GEORGIAN STOCK EXCHANGE JSC

CONSOLIDATED FINANCIAL STATEMENTS

AND

INDIVIDUAL AUDITOR’S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Management is responsible for the preparation of the consolidated financial statements that present fairly the consolidated financial position of Georgian Stock Exchange JSC and its subsidiaries (hereinafter - the Group) at 31 December 2017 and the results of its consolidated operations, consolidated cash flows, and consolidated changes in equity for the period then ended, in accordance with International Financial Reporting Standards (IFRS).

In preparing the consolidated financial statements, management is responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IFRS have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Preparing the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- Maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the Group operates;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The Consolidated financial statements for the year ended 31 December 2017 were approved on behalf of the management on 20 March 2018 by:

Giorgi Paresishvili	General Director	____________________
Khatuna Gvilava	Chief Accountant	____________________

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Managemente of Georgian Stock Exchange JSC

Opinion

We have audited the accompanying consolidated financial statements of Georgian Stock Exchange JSC and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter - consolidated financial statements).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 IFRSs, 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 skepticism 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.

20 MARCH 2018

RSM GEORGIA

Managing Partner: Giorgi Kvinikadze

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2017	2016
	Note	GEL	GEL
Commission and membership fees		298,944	241,552
Income from securities registrar services		143,303	211,019
Other operating income		2,309	4,629
Total operating income		444,556	**457,200**
Salary and benefits		(442,898)	(365,829)
Rent and utilities		(110,220)	(104,916)
Consultation expenses		(99,704)	(82,201)
Other operating expenses		(78,090)	(75,805)
Depreciation and amortisation	5,6	(23,485)	(22,705)
Communication expenses		(12,386)	(12,597)
Finance income	7,12	97,668	90,713
Net income from sponsors	17	-	26,200
Net forex gain/(loss)		(109,404)	(25,283)
Other income/(expenses)		(636)	(3,251)
Profit/(loss) before tax		**(334,599)**	**(118,474)**
Income tax expense	4	(259)	(64,244)
Profit for the year		**(334,858)**	**(182,718)**
Other comprehensive income			-
Total other comprehensive income/(loss) for the year		**(334,858)**	**(182,718)**

Attributable:			
To parent		(205,324)	(189,457)
Non-controlling interest		(129,534)	6,739
		(334,858)	**(182,718)**
Earnings Per Share		GEL	GEL
		(0.068)	**(0.063)**

The Consolidated financial statements for the year ended 31 December 2017 were approved on behalf of the management on 20 March 2018:

Giorgi Paresishvili General Director ____________________________

Khatuna Gvilava Chief Accountant ____________________________

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2017 GEL	2016 GEL
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	55,874	67,200
Intangible assets	6	12,797	14,236
Held to maturity financial assets	7	1,062,731	-
Available for sale financial assets	8	54,085	54,085
Prepayment for intangible assets	9	516,279	-
Deferred tax asset	10	-	-
Total non-current assets		**1,701,766**	**135,521**
CURRENT ASSETS			
Held to maturity financial assets	7	-	181,677
Tax assets		56,663	35,334
Other financial assets, trade receivables	11	59,840	59,696
Cash and cash equivalents	12	1,709,452	3,493,742
Total current assets		**1,825,955**	**3,770,449**
TOTAL ASSETS		**3,527,721**	**3,905,970**
EQUITY AND LIABILITIES			
Share capital	13	30,000	30,000
Share premium	13	922,849	925,054
Retained earnings		654,611	857,731
		1,607,460	**1,812,785**
NON-CONTROLLING INTERESTS		**1,804,731**	**1,973,944**
TOTAL EQUITY		**3,412,191**	**3,786,729**
NON-CURRENT LIABILITIES			
Deferred tax liability	10	-	-
Total non-current liabilities		**-**	**-**
CURRENT LIABILITIES			
Trade and other payables	14	65,530	119,241
Provision for premium	15	50,000	-
Total current liabilities		**115,530**	**119,241**
TOTAL LIABILITIES		**115,530**	**119,241**
TOTAL EQUITY AND LIABILITIES		**3,527,721**	**3,905,970**

The Consolidated financial statements for the year ended 31 December 2017 were approved on behalf of the management on 20 March 2018:

Giorgi Paresishvili	General Director	______________________
Khatuna Gvilava	Chief Accountant	______________________

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Retained earnings	Attributable to parent	Non-controlling interest	Total equity
		GEL	GEL	GEL	GEL	GEL	GEL
At 31 December 2015		**30,000**	**117,452**	**1,187,547**	**1,334,999**	**243,572**	**1,578,571**
Total comprehensive income for the year		-	-	(189,448)	(189,448)	6,730	(182,718)
Share premium increase		-	807,602	-	807,602	-	807,602
Other Gain/(Loss)	16	-	-	(140,368)	(140,368)	-	(140,368)
Increase of non-controlling interest		-	-	-	-	1,723,642	1,723,642
At 31 December 2016		**30,000**	**925,054**	**857,731**	**1,812,785**	**1,973,944**	**3,786,729**
Total comprehensive income for the year		-	-	(205,325)	(205,325)	(129,534)	(334,859)
Correction		-	(2,205)	2,205	-	-	-
Dividends to NCI	13	-	-	-	-	(39,679)	(39,679)
At 31 December 2017		**30,000**	**922,849**	**654,611**	**1,607,460**	**1,804,731**	**3,412,191**

The Consolidated financial statements for the year ended 31 December 2017 were approved on behalf of the management on 20 March 2018:

Giorgi Paresishvili General Director ______________________

Khatuna Gvilava Chief Accountant ______________________

CONSOLIDATED STATEMENT OF CASH FLOW

	Note	2017 GEL	2016 GEL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		495,362	499,778
Payments to suppliers and employees		(814,484)	(618,149)
Cash flow generated from operations		**(319,122)**	**(118,371)**
Income taxes paid		(259)	(31,605)
Interest received		67,603	151,648
Net cash generated by operating activities		**(251,778)**	**1,672**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in subsidiary	3	-	(711)
Redemption of held to maturity financial assets	7	181,677	104,509
Purchase of held to maturity financial assets	7	(1,045,928)	-
Prepayment for intangible assets	9	(518,779)	-
Purchase of property, plant and equipment and intangible assets	5,6	(10,150)	(24,850)
Net cash used in investing activities		**1,393,180**	**78,948**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to non-controlling interest in subsidiary		(39,679)	(77,755)
Dividends received from available for sale financial assets	8	-	429
Proceeds from issue of shares in subsidiary	3	-	2,455,025
Net cash generated by (used in) financing activities		**(39,679)**	**2,377,699**
CASH AND CASH EQUIVALENTS			
At 1 January	12	**3,493,742**	**1,060,706**
Net increase for the year		(1,684,638)	2,458,319
Effect of exchange rate changes on cash and cash equivalents held		(99,654)	(25,283)
At 31 December	12	**1,709,452**	**3,493,742**

The Consolidated financial statements for the year ended 31 December 2017 were approved on behalf of the management on 20 March 2018:

Giorgi Paresishvili General Director ____________________________

Khatuna Gvilava Chief Accountant ____________________________

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NOTES

1 GENERAL INFORMATION

Georgian Stock Exchange JSC (hereinafter - the Company) was founded on January 12, 1999 according to the legislation of Georgia.

The main activity of the Company and its subsidiary companies (Group, see Note 3) are: collecting proposals on buying and selling of securities and other financial instruments, organizing public trades in accordance with the established rules and procedures, transactions and other price-related information dissemination; settlement of the engagements with securities at stock exchange, as well as holding and accounting thereof in non-material form; proceeding of securities registers.

The Company's main shareholders are: TBC Capital LLC (17.33%), GCF Holdings Georgia LLC (15.33%) and Galt & Taggart JSC (17.33% (including 2% in nominee ownership)). The above-mentioned shareholders also are the shareholders of 64.78% of Tbilisi Stock Exchange JSC (See Note 3) which the Group recognizes as a non-controlling share for consolidation purposes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

These consolidated financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS"), being standards and interpretations issued by the International Accounting Standards Board ("IASB"), in force at 31 December 2017.

The consolidated financial statements comprise a consolidated statement of profit or loss and the statement of other comprehensive income, a consolidated statement of financial position, a consolidated statement of changes in equity, a consolidated statement of cash flows, and notes.

The Group presents the profit and loss items using the classification by nature of expenses. The Group believes this method provides more useful information to the readers of the consolidated financial statements as it better reflects the way operations are run from a business point of view. The consolidated statement of financial position format is based on a current / non-current distinction.

Measurement bases

The consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (eg. certain financial instruments that are measured at fair value). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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. When measuring the fair value of an asset or a liability, the Group uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Group (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Application of new and amended standards

For the preparation of these consolidated financial statements, the following new or amended standards are mandatory for the first time for the financial year beginning 1 January 2017:

Amendments to existing Standards

- Amendments to IAS 28 (Annual Improvements to IFRS Standards 2014–2016 Cycle, issued in December 2016) - The amendments, applicable to annual periods beginning on or after 1 January 2018 (earlier application permitted), clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, mutual fund, unit trust or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition. The amendments are not expected to have an effect on the Group's consolidated financial statements.

- Amendments to IAS 40 titled Transfers of Investment Property (issued in December 2016) - The amendments, applicable to annual periods beginning on or after 1 January 2018 (earlier application permitted), clarify that transfers to, or from, investment property (including assets under construction and development) should be made when, and only when, there is evidence that a change in use of a property has occurred. The amendments are not expected to have a material effect on the Group's consolidated financial statements.

- Amendments to IFRS 2 titled Classification and Measurement of Share-based Payment Transactions (issued in June 2016) - The amendments, applicable to annual periods beginning on or after 1 January 2018 (earlier application permitted), clarify the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payment (SBP) transactions, the accounting for SBP transactions with a net settlement feature for withholding tax obligations, and the effect of a modification to the terms and conditions of a SBP that changes the classification of the transaction from cash-settled to equity-settled. The amendments are not expected to have a material effect on the Group's consolidated financial statements.

- Amendments to IFRS 4 titled Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (issued in September 2016) - The amendments, applicable to annual periods beginning on or after 1 January 2018, give all insurers the option to recognise in other comprehensive income, rather than in profit or loss, the volatility that could arise when IFRS 9 is applied before implementing IFRS 17 ('the overlay approach'). Also, entities whose activities are predominantly connected with insurance are given an optional temporary exemption (until 2021) from applying IFRS 9, thus continuing to apply IAS 39 instead ('the deferral approach'). As the Group has not issued insurance contracts, the amendments are not expected to have an effect on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 titled Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in September 2014) – The amendments address a current conflict between the two Standards and clarify that a gain or loss should be recognised fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after 1 January 2016, was deferred indefinitely in December 2015 but earlier application is still permitted. This is not expected to have an effect on the Group's consolidated financial statements.

New Standards

- IFRS 9 Financial Instruments (issued in July 2014) – The Standard will replace IAS 39 (and all the previous versions of IFRS 9) effective for annual periods beginning on or after 1 January 2018 (earlier application permitted). It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting, recognition and derecognition.
    - IFRS 9 requires all recognised financial assets to be subsequently measured at amortised cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics.
    - For financial liabilities, the most significant effect of IFRS 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.
    - For the impairment of financial assets, IFRS 9 introduces an "expected credit loss (ECL)" model based on the concept of providing for expected losses at inception of a contract; recognition of a credit loss should no longer wait for there to be objective evidence of impairment.
    - For hedge accounting, IFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures.
    - The recognition and derecognition provisions are carried over almost unchanged from IAS 39.

  The Management anticipate that IFRS 9 will be adopted in the Group's consolidated financial statements when it becomes mandatory. The Group is in the process of quantifying the effect of adoption if IFRS 9, however no reasonable estimate of this effect is yet available.

- IFRS 15 Revenue from Contracts with Customers (issued in May 2014 and amended for effective date and clarifications in September 2015 and April 2016 respectively) - The Standard, effective for annual periods beginning on or after 1 January 2018 (earlier application permitted), replaces IAS 11, IAS 18 and their Interpretations. It establishes a single and comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance (eg the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract, etc.). The Directors anticipate that IFRS 15 will be adopted in the Group's consolidated financial statements when it becomes mandatory, and they intend to use the modified retrospective approach method by recognizing the cumulative transition effect in opening retained earnings on 1 of January 2018 - the date transition to the new Standard.

However, as the Management is still in the process of assessing the full impact of the application of IFRS 15 on the Group's consolidated financial statements, it is not practicable to provide a reasonable financial estimate of the effect until the Management complete the detailed review.

- IFRS 16 Leases (issued in January 2016) - The Standard, effective for annual periods beginning on or after 1 January 2019 (earlier application permitted only if IFRS 15 also applied), replaces IAS 17 and its Interpretations. The biggest change introduced is that almost all leases will be brought onto lessees' balance sheets under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. The Directors anticipate that IFRS 16 will be adopted in the Group's consolidated financial statements when it becomes mandatory, However, as the Management is still in the process of assessing the full impact of the application of IFRS 16 on the Group's consolidated financial statements, it is not practicable to provide a reasonable financial estimate of the effect until the Management complete the detailed review.

- IFRS 17 Insurance Contracts (issued in May 2017) - The Standard that replaces IFRS 4, effective for annual periods beginning on or after 1 January 2021 (earlier application permitted only if IFRS 9 and IFRS 15 also applied), requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of consistent, principle-based accounting for insurance contracts, giving a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. As the Group has neither issued insurance contracts nor held reinsurance contracts, the Standard is not expected to have an effect on its consolidated financial statements.

(B) INCOME AND EXPENSE RECOGNITION

Interest income and expense are recorded for all debt instruments on an accrual basis.

The Group recognises revenue/income when it is probable that future economic benefits will flow into the Group and is measured reliabley; it is relibile to mesuare the stage of completion at the end of the reporting date and is visable to measure the costs of complete transaction. The income is measured at fair value received or receivable from sale of goods or services.

(C) BASIS FOR CONSOLIDATION

A subsidiary is an entity controlled by the Group, i.e. the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

The existence and effect of potential voting rights that the Group has the practical ability to exercise (i.e. substantive rights) are considered when assessing whether the Group controls another entity.

The Group's financial statements incorporate the results, cash flows, assets and liabilities of Georgian Stock Exchange JSC and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group obtains control of the acquired business, until that control ceases. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

Acquisition method is used for accounting the purchase of subsidiary. Purchased assets and liabilities are, firstly, accounted with their fair value as of the purchase date. If the consideration paid is greater than the carrying value of the acquired company's identified net assets, the goodwill is recognised. If the consideration paid are less than the acquired company's net assets, than the difference is directly recognised in the consolidated statement of comprehensive income.

The non-controlling interest is the interest in the subsidiary which does not belong to the parent. The non-controlling interest in the Group’s consolidated financial statement represents the value of the shares belonging to the minority of the shareholders. The Group assess the non-controlling interest on proportionate shares in subsidiary’s net assets.

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control are accounted for as transactions with owners in their capacity as owners (i.e. equity transactions). The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Associates

Associates are entities over which the Group has significant influence, which is the power to participate in their financial and operating policy decisions, but which is not control or joint control. Associates are accounted for using the equity method of accounting.

(D) PROPERTY, PLANT AND EQUIPMENT

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life as follows:

Office equipment	20% straight line
Leasehold improvements	14.29% - 20% straight line

Useful lives, residual values and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(E) INTANGIBLE ASSETS

On initial recognition, intangible assets acquired separately are measured at cost. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. The estimated useful life and amortisation method are revised at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

For intangible assets with finite useful lives, amortisation is calculated so as to write off the cost of the asset, less its estimated residual value, over its 5 and 10 years useful economic life (straight line method).

Intangible assets with an indefinite useful life are not amortised, but subject to review for impairment as described below.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset - measured as the difference between the net disposal proceeds and the carrying amount of the asset - are recognised in profit or loss when the asset is derecognised.

(F) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of such assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Value in use is the present value of the estimated future cash flows of the asset / unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset / unit whose impairment is being measured.

Intangible assets with an indefinite useful life
Irrespective of whether there is any indication of impairment, such assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

(G) FINANCIAL INSTRUMENTS

Initial recognition and measurement
The Group recognises a financial asset or a financial liability in the consolidated statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. On initial recognition, the Group recognises all financial assets and financial liabilities at fair value. The fair value of a financial asset / liability on initial recognition is normally represented by the transaction price. The transaction price for financial assets / liabilities other than those classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition / issue of the financial instrument. Transaction costs incurred on acquisition of a financial asset and issue of a financial liability classified at fair value through profit or loss are expensed immediately.

Subsequent measurement of financial assets
Subsequent measurement of financial assets depends on their classification on initial recognition. The Group classifies financial assets in one of the following four categories:

Loans and Receivables Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that the Group intends to sell immediately or in the near term cannot be classified in this category. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or collectability.

Held-to-maturity financial assets these are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Financial assets that upon initial recognition the Group designates as at fair value through profit or loss or available-for-sale and those that meet the definition of loans and receivables cannot be classified in this category. Similar to loans and receivables, these assets are carried at amortised cost using the effective interest method minus any reduction for impairment or collectability.

Available-for-sale (AFS) financial assets these are non-derivative financial assets that are designated as available for sale on initial recognition or are not classified in one of the previous categories. They are carried at their fair value. However, unquoted equity instruments are carried at cost, where it is not possible to reliably measure their fair value.

Except for foreign exchange gains and losses on debt instruments, interest income and dividends that are recognised in profit or loss, changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated in the revaluation reserve, until the investment is disposed of or is determined to be impaired. At that time, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to profit or loss.

Impairment of financial assets
At the end of each reporting period, the Group assesses whether its financial assets (other than those at FVTPL) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected. Objective evidence of impairment could include significant financial difficulty of the counterparty, breach of contract, probability that the borrower will enter bankruptcy, disappearance of an active market for that financial asset because of financial difficulties, etc.

For AFS equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

For AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss. In respect of AFS equity securities, an increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in revaluation reserve; impairment losses are not reversed through profit or loss.

Derecognition of financial assets

Irrespective of the legal form of the transactions, financial assets are derecognised when they pass the “substance over form” based derecognition test prescribed by IAS 39. That test comprises two different types of evaluations which are applied strictly in sequence:

- Evaluation of the transfer of risks and rewards of ownership
- Evaluation of the transfer of control

Subsequent measurement of financial liabilities

Subsequent measurement of financial liabilities depends on how they have been categorised on initial recognition. The Group during the reporting period did not reclassify financial liabilities in *fair value through profit or loss (FVTPL).*

All other liabilities are carried at amortised cost using the effective interest method.

Derecognition of financial liabilities

A financial liability is removed from the Group’s statement of financial position only when the liability is discharged, cancelled or expired (i.e. extinguished). The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, on demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

(H) FOREIGN CURRENCY TRANSACTIONS

The Group's functional currency is Georgian Lari ('GEL'). Foreign currency monetary assets and liabilities are translated into the functional currency of the concerned entity of the Group using the exchange rates at the reporting date.

	National Bank of Georgia official exchange rates	
	USD	EUR
Exchange rate as at 31 December 2017	2.5922	3.1044
Exchange rate as at 31 December 2016	2.6468	2.7940
Average rate for the year ended 31 December 2017	2.5086	2.8322
Average rate for the year ended 31 December 2016	2.3667	2.6172

Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(I)INCOME TAX

In accordance with the effective Georgian Tax Code, corporate income tax is not levied on profit earned but on the profit distributed as dividends (other than is described in Georgian tax code article -98(1); 309; 99; 103). The amount of tax payable on a dividend distribution is calculated as 15/85 of the amount of the distribution.

Because of the specific nature of the taxation system, companies registered in Georgia do not acquire deferred tax assets or incur deferred tax liabilities on temporary differences between the carrying amounts and tax bases of their assets and liabilities.

Contingent income tax liability that is generated through profit distribution will not be recognised in statement of financial position.

(J) PROVISIONS

Where, at the reporting date, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will settle the obligation, a provision is made in the statement of financial position. Provisions are made using best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period they arise.

(K) EQUITY

Equity instruments are contracts that give a residual interest in the net assets of the company. Ordinary shares are classified as equity. Equity instruments are recognized at the amount of proceeds received net of costs directly attributable to the transaction. To the extent those proceeds exceed the par value of the shares issued they are credited to a share premium account.

The Group recognizes in the share premium the gains generated by issuing shares in subsidiaris when issued shares are purchased by non-controlling interest, while intragroup share portion changes when the control is retained by parent are recognized in other gain/(loss) in retained earnings

Dividend distribution

Dividends are recognised as liabilities when they are declared (ie the dividends are appropriately authorised and no longer at the discretion of the entity). Typically, dividends are recognised as liabilities in the period in which their distribution is approved at the Shareholders' Annual General Meeting. Interim dividends are recognised when paid.

The group paid dividends to subsidiaries non-controlling interest recognizes in the consolidated cash flow statement. The non-controlling interest in the statement of the consolidated financial position and consolidated statement changes in equity is shown at the net value (reduced with paid dividends to subsidiaries non-controlling interest).

Treasury shares

The cost of treasury shares purchased is shown as a deduction from equity in the consolidated statement of financial position. When treasury shares are sold or reissued they are credited to equity. As a result, no gain or loss on treasury shares is included in the consolidated statement of comprehensive income.

3 INVESTMENTS IN SUBSIDIARIES

The Group contains following subsidiaries which are consolidated in this consolidated financial statement:

	2017		2016	
	Ownership	GEL	Ownership	GEL
Georgian Central Securities Depository JSC				
Direct ownership	24.65%	100,000	24.65%	100,000
Indirect ownership	26.44%	-	26.44%	-
Tbilisi Stock Exchange JSC				
Direct ownership	35.22%	100,000	35.22%	100,000
Kavkasreesrti JSC				
Direct ownership	57.86%	9,134	57.86%	9,134
TOTAL		**209,134**		**209,134**

Tbilisi Stock Exchange JSC (TSE) was founded on May 7, 2015 by Georgian Stock Exchange JSC (the Company). The purpose of founding was to obtain funds for business development through the sales of the shares of TSE (According to the Charter, the Company can not increase its joint stock, without the consent of 75% of the shareholders). The Company's minority shareholders, who own 38% of the Company's shares, have appealed to the court on the decision of establishing TSE. The management of the Company deems that TSE is established in accordance with the acting legislation and in full compliance with the charter.

In December 2016, TSE released 183,897 ordinary shares which were purchased by Galt & Taggart JSC, TBC Capital LLC and LLC GCF Holdings Georgia, the compensation received amounted to GEL 2,455,025, after which the shares were distributed as follows:

Georgian Stock Exchange JSC	35.22%
Galt and Taggart JSC	21.59%
TBC Capital LLC	21.59%
LLC GCF Holdings Georgia	21.59%

Even though the Company has reduced its shares in TSE to 35.22%, it still maintains the control over it and reflects its results in its consolidated financial statements. The control is maintained by the following facts:

- The TSE supervisory board members are also the supervisory board members of the Company.

- The remaining shareholders of the TSE are also the shareholders of the Company directly or through the related parties (the general ultimate beneficial of the owner). These shareholders jointly own 64.78% of TSE and 52% of the Company.
- The Company and TSE have the same General Director.

On December 23, 2016, TSE purchased 304,499 ordinary shares of Georgian Central Securities Depository JSC. With this investment TSE became the shareholder of 75.06% shares of the Georgian Central Securities Depository JSC. As the result of the above deals, as at December 31, 2016, JSC Georgian Stock Exchange controls 51.09% of the Georgian Central Securities Depository JSC (indirect 26.44% through TSE) and reflects it in the Group's Consolidated Financial Statements.

The transaction carried out on December 23, 2016 for the purpose of the Consolidated Financial Statements is intragroup transaction, therefore, the revenue generated by the mentioned transaction will be eliminated in the consolidated financial statements; Only the distribution of shares between the controlling and non-controlling interest are changed, after which the non-controlling shares increased in the Group. The gain/(loss) after changes in share portions of non-controlling interest is shown in Note 16.

Before October 1, 2015, Kavkasreestri JSC was an associate company as the Company had a significant influence on Kavkasreestri JSC and not the control. Since October 1, 2015, the Company has gained the control over Kavkasreestri JSC. Kavkasreestri JSC basically owns high liquid assets (cash and cash equivalents and other financial assets) and the carrying value of its net assets was the same as its fair value on October 1, 2015. Before this date, the Company's investment in Kavkasreestri JSC as in the associate company was accounted through the equity method. On October 1, 2015 the value of the investment recorded by the equity method did not differ from the net assets of Kavkasreestri JSC.

4 INCOME TAX

	2017	2016
	GEL	GEL
Current income tax benefits/(expense)	(259)	(21,370)
Deferred tax benefit/(expense)	-	(42,874)
TOTAL INCOME TAX	**(259)**	**(64,244)**

On May 2016 the Parliament of Georgia approved significant changes in Georgian Tax code, which mainly moves the moment of taxation from when taxable profits are earned to when they are distributed. The changes are effective for tax periods starting after 1 of January 2017.

5 PROPERTY AND EQUIPMENT

	Office equipment	Leasehold improvement	TOTAL
COST	GEL	GEL	GEL
AT 31 DECEMBER 2015	**176,400**	**33,842**	**210,242**
Additions	13,350	-	13,350
Disposals	(5,349)	-	(5,349)
AT 31 DECEMBER 2016	**184,401**	**33,842**	**218,243**
Additions	10,150	-	10,150
Disposals	-	-	-
AT 31 December 2017	**194,551**	**33,842**	**228,393**
DEPRECIATION AND IMPAIRMENT			
AT 31 DECEMBER 2015	**128,622**	**5,847**	**134,469**
Depreciation for the year	15,386	6,537	21,923
Accumulated depreciation on disposed assets	(5,349)	-	(5,349)
AT 31 DECEMBER 2016	**138,659**	**12,384**	**151,043**
Depreciation for the year	15,510	5,996	21,476
AT 31 December 2017	**154,169**	**18,350**	**172,519**
NET CARRYING VALUE			
AT 31 DECEMBER 2015	**47,778**	**27,995**	**75,773**
AT 31 DECEMBER 2016	**45,742**	**21,458**	**67,200**
AT 31 DECEMBER 2017	**40,382**	**15,492**	**55,874**

The cost of property and equipment which are fully amortised for the reporting period is GEL 114,289.

6 INTANGIBLE ASSETS

The Group Intangible assets mainly comprise computer software. Additions and amortisation during 2017 were GEL 0 (2016 GEL 11,500) and GEL 2,009 (2016: GEL 782), respectively.

7 HELD TO MATURITY FINANCIAL ASSETS

	Currency	Amount(USD)	Maturity date	Interest rate	2017	2016
					GEL	GEL
Bonds of Georgian Leasing Company LLC	USD	400,000	August, 2020	7.0%	1,036,880	-
M2 Bonds	USD	67,000	March, 2017	9.5%	-	181,677
Interest receivable					25,851	-
GEL					**1,062,731**	**181,677**

Interest income received from bonds during the reporting period was GEL 20,830 (2016: GEL 22,026).

During the reporting period redemption of bonds was GEL 181,677 (2016: GEL104,509).

There is no significant difference between coupon and effective interest rate of the held to maturity financial asset. Payment schedule is defined twice a year interest payment and principal payment at maturity date.

There is no material difference between the fair value and the carrying amount of held to maturity financial assets

8 AVILABLE FOR SALE FINANCIAN ASSETS

The Group holds 1.64% shares of Georgian Waterproject JSC, which is accounted at cost. Dividend received during the reporting period was GEL 0 (2016: GEL 429).

There were no any impairment indicators regarding available for sale financial assets during the reporting period.

9 PREPAYMENTS FOR INATANGIBLE ASSETS

	2017	2016
	GEL	GEL
Prepayment for purchase of intangible assets	425,343	-
Other prepayment related purchase of intangible assets	20,910	-
Non refundable tax capitalisation	70,026	
Total	**516,279**	**-**

The prepayment for purchase of intangible asset includes payments to Montran Corporation (with place of business at 60E. 42ND street, Suite 464 New York, USA).

At 31 January 2017 individual agreement was settled between Georgian Central Security Depository, Tbilisi stock exchange ("members of Georgian Stock Exchange Group") and Montran Corporation. Under the individual contract with the members of Georgian Stock Exchange Group the MONTRAN CORPORTAION took responsibility of implementation and technical support of new software which will be modern software for members of Georgian Stock Exchange Group and help them to provide their services more effectively as previous software of the Group is almost fully depreciated.

At the end of the reporting period the implementation phase in Georgian Central Security Depository JSC was in the Software Development stage, which means preparing software manuals and test scenarios, while in Tbilisi stock exchange JSC the implementation phase was in the Solution Specification Document stage, which means the establishment of requirements and presenting it documentary.

The testing of software is planned to perform in 2018.

10 DEFERRED TAX

On May 2016 the Parliament of Georgia approved significant changes in Georgian Tax code, which mainly moves the moment of taxation from when taxable profits are earned to when they are distributed. The changes are effective for tax periods starting after 1 of January 2017.

Considering that the change in the Georgian Tax Code was enacted before the reporting date, the Group has recognized the full effect of the change by derecognizing previously recognized deferred tax assets and liabilities through the current period profit or loss as a deferred tax expense. According to this change is Georgian Tax Code, deferred assets and liabilities will not be recognised after the law is valid.

Contingent income tax liability that is generated through profit distribution will not be recognised in statement of financial position.

11 TRADE AND OTHER RECEIVABLES

	2017	2016
	GEL	GEL
Trade receivables	108,722	89,845
The allowance for doubtful accounts	(58,199)	(37,408)
Prepayments, other assets	9,317	7,259
TOTAL	**59,840**	**59,696**

Following table presents the movement of impairment allowance as for the year 2017:

	Impairment allowance	Total
31 December 2016	**(37,408)**	**(37,408)**
Write offs	6,585	6,585
Recover of write offs in provision	(26,378)	(26,378)
Impairment expense	(998)	(998)
31 December 2017	**(58,199)**	**(58,199)**

12 CASH AND CASH EQUIVALENTS

	2017	2016
	GEL	GEL
Cash on hand	1,211	248
Cash at bank	293,892	267,595
Short-term deposits	1,414,349	3,225,899
TOTAL CASH AND CASH EQUIVALENTS	**1,709,452**	**3,493,742**

The cash is distributed in various banks as deposits, with the period less than one year and interest rate from 1% to 12.75%. The income from interest on deposits was GEL 63,241(2016: GEL 69,883).

There is no material difference between the fair value and the carrying amount of cash and cash equivalents.

13 SHARE CAPITAL, PREMIUM

Share capital consists of 3,000,000 common shares; par value of share is GEL 0.01.

Additional share issue in Tbilisi Stock Exchange JSC resulted in increase of the Group's share premium (see Note 3).

Accrued and paid dividend to the non-controlling interest of the Group in Kavkasreesrti JSC (Subsidiary) was GEL 39,679 and GEL 39,035 respectively.

14 TRADE AND OTHER PAYABLES

	2017	2016
	GEL	GEL
Payables to suppliers	63,178	67,534
Payables to management (benefits)	-	50,000
Dividends payable	2,352	1,707
TOTAL	**65,530**	**119,241**

There is no material difference between the fair value and the carrying amount of trade and other payables.

15 Provision for premium

As at 31 December 2017 the Company's management made provision for premium which is distributed annually to General Director. As at their expectation there is more than 50% of probability that board will approve premium for General Director.

	2017
	GEL
Provision as at 31 December 2016	**-**
Decrease	-
Increase	(50,000)
Provision as at 31 December 2017	**50,000**

16 OTHER GAIN/(LOSS)

In December, 2016, TSE purchased 304,499 ordinary shares of Georgian Central Securities Depository JSC. With this investment TSE became the shareholder of 75.06% shares of the Georgian Central Securities Depository JSC. As the result of the above deal, as at December 31, 2016, JSC Georgian Stock Exchange controls 51.09% of the Georgian Central Securities Depository JSC (indirect 26.44% through TSE) and reflects it in the Group's Consolidated Financial Statements.

The transaction, carried out on December 23 for the Purpose of the Consolidated Financial Statements, is intragroup transaction, therefore, the revenue generated by the mentioned transaction will be eliminated in the consolidated financial statements; Only the distribution of shares between the controlling and non-controlling interest are changed, after which the non-controlling shares increased in the Group:

	2016
	GEL
Additional share issue in the Group (Intra Group)	304,499
Share premium increase as a result of intra Group investment	798,701
Elimination of intra Group investment	(1,103,200)
Loss accruing as a result of changes in ownership	(140,368)
Gain/(loss)	**(140,368)**

17 NET INCOME FROM SPONSORS

On 8 and 9 Septmber 2016, the 13th International Conference of the Association of Eurasian Central Securities Depositories was held in Georgia. Georgian Central Securities Depository JSC had hosted the conference. Georgian Central Securities Depository JSC has approached the participants of the conference and some firms related thereto with a request to sponsor the conference expenses. Seven companies have expressed their desire to become a sponsor and the sponsorship amounted to USD 27,000, which equals to GEL 61,706. Representative expenses related to conference amounted to GEL 35,506.

18 RELATED PARTY TRANSACTIONS

The Company's main shareholders are: TBC Capital LLC (17.33%), GCF Holdings Georgia LLC (15.33%) and Galt & Taggart JSC (17.33%- (including 2% in nominee ownership)).

	2017	2016
	GEL	GEL
RELATED PARTY TRANSACTIONS		
Income from main shareholders	67,882	40,762
Income from other related parties	20,549	20,189

	2017	2016
	GEL	GEL
OUTSTANDING BALANCES		
Trade receivables	-	2,271
Held to maturity financial assets	1,062,731	181,677
Trade and other payables	-	1,290
Payables (benefits) to management	-	50,000
Provision for premium	50,000	-
Cash and cash equivalents	493,859	249,357

	2017	2016
	GEL	GEL
MAIN SHAREHOLDERS INVESTMENT		
Investment in TSE	-	2,455,025

	2017	2016
	GEL	GEL
MANAGEMENT COMPENSATION		
Salary and benefits	257,667	200,830

19 INFORMATION ON FINANCIAL RISKS

In performing its operating, investing and financing activities, the Group is exposed to the following financial risks:

- Credit risk: the possibility that a debtor will not repay all or a portion of a loan or will not repay in a timely manner and therefore will cause a loss to the Group.
- Liquidity risk: the risk that the Group may not have, or may not be able to raise, cash funds when needed and therefore encounter difficulty in meeting obligations associated with financial liabilities.
- Market risk: the risk that the value of a financial instrument will fluctuate in terms of fair value or future cash flows as a result of a fluctuation in market prices. Basically, the Group is exposed to three market risk components:
  - Interest rate risk
  - Currency risk
  - Securities price risk

In the reporting period exposure to the risks mentioned above, except currency risk is unessential.

Currency risk
Assets and liabilities denominated in foreign currency create currency risk. The Group does not have formal procedures to handle currency risk, but management believes it is well-informed in current economic processes and has taken certain steps to reduce the risk. These efforts mostly relate to management of foreign currency deposits.

For the fiscal year the Group had following items denominated in foreign currency.

As at 31 December 2017:

	CASH AND CASH EQUIVELANTS	TRADE RECEIVABLES	HELD TO MATURITY FINANCIAL ASSETS	TOTAL
	GEL	GEL	GEL	GEL
USD	1,058,876	6,999	1,062,731	2,128,606
EUR	4,334	-	-	4,334
TOTAL	**1,063,210**	**6,999**	**1,062,731**	**2,132,940**

A hypothetical 10% increase / decrease in the exchange rate of the GEL against the US Dollar would cut / increase 2017 profits before tax by GEL 212,860

As at 31 December 2016:

	CASH AND CASH EQUIVELANTS	TRADE RECEIVABLES	HELD TO MATURITY FINANCIAL ASSETS	TOTAL
	GEL	GEL	GEL	GEL
USD	2,774,459	7,271	181,677	2,963,407
EUR	26	1,146	-	1,172
TOTAL	**3,493,742**	**59,696**	**181,677**	**3,735,115**

A hypothetical 10% increase / decrease in the exchange rate of the GEL against the US Dollar would cut / increase 2016 profits after tax by GEL 296,338.

20 EVENTS AFTER THE REPORTING PERIOD

No significant events happened after the reporting period.

21 SIGNIFICANT JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing its financial statements, the Group has not made any significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes, except of those mentioned in summary of significant accounting policies.