East West University LLC

Special Purpose Financial Statements

With Independent Auditor's Report

For the year ended December 31, 2024

INDEPENDENT AUDITORS' REPORT

SPECIAL PURPOSE FINANCIAL STATETMENTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the management and shareholders of East West University LLC

Opinion

We have audited the accompanying special purpose financial statements of East West University LLC (hereinafter the "University"), which comprise the statement of financial position as at December 31, 2024, statement of profit or loss and other comprehensive income, and changes in equity and cash flows for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the special purpose financial statements present fairly, in all material respects, the financial position of East West University LLC as of December 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with the framework presented in Note 2.

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 Special Purpose Financial Statements section of our report. We are independent of the University in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "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.

Other Matter - Accounting framework

We draw your attention to Note 2 of the special purpose financial statements, which describes the basis of preparation. The special purpose financial statements are prepared to meet the criteria set forth by the government for the authorization of higher education institutions. As a result, these special purpose financial statements may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

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

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

Those Charged with Governance are responsible for overseeing the University's financial reporting process.

Auditor's responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the university'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 university'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 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 university to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

On behalf of ECOVIS ATA Finance LLC (Reg #SARAS-F-344896)

Ivane Kutibashvili (Reg #SARAS-A- 629166)

21 February, 2025

Tbilisi, Georgia.

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21 February, 2025

Tbilisi, Georgia.

SPECIAL PURPOSE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2024

Amounts are presented in Lari, unless stated otherwise

	NOTE	2024
Revenue from educational service	5	2,713,489
Salary expenses	6	(1,091,843)
Rent expenses	7	(631,229)
Commission fee	8	(119,402)
Other operating expenses	9	(274,384)
Operating Profit		**596,631**
Finance costs	16	(111,535)
Net foreign exchange gain		19,628
Profit before tax		**504,724**
Income tax expense		-
Total comprehensive income for the year		**504,724**

These special purpose financial statements were approved and signed on behalf of management on February 21, 2025:

George Khurodze
President

Nata Kalandadze
Chief Accountant

SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION
As at 31 December, 2024

Amounts are presented in Lari, unless stated otherwise

	NOTE	31 December 2024
Assets		
Long-term assets		
Property, plant and equipment	10	320,442
Intangible assets	11	48,382
Total non-current assets		**368,824**
Current Assets		
Inventories		1,496
Trade and other receivables	12	368,709
Cash and cash equivalents	13	1,229,273
Total current assets		**1,599,478**
Total assets		**1,968,302**
Shareholder's equity		
Charter capital	14	1,274,528
Accumulated loss	14	(1,119,106)
Total Shareholder's equity		**155,422**
Non-current liabilities		
Long-term Borrowings	16	423,351
Total non-current liabilities		**423,351**
Current liabilities		
Short-term Borrowings	16	387,957
Tax liabilities	15	921
Trade and other payables	17	1,000,651
Total current liabilities		**1,389,529**
Total liabilities and shareholder's equity		**1,968,302**

The accompanying notes on pages 5 to 13 are an integral part of these Special Purpose Financial Statements

SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2024

Amounts are presented in Lari, unless stated otherwise

	Charter Capital	Accumulated Loss	Total Equity
1 January 2024	**731,335**	**(1,623,830)**	**(892,495)**
Total comprehensive income for the year	-	504,724	504,724
Transactions with the owner:			
Increase of charter capital (note 14)	543,193	-	543,193
31 December 2024	**1,274,528**	**(1,119,106)**	**155,422**

The accompanying notes on pages 5 to 13 are an integral part of these Special Purpose Financial Statements

SPECIAL PURPOSE STATEMENT OF CASH FLOWS
For the year ended December 31, 2024

Amounts are presented in Lari, unless stated otherwise

	2024
Profit before tax	
Adjustments:	**504,724**
Non -cash Adjustments:	
Depreciation and amortization	44,890
Finance costs	111,535
Net foreign exchange gain	(19,628)
Cash inflow from operating activities before changes in operating assets and liabilities	**641,521**
Working capital adjustment:	
Decrease /(Increase) in operating assets:	
Changes in inventories	(1,127)
Changes in trade and other receivables	(144,029)
(Decrease)/Increase in operating Liabilities:	
Changes in tax liabilities	436,898
Changes in trade and other payables	829
Net cash flows used in operating activities before interest and tax	**934,092**
Income tax paid	-
Interest paid	(111,535)
Net cash flow from operating activities	**822,557**
Cash flows from investing activities	
Purchase of property, plant and equipment	(170,477)
Purchase of intangible assets	(3,874)
Net cash used in investing activities	**(174,351)**
Cash flows from financial activities	
Repayment of borrowings	(345,427)
Increase of charter capital	543,193
Net cash flow from financing activities	**197,766**
Net increase in cash and cash equivalents	**845,972**
Cash and cash equivalents at the beginning of the year	**344,669**
Effect of changes in foreign exchange rate	38,632
Cash and cash equivalents at the end of the year	**1,229,273**

1. CORPORATE INFORMATION

LLC East-West University (hereinafter “Univesity”) is limited liability company which was registered on April 18, 2017, in accordance to legislation of Georgia. The University’s identification number is 404535810

Main activities. The University's activity is providing educational services. The university offers students a One-Cycle Medical Doctor Educational Program (English Language).

Legal address and place of business: Georgia, Tbilisi, Krtsanisi district, K.Abkhazi street N4, and the actual address is: Tbilisi, Gorgasali st. N9.

Shareholders of the University: During the reporting period, until the date when the special purpose financial statements were authorised for issue, 100% of the University's shares were owned by East-West Company Tbilisi LLC. The shareholders of East-West Company Tbilisi LLC are presented as follows:

Name	Country of registration	Share
Hamlet Isaev	Azerbaijan	10%
Teimuraz Khurodze	Georgia	20%
Zaza Nishnianidze	Georgia	30%
Real estate group LLC (405446977)	Georgia	40%

100% of the shares of Real Estate Group LLC are owed by Tea Cheishvili.

The University does not have single ultimate owner, so the decisions are made collectively.

During the reporting period, until the date when the special purpose financial statements are authorised for issue, the President of the University is Giorgi Khurodze.

Business environment of Georgia: University operates in Georgia. Georgia has certain characteristics of an emerging economy, including a relatively high inflation rate and high interest rates. Georgian tax legislation is subject to various interpretations and undergoes frequent changes.

Georgia's future economic development significantly depends on the effectiveness of economic, financial, and monetary decisions made by the government, as well as on tax, legislative, regulatory, and political developments.

2. BASIS FOR PREPARATION

Special purpose financial statement have been prepared on historical cost bases Financial statements are presented in GEL, unless stated otherwise.

The accounting period for the University is 12-month period from January 1 to December 31.

Statement of compliance. The special purpose financial statements have been prepared in accordance with the accounting policies stated in Note 3. These policies comply with the International Financial Reporting Standard for Small and Medium Enterprises (IFRS for SME), except for the revenue recognition policy, which recognizes revenue only after at least 50% of the tuition fee is received and a tuition fee payment schedule is agreed upon.

Accompanying special purpose financial statements have been prepared in such a way that management can present the special purpose financial statements of the University, to meet the requirements of the state-developed accreditation standards for higher education institutions. Therefore, the special purpose financial statements presented may not be suitable for other purposes.

Although special purpose financial statements are prepared in accordance with the requirements of IFRS for SME, with the exception noted above, these special purpose financial statements do not constitute a complete set of financial statements in accordance with IFRS for SME, since these special purpose financial statements do not contain comparative data as required by the IFRS for SME standard.

2. BASIS FOR PREPARATION (CONTINUED)

Preparing special purpose financial statements in accordance with IFRS for SME requires use of material accounting estimates. It also requires management to use its assessments in the application of accounting policies. Areas highlighted by higher quality reasoning or complexity, or areas where estimates and assumptions are relevant to the Consolidated and Separate Financial Statements, are presented in Note 4.

The special purpose financial statements have been prepared based on going concern. In assessing the appropriateness of the going concern, the University considers cash flow forecast data, including pessimistic and realistic, and prepares this report based on the principles of a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign currency: The functional currency of the university is the national currency of Georgia - Georgian Lari (GEL). Monetary assets and liabilities denominated in foreign currencies are translated in functional currency at the reporting date using the exchange rate established by the National Bank of Georgia. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Transactions in foreign currencies are initially recorded at functional currency at the date the transaction. Non-monetary transactions denominated in foreign currencies are assessed in exchange rates at the date of transaction.
For the conversion of balances in foreign currencies at the date of 31 December 2024 the exchange rates determined by National Bank of Georgia are as follows:

National Bank of Georgia Exchange Rates	USD	EUR
31 December 2024	2.8068	2.9306

Cash and cash equivalents. Cash and cash equivalents include cash on hand, cash in banks and other short-term highly liquid investments up to three months. Cash and cash equivalents are recorded at amortized cost with effective Interest Method.

Pension funds. In May 2018, the Government of Georgia adopted the law on funded pensions, which came into force on January 1, 2019. According to the pension reform, the employee involved in the system would pay 2% to the state budget, this part is covered by the employee's salary and the university does not have to pay this part at an additional cost. Also, the employer in turn adds an additional 2%, which is recognized as an expense with the accrual of salary expenses and is presented in other operating expenses.

Trade and other receivables. Trade and other receivables are amounts billed by a university to its customers in the ordinary course of the business when it delivers goods or services to them. Receivable is presented as short term if payment is expected within 12 months or less after the reporting period (during the current operational cycle, if it is characteristic for business), otherwise they are classified as non-current assets.

Trade and other receivables are recognized initially at transaction price and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Provision for impairment is created when there is an objective basis that the university will not be able to fully receive compensation under the terms agreed between the parties.

Property, plant and equipment.

Recognition and measurement. Property, plant and equipment is initially recognized at cost and then they are accounted for at historical cost less accumulated depreciation and accumulated impairment losses. The gain or loss arising on the disposal of an item of property and equipment (the difference between the sales proceeds and the carrying amount of the asset) is recognized in profit or loss.

- **Subsequent costs.** 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 university and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Construction-in-progress.** The costs of Construction-in-progress include the costs of creating and constructing fixed assets. Construction-in-progress is comprised of costs directly related to construction of property, plant and equipment including an appropriate allocation of directly attributable variable and fixed overheads that are incurred in construction: materials, labor reimbursement, depreciation of fixed assets used in construction as well as other types of overhead costs. The cost also includes advances paid to contractors, on which work was is progress at the reporting date. Exploitation and depreciation of construction-in-progress commences when they are ready for intended use.
- **Depreciation.** The residual value of the asset and the useful lives are reviewed and adjusted if neccessary by the end of each reporting period. Depreciation starts when asset is available for use, i.e. when it is in a place or in a working position that is necessary to use it. If the university starts to depreciate property, plant and equipment it will continue to do so unless property, plant and equipment is transferred as intended for sale or is derecognized.

Land is not depreciated. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets.

Useful lives of the groups of property, plant and equipment are as follows:

Group	Useful lives in years
Furniture and other equipmets	2-10
Lease improvemnets	5
Computer equipments	5-7
Medical and educational equipment	5-12

Intangible assets.

- **Recognition and measurement**. Intangible assets include accounting programs that have a defined useful life. Separately acquired intangible assets are carried at cost less accumulated amortization and impairment losses.
- **Amortization.** Amortization should begin when the asset can be used, for example, when it is in a position and condition where it can be used for management purposes. The amortizable amount of an intangible asset with a limited useful life should be systematically allocated to its useful life.

Intangible assets are amortized on a straight-line basis over their estimated useful lives.

Useful lives of the groups of property, plant and equipment are as follows:

Group	Useful lives in years
Education Management Information Systems	15

Inventories. Inventory is initially recorded at cost and subsequently at the lower of cost and net realizable value. Cost of inventories includes all costs incurred in bringing the inventories to their present location and condition. For example, transportation expenses, customs tax and other directly distributable costs.

The university uses a weighted average cost method to account for inventory.

Impairment of non-financial assets. Assets that are subject to impairment and amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount.

Prepayments. Prepayments are carried at cost less provision for bad debt. 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 university has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the university. 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 recognized in profit or loss for the year.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade and other payables. Trade payables are accrued when the counterparty performs its obligations under the contract and are recognised at amortized cost using the effective interest method.

Borrowings. Borrowings are initially recognized at transaction price and subsequently measured at amortized cost using the effective interest method.

Taxes. In 2016 the Government of Georgia enacted the changes in the Tax Code of Georgia whereby companies other than financial institutions do not have to pay income tax on their profit earned since 1 January 2017. Under the new model corporate income tax is charged only on distribution of profit at a 15% profit tax rate instead of previous periods when 15% profit tax was imposed on accumulated profits regardless of distributions. As a result of the change, there are no temporary differences between the carrying and tax values of the assets and liabilities, which could result in the recognition of deferred tax assets or liabilities. Accordingly, the university no longer recognizes current and deferred income tax and the tax expense related to the distribution of profits is recognized in the statement of comprehensive income of the current period in accordance with the date of the relevant decision.

Taxes other than income tax are recognized in the reporting period in which the binding event occurs. A binding event is an action or a fact that, according to the Tax Code of Georgia, causes the payment of tax. Prepaid taxes from which future economic benefits are expected to flow are recognized as assets.

Uncertain tax positions. The university 's uncertain tax positions are reassessed by management at the end of each reporting period. 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.

Value added tax. Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Transactions that are subject to VAT or are eligible for VAT deduction are recognized in the statement of comprehensive income at cost less VAT.

Equity. Authorized capital is recognized as share capital to the extent that capital is raised by the founders. Charter capital is recognized at the fair value of the contributions received by the university and is classified as an equity instrument.

Revenue. The University generates revenue by providing educational services. Revenue is recognized after a student is enrolled, at least 50% of the tuition fee has been received, and a tuition fee payment schedule has been agreed upon. The payment schedule must not exceed the duration of the academic semester. Revenue is measured at the fair value of the consideration received or receivable and represents the amount expected in exchange for the services rendered, considering the effect of established internal incentives.

Other revenue. university recognizes other revenue when: it is probable that future economic benefits will flow to the entity; and the amount of revenue can be reliably measured; The income is recognized after excluding the expenses incurred on generating the revenue.

Other expenses recognition. Expenses will be recognized in the profit-loss statement if it will result in a decrease in future economic benefits related to the reduction of assets or increase of liability and it is reliably measured. Costs in the total comprehensive income are recognized immediately upon satisfying the relevant criteria

Dividends. Dividends are recognized as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the financial statements are authorized for issue.

Events after the end of the reporting date. Events after the end of the reporting date and events before the financial statements authorization date that give additional information about the financial position of the university is reflected in the financial statements. Events after the end of the reporting date that do not affect the university 's financial position on the balance date but are of essential importance are reflected in the financial statement notes.

Current versus non-current classification. university presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- expected to be realized or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period;
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the following reporting period;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

4. USE OF SIGNIFICNAT ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The University develops certain accounting estimates and assumptions based on current experience and other factors, taking into account the principle of a going concern. The actual results obtained in future periods may differ from those estimates and assumptions. The following are estimates and assumptions that carry the risk of material changes in the carrying amounts of assets and liabilities in the following financial year.

- **Allowance for doubtful debts.** The university assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. If there is objective evidence that impairment loss has occurred, the carrying amount of the asset is reduced through the use of allowance account and the amount of loss is recognized as current period expense. Actual results may differ from estimates, and university estimates may be negative or positive in the future, depending on the results or expectations.

- **Useful lives of property, plant and equipment.** In determining the useful life of an asset, management considers the expected usage, estimated technical obsolescence, physical wear and tear and the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments for future depreciation rates.

- **Tax legislation.** Management reassesses uncertain tax approaches at the end of each reporting period. Liabilities are recognized for tax approaches for which management assumes that tax authorities are more likely to impose additional taxes on the university, in the event that these positions become disputed. The assessment is based on the interpretation of the tax laws and any court or other known decision on this matter.

5. REVENUE FROM EDUCATIONAL SERVICES

Revenue from educational services can be presented as follows:

	2024
One-Cycle Medical Doctor Educational Program	3,206,833
Discount	(493,344)
Total	**2,713,489**

The University generates revenue by providing educational services. Revenue is recognized after a student is enrolled, at least 50% of the tuition fee has been received, and a tuition fee payment schedule has been agreed upon. The payment schedule must not exceed the duration of the academic semester.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount expected in exchange for the services rendered, considering the effect of established internal incentives

The University offers students one-cycle medical doctor educational english program, duration of which is 6 years.

6. SALARY EXPENSES

Salary expenses can be presented as follows:

	2024
Academic personnel expense	(924,524)
Administrative personnel expense	(167,319)
Total	**(1,091,843)**

7. RENT EXPENSES

The University operates on leased property and benefited from a rent grace period since academic activities began in 2023. Full rent expense accrual commenced in 2024.

8. COMMISSION FEE

Commission fee can be presented as follows:

	2024
Students recruiting fee	(238,608)
Penalty for non-compliance with the agreed terms	119,206
Total	**(119,402)**

The University engages intermediary services to recruit non-resident students in exchange for a commission. Under these agreements, service providers—both legal entities and individuals—are required to recruit a specified number of students. The service agreements also include penalties for non-compliance with the agreed terms.

9. OTHER OPERATING EXPENSES

Other opeating expenses can be presented as follows:

	2024
Depreciation	(44,890)
Representative expenses	(38,800)
Utility costs	(34,946)
Professional service fees	(24,337)
Busines trip expesnes	(18,456)
Repair expense	(16,400)
Pension fund epxense	(16,053)
Education related expense	(14,902)
Office supplies	(7,718)
Bank commission	(6,626)
Advertising expense	(5,755)
other	(45,501)
Total	**(274,384)**

10. POPERTY, PLANT AND EQUIPMENT

Property, plant and equipment can be presented as follows:

Historical cost	**Furniture and other equipments**	**Lease improvements**	**Computer equipment**	**Medical and educational equipments**	**Total**
1 January 2024	**71,353**	**100,903**	**49,212**	**60,014**	**281,482**
Additions	95,063	72	73,140	2,202	170,477
Disposals	-	-	-	-	-
31 December 2024	**166,416**	**100,975**	**122,352**	**62,216**	**451,959**
Accumulated depreciation					
1 January 2024	**(24,754)**	**(34,886)**	**(26,069)**	**(1,922)**	**(87,631)**
Depreciation	(11,237)	(13,918)	(14,585)	(4,146)	(43,886)
Disposals	-	-	-	-	-
31 December 2024	**(35,991)**	**(48,804)**	**(40,654)**	**(6,068)**	**(131,517)**
Carrying amount					
1 January 2024	**46,599**	**66,017**	**23,143**	**58,092**	**193,851**
31 December 2024	**130,425**	**52,171**	**81,698**	**56,148**	**320,442**

11. INTANGIBLE ASSETS

Intangible assets can be presented as follows:

Historical cost	**Education Management Information Systems**
1 January 2024	**46,791**
Additions	3,874
Disposals	-
31 December 2024	**50,665**
Accumulated amortisation	
1 January 2024	**(1,279)**
Amortisation for the year	(1,004)
Disposals	-
31 December 2024	**(2,283)**
Carrying amount	
1 January 2024	**45,512**
31 December 2024	**48,382**

12. TRADE AND OTHER RECEIVABLES

Trade and other receivables can be presented as follows:

	31 December 2024
Receivables from educational services	243,270
Receivables from personel	6,941
Other	2,000
Financial receivables	**252,211**

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

	31 December 2024
Rent prepayments	61,240
Guarantee	34,012
Other	21,246
Non-financial receivables	**116,498**
Total trade and other receivables	**368,709**

The University assesses trade and other receivables for impairment individually at the end of each year and recognizes an impairment if indicators are identified.

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents can be presented as follows:

	31 December 2024
Foreign currency in bank	1,218,417
National currency in bank	10,856
Total	**1,229,273**

14. EQUITY

Equity consists of the charter capital and accumulated losses.

During the reporting period, shareholders made a contribution to the charter capital in the amounted GEL to 543,193.

15. TAX LIABILITIES

From January 1, 2016, all payments for taxes are made to general treasury account in accordance with the amendments to the Tax Code. Accordingly, the tax asset and liability are presented in net amount.

16. BORROWINGS

The borrowings represents a loan received from a financial institution in US dollars, with an annual interest rate of 8.2%. The borrowing term is November 2026. The purpose of the loan was to refinance existing loans and finance operating and investment activities.

Loan reconciliation can be presented as follows:

	2024
Opening balance	**1,118,613**
Additions during the year	-
Principal payments	(345,427)
Interest payments	(111,535)
Interest expense	111,535
Foreign exchange loss	38,122
Closing balance	**811,308**
Long-term borrowings	423,351
Short-term borrowings	387,957

16. BORROWINGS (CONTINUED)

Information on assets used to secure loans received is presented as follows:

Type of secure	Name
Real estate	“Meidanze Property”
Machinary	East-West University LLC
Shares	East-West Company Tbilisi LLC
Guarantee	Zaza Nishnianidze

17. TRADE AND OTHER PAYABLES

Trade and other payables can be presented as follows

	31 December 2024
Lease payables	510,860
Other payables	50,629
Financial liabilities	**561,489**
Guarantee amount for recruiting service	315,765
Advances received from students	123,397
Non-financial liabilities	**439,162**
Total	**1,000,651**

18. COMMITMENTS AND CONTIGENCIES

Court cases. From time to time, in the course of ordinary activities, claims may be brought against the university. Based on their own assessment, as well as on the basis of internal and external professional advice, management believes that no substantial losses will be incurred as a result of the ongoing litigation. Therefore, no provision has been made in the financial statements.

Taxes. There are articles in the business and tax legislation of Georgia that can be interpreted in different ways. There is also the practice of making subjective decisions by the tax authorities. Therefore, in the event that any specific action based on management's judgment of business activities is not approved by the tax authorities, the university may incur additional taxes, fines and penalties. Management believes that they have paid the taxes required by the tax law and the creation of additional reserves is not necessary. The tax authorities can inspect the university for the last three years.

19. RELATED PARTY TRANSACTIONS

Commonly, Related parties are considered to be under common control if one party can control the other party, or is able to influence the other party or execute joint control over the other party in making financial and operational decisions.

Transactions with management and founders

	2024
Key management compensation	147,241

20. EVENTS AFTER THE END OF THE REPORTING PERIOD

After the reporting period, the shareholders contribution to the authorized capital amounts to GEL 108,366.