით. მუდმივად ხდება სწავლების პროცესის მონიტორინგი და გაუმჯობესება. სკოლის სამომავლო მიზანია ამ განათლების კიდევ უფრო დახვეწა და საქმიანობის გაფართოება.

სკოლას ჰყავს შვილობილი კომპანია - შპს თბილისის ბრიტანული საერთაშორისო სკოლა, რომელიც დაარსდა 2019 წლის სექტემბერში. 2019 წელს კომპანიების 70%-იანი წილი შეისყიდა სს „საქართველოს კაპიტალმა“.

შპს ბაქსვუდის საერთაშორისო სკოლა - თბილისი

ბაქსვუდის საერთაშორისო სკოლა საქართველოს კანონმდებლობით დაფუძნებული შეზღუდული პასუხისმგებლობის საზოგადოებაა (შემდგომში „ბაქსვუდი“). კომპანია დაარსდა 2005 წელს და მისი სარეგისტრაციო ნომერია 205089526. კომპანიის ფაქტიური მისამართია რუსთაველის ქუჩა #156, წყნეთი, თბილისი, საქართველო.

კომპანიის ძირითად საქმიანობას წარმოადგენს საგანმანათლებლო საქმიანობა, რომელიც მოიცავს დაწყებით, საბაზო, საშუალო და სკოლამდელ განათლების საფეხურებს. მას გააჩნია შესაბამისი საგანმანათლებლო ლიცენზია, რომელიც გასცა ზოგადსაგანმანათლებლო დაწესებულებების

1. კომპანიის ძირითადი საქმიანობა და განვითარების გეგმები (გაგრძელება)

ავტორიზაციის საბჭომ. სკოლა ფუნქციონირებს წყნეთში განთავსებულ კამპუსში. სასკოლო საგანმანათლებლო საქმიანობასთან ერთად, ბაქსვუდის საერთაშორისო სკოლა - თბილისი უკვე მრავალი წლის განმავლობაში არის სხვადასხვა ეროვნულ სასწავლო ოლიმპიადაში გამარჯვებული მოსწავლეებისთვის საზაფხულო სკოლის ბაზა. ოლიმპიადაში გამარჯვებული მოსწავლეებისთვის საზაფხულო სკოლა იმართება საქართველოს განათლების, მეცნიერების, კულტურისა და სპორტის სამინისტროს ინიციატივით. ამასთანავე, სკოლა აორგანიზებს კერძო საზაფხულო ბანაკებსაც.

სკოლა 2000 წელს შეიქმნა გაეროს ასოციაციის საერთაშორისო სკოლის სახელით თბილისში. 2007 წლიდან სკოლა ზემო წყნეთში გადავიდა, სადაც უკვე 2009 წელს ბაქსვუდის სახელი მიიღო. პირველად საქართველოში შეიქმნა ტრადიციულ ბრიტანულ საგანმანათლებლო მოდელზე აგებული სასწავლო სივრცე. სკოლის დამფუძნებლებს აქვთ გრძელვადიანი პროფესიონალური ხედვა სკოლის ეტაპობრივი განვითარების შესახებ. ეს ხედვა ემყარება უმაღლესი სტანდარტის ბრიტანულ და ქართულ სააღმზრდელო პრინციპებს. ყოველი აკადემიური, ინფრასტრუქტურული თუ შიდა კულტურული ინოვაცია ემსახურება მხოლოდ და მხოლოდ ჩვენი მომავალი თაობების აღზრდას საზოგადოების სრულფასოვან და ღირსეულ წევრებად, შრომისმოყვარე, მიზანდასახულ, პასუხისმგებლიან, სამართლიან და წარმატებულ მოქალაქეებად.

სკოლა გეგმავს წყნეთის ბაზაზე გაფართოებას და არსებული 760 მოსწავლიდან 1,000 მოსწავლისთვის განკუთვნილი სივრცის შექმნას.

2020 და 2019 წლის 31 დეკემბრის მდგომარეობით სკოლას ჰყავს შვილობილი კომპანია შპს „სახლი წყნეთში". 2019 წელს შეიცვალა სკოლის აქციონერები: სკოლის 80%-იანი წილი შეისყიდა სააქციო საზოგადოება სს საქართველოს კაპიტალმა.

კომპანიას არ გააჩნია ფილიალები, არ ყოფილა ჩართული კვლევებისა და განვითარების საქმიანობაში საანგარიშგებო პერიოდის განმავლობაში.

შპს თბილისის მწვანე სკოლა

შპს „თბილისის მწვანე სკოლა" , საიდენტიფიკაციო კოდი: 401959528 (შემდგომში „მწვანე სკოლა"), არის 2011 წლის 30 ივნისს საქართველოში დაფუძნებული შეზღუდული პასუხისმგებლობის კომპანია. კომპანიის სათაო ოფისი მდებარეობს მისამართზე: საქართველო, თბილისი, ევგენი მიქელაძის ქუჩა 3ა.

2011 წელს კომპანიის დირექტორებმა და თანამფლობელებმა, კახა დავითურმა და ბაკურ სულაკაურმა, სახელმწიფოსგან შეიძინეს 134-ე საჯარო სკოლის შენობა და შესაბამისი მიწა. ნასყიდობის ხელშეკრულების მიხედვით სახელმწიფოსგან აქტივების შეძენის ფარგლებში კომპანიას დაეკისრა 2012 წლიდან მომდევნო 8 წლის განმავლობაში სოციალურად დაუცველი ოჯახებიდან პირველკლასელების მიღებისა და მათთვის სკოლის დამთავრებამდე უფასო საგანმანათლებლო მომსახურებების გაწევის ვალდებულება.

1. კომპანიის ძირითადი საქმიანობა და განვითარების გეგმები (გაგრძელება)

კომპანიის ძირითად საქმიანობას წარმოადგენს საგანმანათლებლო საქმიანობა, რომელიც მოიცავს დაწყებით, საბაზო, საშუალო და სკოლამდელ განათლების საფეხურებს. მას გააჩნია შესაბამისი საგანმანათლებლო ლიცენზია, რომელიც გასცა ზოგადსაგანმანათლებლო დაწესებულებების ავტორიზაციის საბჭომ.

სკოლა, მიუხედავად ცენტრალური ლოკაციისა, პოზიციონირდება გამორჩეული ეკოლოგიური ინფრასტრუქტურით. მწვანე სკოლა განთავსებულია 15000 მ2 ბუნებრივად გამწვანებულ ტერიტორიზე, რაც ხელს უწყობს ბავშვებმა განათლება და სხვა საგანმანათლებლო სერვისები მიიღონ სუფთა, ჯანსაღ სასკოლო გარემოში. სკოლის ეზოში განთავსებულია სკვერები, ღია სასწავლო და სათამაშო სივრცეები – ფანჩატურები.

„მწვანე სკოლის" მისიაა შევქმნათ პოზიტიური აკადემიური, სოციალური და ემოციური გარემო, სადაც მოსწავლეები საკუთარი შესაძლებლობების გამოვლენას შეძლებენ. ჩვენ გვწამს, რომ ინდივიდუალური მიდგომისა და სწორად შერჩეული სასწავლო მასალის დახმარებით, ყველა მოსწავლეს შეუძლია სასწავლო პროგრამების დაძლევა. ჩვენ ვცდილობთ, დავეხმაროთ მოსწავლეებს მცოდნე, სწავლის მოყვარულ, მოქალაქეებად ჩამოყალიბდნენ, რომელებიც სხვადასხვა გამოწვევასა თუ ეთიკურ დილემას წარმატებით გაუმკლავდებიან. ჩვენი ხედვაა, გავაძლიეროთ მოსწავლეები შეიძინონ ცოდნა და უნარები, რაც ხელს შეუწყობთ ინტელექტუალური, ემოციური და ფიზიკური განვითარება მთელი ცხოვრების მანძილზე გააგრძელონ. ასევე, მოსწავლეებს მივცეთ აკადემიური ცოდნა, რომელიც დაეხმარებათ ჩაირიცხონ სასურველ უნივერსიტეტებში და მიაღწიონ წარმატებას.

2019 წელს მოხდა სკოლის აქციონერების ცვლილება: კომპანიის 80%-იანი წილი შეისყიდა სააქციო საზოგადოება სს საქართველოს კაპიტალმა. კომპანიას არ გააჩნია ფილიალები, არ ყოფილა ჩართული კვლევებისა და განვითარების საქმიანობაში საანგარიშგებო პერიოდის განმავლობაში.

2019-2020 სასწავლო წლის დასაწყისში მწვანე სკოლასა და საინვესტიციო კომპანია - „საქართველოს კაპიტალთან" გაფორმდა პარტნიორული შეთანხმება, რომლის მიხედვითაც დაიგეგმა მზარდი ინფრასტრუქტურული ცვლილებები და ხარისხიან განათლებაზე ორიენტირებული დინამიური პროექტები. სკოლის შენობა ამ ეტაპზე იტევს 1250 მოსწავლეს, მაგრამ 21-22 სასწავლო წლისთვის იგეგმება გაფართოება, რათა ახალი შენობის საშუალებით სკოლამ 1700 მოსწავლე დაიტიოს.

2. განათლების ბაზრის შესახებ

ზოგადი განათლების სექტორის შემოსავლები 343 მლნ ლარიდან 939 მლნ ლარამდე გაიზარდა 2009-19 წლებში, გალტ ენდ თაგარტის შეფასებით. აქედან, საჯარო სკოლებმა 2019 წელს მთლიანი შემოსავლის 75.7% მიიღო. აღსანიშნავია, რომ კერძო სექტორის წილი მზარდია (+8.6 პროცენტული პუნქტი 2009-19 პერიოდში) და 24.3%-ს აღწევს. საჯარო სკოლები სრულად ფინანსდება სახელმწიფოს მიერ, ხოლო კერძო სკოლების შემოსავლები გენერირდება როგორც შინამეურნეობების ჯიბიდან გადახდებით ისე, მთავრობის დაფინანსებით (ყოველწლიურად 300 ლარი ერთ მოსწავლეზე, 8.1% წილი მთლიან შემოსავლებში).

2. განათლების ბაზრის შესახებ (გაგრძელება)

ამჟამად, ზოგადსაგანმანათლებლო სფეროში 2,313 სკოლა საქმიანობს, აქედან 2,086 საჯარო და 227 კერძო დაწესებულება. აღსანიშნავია, რომ 149 სკოლა გამოაკლდა სკოლების საერთო რაოდენობას 2009-

19 წლებში. აღნიშნული გამოიწვია საჯარო სკოლების ოპტიმიზაციამ (ძირითადად სოფლად) და კერძო სკოლებისთვის ავტორიზაციის მოთხოვნის შემოღებამ, რაც ზოგიერთი კერძო სკოლის დახურვის მიზეზი გახდა. საქართველოში საჯარო სექტორი კვლავ რჩება ზოგადი განათლების მთავარ მიმწოდებლად, თუმცა კერძო სკოლებში მოსწავლეების რაოდენობა ყოველწლიურად იზრდება (2.8% CAGR 62.8 ათასამდე 2009-19 წლებში). კერძო სკოლების პოპულარობის მთავარი მიზეზი მომხმარებლის აღქმით მათ მიერ შეთავაზებული განათლების უფრო მაღალი ხარისხია. საქართველოში მოსწავლეების 10.6% სწავლობს კერძო სკოლებში 2019/20 სასწავლო წლის მდგომარეობით, როცა იგივე მაჩვენებელი 2009/10 წელს იყო 7.6%. ზოგად განათლების სექტორში კერძო სექტორის წილით საქართველო მნიშვნელოვნად უსწრებს შესადარის ქვეყნებს რეგიონში (2.5%).

3. საქმიანობის ძირითადი ფინანსური და არაფინანსური მაჩვენებლები

შპს ბრიტანულ ქართული აკადემია

2020 წლის 31 დეკემბრის მდგომარეობით კომპანია ემსახურებოდა 741 რაოდენობის მოსწავლეს, რომელთა 95% სწავლობდა სკოლის პროგრამას, ხოლო დანარჩენი კი სკოლამდელსაგანმანათლებლო პროგრამაში იყო ჩართული). ბრიტანულ-ქართული აკადემიის მოსწავლეთა რაოდენობა შეადგენდა 429-ს, ხოლო თბილისის ბრიტანულ საერთაშორისო სკოლაში 312 მოსწავლე ირიცხებოდა. (2019 წლის 31 დეკემბრის მდგომარეობით კომპანია ემსახურებოდა 762 რაოდენობის მოსწავლეს, რომელთა 94% სწავლობდა სკოლის პროგრამას, ხოლო დანარჩენი კი სკოლამდელ საგანმანათლებლო პროგრამაში იყო ჩართული. ბრიტანულ-ქართულ აკადემიაში სულ 447, ხოლო თბილისის ბრიტანულ საერთაშორისო სკოლაში 315 მოსწავლე ირიცხებოდა).

კაპიტალური დაბანდებებმა რომელიც განახორციელა სკოლამ 2017-2018 წლების განმვლობაში და რომელიც მიმართული იყო სასკოლო აქტივების გასაზდელად, მნიშვნელოვნად შეუწყო ხელი მოსწავლეთა რაოდენობის ზდას და შესაბამისად შემოსავლების გაზრდასაც.

სკოლის შემოსავალი და წმინდა მოგება 2020 წლის 31 დეკემბრისათვის შეადგენდა 17,348 ათას ლარსა და 4,179 ათას ლარს შესაბამისად. (2019 წლის 31 დეკემბრისთვის 15,461 ათას ლარი და 1,632 ათას ლარის მოგებას შესაბამისად).

შპს ბაქსვუდის საერთაშორისო სკოლა - თბილისი

2020 და 2019 წლის 31 დეკემბერის მდგომარეობით სკოლას ჰყავდა 684 და 684 მოსწავლე, რომელთაგან 97% და 94% სწავლობდა სკოლის პროგრამას, ხოლო დანარჩენი კი სკოლამდელ საგანმანათლებლო პროგრამაში იყო ჩართული. გასული პერიოდების განმავლობაში სკოლას ჰქონდა შემდგომი ტიპის მომსახურების დინამიკა:

3. საქმიანობის ძირითადი ფინანსური და არაფინანსური მაჩვენებლები (გაგრძელება)

სასწავლო წელი	2020-2021	2019-2020
მოსწავლეთა რაოდენობა	684	684

შემოსავლებისა და წმინდა მოგების დინამიკა კი გამოიყურებოდა შემდეგნაირად:

თანხები ათას ლარში	2020	2019
შემოსავალი სწავლის ღირებულებიდან	4,360	4,152
შემოსავალი საზაფხულო ბანაკიდან	80	833
წმინდა მოგება	(1,190)	575

შემოსავლების მზარდი დინამიკა უკავშირდება როგორც მოსწავლეების, აგრეთვე სწავლის საშუალო ღირებულების ზრდას წლიდან წლამდე.

შპს თბილისის მწვანე სკოლა

2020 და 2019 წლის 31 დეკემბერის მდგომარეობით სკოლას ჰყავდა 1091 და 1136 მოსწავლე, რომელთაგან 97.8% და 90.5% სწავლობდა სკოლის პროგრამას, ხოლო დანარჩენი კი სკოლამდელ საგანმანათლებლო პროგრამაში იყო ჩართული. 2020 წლის ბოლოს მოსწავლეების რაოდენობის კლება 2019 წელთან შედარებით უმთავრესად უკავშირდება პანდემიით გამოწვეული ვითარებიდან გამომდინარე ბაღის მოსწავლეების შემცირებას 108-იდან 25-მდე. რაც შეეხება მოსწავლეების საშუალო რაოდენობებს აკადემიური წლების მიხედვით, გასული პერიოდების განმავლობაში მოსწავლეების დინამიკა ქვემოთ არის მოცემული:

სასწავლო წელი	2020-2021	2019-2020
მოსწავლეთა რაოდენობა	1,125	1,108

3. საქმიანობის ძირითადი ფინანსური და არაფინანსური მაჩვენებლები (გაგრძელება)

შემოსავლებისა და წმინდა მოგების დინამიკა კი გამოიყურებოდა შემდეგნაირად:

თანხები ათას ლარში	2020	2019
შემოსავალი სწავლის ღირებულებიდან	3,787	3,858
წმინდა მოგება	(190)	355

შემოსავლების მზარდი დინამიკა უკავშირდება როგორც მოსწავლეების, აგრეთვე სწავლის საშუალო ღირებულების ზრდას წლიდან წლამდე. შემოსავლების ზრდა მინიმუმ 10%-ით მეტი იქნებოდა 2019 და 2020 წლებში, კოვიდ-19-ის პანდემიასთან დაკავშირებული ფასდაკლებები რომ არ ყოფილიყო.

4. სკოლის საქმიანობასთან დაკავშირებული ძირითადი რისკები

სამივე სკოლა საქმიანობს საქართველოში და მათი აქტივები მდებარეობს საქართველოში. კომპანიის საქმიანობის მომგებიანობასა და მის ფინანსურ მდგომარეობაზე გავლენას ახდენს შემდეგი რისკ ფაქტორები:

- რთული გლობალური ეკონომიკური პირობები
- მეზობელ ქვეყნებში შექმნილი ეკონომიკური მდგომარეობა
- ქვეყნის შიდა პოლიტიკური არასტაბილურობა
- რეგიონალური პოლიტიკური არასტაბილურობა
- სკოლის საქმიანობასთან დაკავშირებული ბიზნეს რისკები
- სკოლის საქმიანობასთან დაკავშირებული ძირითადი რისკები

მოთხოვნა კომპანიების მომსახურებაზე, ისევე როგორც კომპანიების ფინანსური მდგომარეობა მნიშვნელოვნად არის დამოკიდებული ქვეყნის ეკონომიკურ მდგომარეობაზე. საქართველოში ეკონომიკური მდგომარეობის გაუარესება უარყოფით გავლენას მოახდენს მოსახლეობაზე, რაც თავის მხრივ, გავლენას იქონიებს მოსახლეობის უნარზე გადაიხადონ მიღებული მომსახურების საფასური.

რეგიონალური პოლიტიკური სტაბილურობა ასევე გავლენას ახდენს კომპანიის ფინანსურ სტაბილურობაზე. მნიშნვნელოვანი პოლიტიკური რყვების შემთხვევაში როგორც ქვეყანაში ასევე ქვეყნის გარეთ, სკოლების ფინანსური სტაბილურობა შესაძლოა საფრთხის წინაშე დადგეს, რადგან ამ პროცესებს პოტენციურად მოყვება ეკონომიური არასტაბილურობა და მოსახლეობის მიგრაცია.

სკოლებს არ გააჩნია მნიშვნელოვანი, საკრედიტო, ლიკვიდურობის ან ფულადი ნაკადების რისკები. სკოლები ახდენენ თავიანთი წლიური მოსაკრებელის უმეტესი ნაწილის წინასწარ მიღებას, რაც უზრუნველყოფს ზემოთხსენებული რისკებისაგან დაზღვევას. ყველაზე არსებითი საქმიანობის რისკი რომელიც ახასიათებს სკოლის ოპერაციებს არის უცხოური ვალიტის გადაფასებასთან

4. სკოლის საქმიანობასთან დაკავშირებული ძირითადი რისკები (გაგრძელება)

დაკავშირებული რისკები. იმდენად რამდენადაც სკოლებს საბანკო ვალდებულებები აქვთ დოლარში / ევროში, უცხოური ვალუტის კურსის მნიშვნელოვანი რყევა შესაძლოა ფინანსურად დამაზარალებელი იყოს სკოლებისათვის. უპირველესი მექანიზმი რომელიც სკოლას აქვს ამ რისკის დასაზღვევად არის სკოლის საფასურის (ბრიტანულ-ქართულ სკოლასა და ბაქსვუდში - სრულად, ხოლო მწვანე სკოლაში - ნაწილობრივ) უცხოურ ვალუტაში დენომინირება, რაც აგენერირებს უცხოურ ვალუტაში დენომირირებულ აქტივებს და ამსუბუქებს უცხოურ ვალუტაში დენომინირებული სესხის გადაფასებიდან წარმოქმნილ ზარალს.

საკრედიტო, საბაზრო და ლიკვიდურობის რისკები (ასევე სხვა ფინანსური რისკები) და ამ რისკების მართვის მექანიზმები ასევე აღწერილია კომპანიის შესაბამისი პერიოდის ფინანსურ ანგარიშგებაში.

სკოლებს არ გააჩნია ბიზნეს რისკები რომელიც დაკავშირებული სამუშაო პროცესთან ან ეკოლოგიური გარემოს დაბუნძურებასთან.

2020 წლის ნოემბრიდან 2021 წლის თებერვლის შუა რიცხვებამდე საქართველოს განათლების სამინისტრომ კოვიდ-19-ის პანდემიის გამო სკოლებში შეზღუდა ფიზიკური სწავლება. პანდემიის დაწყების შემდეგ, სამივე სკოლა სწრაფად ადაპტირდა შეცვლილ გარემოში და წარმატებით გადავიდა დისტანციურ სწავლებაზე. სკოლებმა მოსწავლეებს შესთავაზეს ფასდაკლებები დისტანციურ სწავლებასთან დაკავშირებით, რისი საშუალებაც კომპანიებს შემცირებულმა საოპერაციო ხარჯებმა მისცა. 2021 წლის 15 თებერვალს სკოლებში ფიზიკური სწავლება განახლდა. კოვიდ-პანდემიის პირობებში, სკოლებმა უზრუნველყვეს შესაბამისი უსაფრთხო სამუშაო და სასწავლო გარემოს შექმნა თანამშრომლებისა და მოსწავლეებისათვის. სამივე სკოლამ 2020-2021 სასწავლო წელი კამპუსებში ფიზიკური სწავლებით დაასრულა.

გიორგი კეთილაძე
დირექტორი

27 სექტემბერი 2021 წელი

4. სკოლის საქმიანობასთან დაკავშირებული ძირითადი რისკები (გაგრძელება)

დაკავშირებული რისკები. იმდენად რამდენადაც სკოლებს საბანკო ვალდებულებები აქვთ დოლარში / ევროში, უცხოური ვალუტის კურსის მნიშვნელოვანი რყევა შესაძლოა ფინანსურად დამაზარალებელი იყოს სკოლებისათვის. უპირველესი მექანიზმი რომელიც სკოლას აქვს ამ რისკის დასაზღვევად არის სკოლის საფასურის (ბრიტანულ-ქართულ სკოლასა და ბაქსვუდში - სრულად, ხოლო მწვანე სკოლაში - ნაწილობრივ) უცხოურ ვალუტაში დენომინირება, რაც აგენერირებს უცხოურ ვალუტაში დენომირირებულ აქტივებს და ამსუბუქებს უცხოურ ვალუტაში დენომინირებული სესხის გადაფასებიდან წარმოქმნილ ზარალს.

საკრედიტო, საბაზრო და ლიკვიდურობის რისკები (ასევე სხვა ფინანსური რისკები) და ამ რისკების მართვის მექანიზმები ასევე აღწერილია კომპანიის შესაბამისი პერიოდის ფინანსურ ანგარიშგებაში.

სკოლებს არ გააჩნია ბიზნეს რისკები რომელიც დაკავშირებული სამუშაო პროცესთან ან ეკოლოგიური გარემოს დაბუნძურებასთან.

2020 წლის ნოემბრიდან 2021 წლის თებერვლის შუა რიცხვებამდე საქართველოს განათლების სამინისტრომ კოვიდ-19-ის პანდემიის გამო სკოლებში შეზღუდა ფიზიკური სწავლება. პანდემიის დაწყების შემდეგ, სამივე სკოლა სწრაფად ადაპტირდა შეცვლილ გარემოში და წარმატებით გადავიდა დისტანციურ სწავლებაზე. სკოლებმა მოსწავლეებს შესთავაზეს ფასდაკლებები დისტანციურ სწავლებასთან დაკავშირებით, რისი საშუალებაც კომპანიებს შემცირებულმა საოპერაციო ხარჯებმა მისცა. 2021 წლის 15 თებერვალს სკოლებში ფიზიკური სწავლება განახლდა. კოვიდ-პანდემიის პირობებში, სკოლებმა უზრუნველყვეს შესაბამისი უსაფრთხო სამუშაო და სასწავლო გარემოს შექმნა თანამშრომლებისა და მოსწავლეებისათვის. სამივე სკოლამ 2020-2021 სასწავლო წელი კამპუსებში ფიზიკური სწავლებით დაასრულა.

გიორგი კეთილაძე დირექტორი

27 სექტემბერი 2021 წელი