

2015

Organization:
“CRYSTAL” FUND

Auditor: Georgian
Audit & Consulting
Company (GACC)

“CRYSTAL” FUND

*Financial Statements for the year ended 31 December 2014
and Independent Auditors' Report*

“CRYSTAL” FUND

Financial Statements for the year ended 31 December 2014 and Independent Auditors’ Report

Table of Contents

INDEPENDENT AUDITOR’S REPORT	3
<i>BALANCE SHEET STATEMENT</i>	4
<i>PROFIT AND LOSS STATEMETT</i>	5
<i>CASH FLOW STATEMENT</i>	6
<i>CHANGES IN SHAREHOLDERS EQUITY</i>	7
NOTES TO FINANCIAL STATEMENTS	8
<i>GENERAL INFORMATION</i>	8
<i>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</i>	8

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of "Crystal" Fund:

We have audited the accompanying Financial Statements of "Crystal" Fund, which comprises the Balance Sheet, Funds Accountability Statement, and the Cash Flow Statement prepared as at 31 December 2014, and for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with internationally accepted reporting standards. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion, the financial statements give a true and fair view of the disbursements made and funds received for the given period, and of its financial performance.

*Georgian Audit
& Consulting Company*

Georgian Audit and Consulting Company
Member Crowe Horwath International

April, 2015



“CRYSTAL” FUND*Financial Statements for the year ended 31 December 2014 and Independent Auditors’ Report*

BALANCE SHEET STATEMENTas of December 31, 2014 (*In GEL*)

	Note	2014	2013
Assets			
Current assets			
Cash	1	106,420	173,500
Receivables from personnel		-	3,692
Tax requirements to budget		30,605	31,035
Other current assets	2	33,196	28,038
Total current assets		170,222	236,265
Long-term assets			
Fixed assets, net	3	601	5,776
Participation in other enterprise	4	1,475,593	1,475,593
Total long-term assets		1,476,194	1,481,369
Total assets		1,646,416	1,717,634
Liabilities and Equity			
Current liabilities			
Other short-term liabilities		(105)	-
Deferred profit tax		728	728
Liabilities before physical persons		1,328,171	1,328,171
Total current liabilities		1,328,794	1,328,899
Equity			
Last year’s accumulated profit		388,735	280,648
Current year’s net profit/loss		(71,113)	108,087
Total equity		317,622	388,735
Total liabilities and equity		1,646,416	1,717,634

The accompanying notes are an integral part of these financial statements.

“CRYSTAL” FUND*Financial Statements for the year ended 31 December 2014 and Independent Auditors’ Report*

PROFIT AND LOSS STATEMENT

as of December 31, 2014 (In GEL)

	Note	2014	2013
Revenue			
Received dividends		126,798	226,088
Received Interest		2,728	2,857
Exchange rate difference		7,776	-
Other revenue		-	41,459
Total revenue		137,302	270,404
Expenses			
	5		
Other operating expenses		4,323	28,857
Wages		130,075	104,308
Membership costs		7,625	-
Representative expenses		4,585	3,117
Office equipment		603	568
Communication		365	2,889
Insurance		1,331	1,038
Rent		10,627	5,844
Consultation expenses		2,046	5,898
Depreciation		5,175	5,300
Web page production costs		681	-
Other expenses		40,980	3,975
Other non-operating expenses		-	525
Total expenses		208,415	162,318
Profit / Loss before taxes		(71,113)	108,087
Profit tax		-	-
Accounting period’s net profit/loss		(71,113)	108,087

The accompanying notes are an integral part of these financial statements.

“CRYSTAL” FUND*Financial Statements for the year ended 31 December 2014 and Independent Auditors’ Report*

CASH FLOW STATEMENT

as of December 31, 2014 (In GEL)

	2014	2013
Cash flow from operating activities		
Accounting period’s net profit/loss	(71,113)	108,087
Other Assets	(5,157)	28,104
Tax liabilities	430	(16,361)
Short-term receivables	3,692	(3,823)
Short-term liabilities	(105)	-
Net cash flow from operating activities	<u>(72,255)</u>	<u>116,007</u>
Cash flow from investing activities		
Change in fixed assets	5,175	4,450
Net cash flows from investing activities	<u>5,175</u>	<u>4,450</u>
Net cash flow	(67,080)	120,457
Cash balance at the beginning of the year	173,500	53,043
Cash balance at the end of the year	106,420	173,500

The accompanying notes are an integral part of these financial statements.

“CRYSTAL” FUND

Financial Statements for the year ended 31 December 2014 and Independent Auditors’ Report

CHANGES IN SHAREHOLDERS EQUITY

as of December 31, 2014 (In GEL)

	2014	2013
Equity for the period start	<u>388,735</u>	<u>280,648</u>
Current year’s net profit/loss	<u>(71,113)</u>	<u>108,087</u>
Equity for the period end	<u><u>317,622</u></u>	<u><u>388,735</u></u>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

GENERAL INFORMATION

Crystal Fund is a non-governmental, apolitical, non-profit organization, established in 2004 on the basis of the Micro-Lending Programme of the Charity Humanitarian Centre “Abkhazeti” (CHCA), the national NGO assisting displaced people. The goals of Crystal Fund are to increase the financial literacy among poor populations, bolster standards in the provision of financial services, and develop new technologies to enhance access to financial services and to implement social and community investment projects.

Until 2007 Crystal Fund was undertaking microfinance activities, but at requirement of the legislation of Georgia, Crystal Fund stopped provision of microfinance services, went under reorganisation and reoriented its activities towards educational, social and community development objectives.

Crystal Fund is supervised by the Board and daily activities are managed by the Executive Director. Executive Director operates on the basis of strategy and internal regulations adopted by the Board of Crystal Fund.

In 2014, Crystal Fund was implementing two projects: Financial Education Initiative and Social Investments Initiative.

The legal address of the Crystal Fund is N29 Tabidze Street, Kutaisi, Georgia.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements as of 31 December 2014 consist of balance sheet and related statements of income cash flows and changes in equity.

The financial statements have been prepared in accordance with International Accounting Standards (IAS) on the historical cost basis of accounting. The principal accounting policies adopted are set out below.

The accompanying financial statements have been prepared in the national currency of Georgia, Lari (GEL), which is the Company’s functional currency.

Cash

Cash includes cash on bank accounts.

Currency Exchange

Transactions denominated in foreign currency are translated into GEL at the official exchange rate of National Bank of Georgia on the date of transaction. Calculation of cash assets and liabilities was made using exchange rate of transaction date. The official exchange rate for the principal currency as of 31 December 2014 was:

	USD
GEL	1.8636

“CRYSTAL” FUND

Financial Statements for the year ended 31 December 2014 and Independent Auditors’ Report

Revenue and expense recognition

Revenues and expenses are recognised on the accrual basis. Revenue consists of received dividends, interest revenues, and received grants from donors. Recognition of revenue from grants stated proportionally to the implemented expenditures.

Expenses are recognized at the moment of their implementation using accrual basis.

1. CASH

Cash of the fund for the year ended December 31 2014:

Cash in bank	2014	2013
National currencies resident bank	31,840	92,876
Foreign currencies resident bank	-	2,335
Foreign currencies resident bank GE36TB7006423366200001 (My Safe)	-	78,288
Deposit GE02CN0000036804000017 (Constanta bank)	74,544	-
Business Card (Bakuradze Archil) USD	36.21	-
Total	106,420	173,500

2. Other Current Assets

Other current assets for the year ended December 31, 2014:

	2014	2013
Other short-term investments	16,670	16,670
Advances to suppliers	3	3
Liabilities from Suppliers and Service	16,523	11,365
Total	33,196	28,038

“CRYSTAL” FUND*Financial Statements for the year ended 31 December 2014 and Independent Auditors’ Report***3. Fixed Assets**

Fixed assets for the year ended December 31, 2014:

	Office Equipment	Furniture and Fixture	Vehicles	Other Fixed Assets	Total
Historical Cost					
Balance for 31.12.13	25,876	500	-	-	26,376
Purchases during the period	-	-	-	-	-
Liquidation and write off	-	-	-	-	-
Balance for 31.12.14	25,876	500	-	-	26,376
Accumulated Depreciation					
31 December 2013	20,100	500	-	-	20,600
Current Period Depreciation	5,175	-	-	-	5,175
Liquidation and write off	-	-	-	-	-
31 December 2014	25,275	500	-	-	25,775
Balance					
31 December 2013	5,776	-	-	-	5,776
31 December 2014	601	-	-	-	601

4. PARTICIPATION IN OTHER ENTERPRISE

Shareholding of 1,475,593 GEL represents investments of in the subsidiary JSC Microfinance Organisation “Crystal”, which consist 67,71% of free shares. Nominal value of noted shares is 1,475, 593 GEL.

5. EXPENSES**General and Administrative Expenses**

General and Administrative expenses for the year ended December 31, 2014:

“CRYSTAL” FUND*Financial Statements for the year ended 31 December 2014 and Independent Auditors’ Report*

	2014	2013
Expenses		
Other operating expenses	4,323	28,857
Wages	130,075	104,308
Membership costs	7,625	-
Representative expenses	4,585	3,117
Office equipment	603	568
Communication	365	2,889
Insurance	1,331	1,038
Rent	10,627	5,844
Consultation expenses	2,046	5,898
Depreciation	5,175	5,300
Web page production costs	681	-
Other expenses	40,980	3,975
Other non-operating expenses	-	525
Total expenses	208,415	162,318

5. GOING CONCERN

As of March 2015 the Crystal Fund represents going concern and there are no risks, which would endanger company’s future functioning.
