

2024

Organization:

NGO "Saorsa"

Auditor: Audit and
Business Consulting
(ABC)



"SAORSA"

Non-for –profit non–Governmental Organization

**Audit of the special purpose financial
statements and Independent Auditor's Report
of the project:**

**Title: Empowerment of single mothers in the
Adjara region**

Number: Kvinfos 25/03

Financed by the Women Fund in Georgia

For the period: 01 May 2025 – 30 May 2025

(Grant's termination date)

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INDEPENDENT AUDITORS REPORT

To: Ms. Lia Putkaradze

Director, NGO "Saorsa"

Title and number of Grant Contract: Empowerment of single mothers in the Adjara region

Number: Kvinfo 25/03

Period covered by the audit: for the period: 01 May 2025 30 May 2025

Opinion

We have audited the accompanying special purpose financial statement of the project implemented by **NGO "Saorsa"**, which comprises the Expenditures Report for the period from *01 May 2025– 30 May 2025* and summary of significant accounting policies and other explanatory notes.

In our opinion, the special purpose financial statement for the period from *01 May 2025– 30 May 2025* prepared, in all material respects, in accordance with the terms and conditions disclosed in the Grant Agreement between Women's Fund in Georgia and the **NGO "Saorsa"**, dated 14 April 2025.

Basis of 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 special purpose financial statement section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statement in Georgia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter– Basis of Accounting and Restriction on Distribution and Use

We draw attention to the note "summary of significant accounting policies" to the special purpose financial statement, which describes the basis of accounting.

The special purpose financial statement is prepared to assist the Organization to comply with the financial reporting provisions of the grant agreement referred to above. As a result, the special purpose financial statement may not be suitable for any other purpose. Our report is intended solely for the Organization, NGO "Saorsa" and the donor, Women's Fund in Georgia and should not be distributed to or used by parties other than the Organization and donor. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special purpose financial statement

Management is responsible for the preparation of the special purpose financial statement in accordance with the financial reporting provisions of the grant agreement and for such internal control as management determines is necessary to enable the preparation of special purpose financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our Objectives are to obtain reasonable assurance about whether the special purpose financial statement as a whole is free from material misstatements, 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 this financial statement.

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 statement, 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

The Engagement Partner on the audit resulting in this independent auditor's report is:

N. Tchigladze

Natela Tchigladze
Engagement Partner
Ltd "Audit and Business Consulting" ("ABC")



Tbilisi, Georgia
S. Tsintsadze St. 12,
Direct: +995 577 422298

Date: 10 July 2025

Notes to Special Purpose Financial Statement

GENERAL INFORMATION

NGO "Saorsa"

The organization had been registered at the State Register on 15/03/2018.

ID Code: 445528448

Address: 91a, Lermontov Str apt 28 Batumi Georgia

Actually the organization's office located at: Tbeti str 4 Batumi Georgia

Governing Body: General Assembly of Members

Supervisory Board

Chairperson/Member: Lela Futkaradze,

Member: Paata Beltadze,

Member: Ketevan Devadze,

Goals of the Organization are following:

- to support people's professional and career development;
- to create a strong professional network between the state, educational institutions, employers, and job seekers;
- to promote the establishment of decent working conditions;
- to support the creation of workplaces free from discrimination and harassment;
- to encourage and strengthen the participation of youth and women in socio – economic processes; and to carry out advocacy and charitable campaigns based on partnership.

Mission:

To empower individuals, especially youth and women, by increasing access to non – formal education and supporting employment and labor policies in both local and international labor markets

INFORMATION ABOUT GRANT CONTRACT

Grant Agreement had been signed between the Women Fund in Georgia and NGO "Saorsa" on **14 April 2025**. The duration of the grant was till 30 September 2025. However, based on Termination Letter received in May 2025 from Women Fund in Georgia, the grant closing date had been changed, and grant was financially closed on 30 May 2025.

The tasks and objectives of the project Empowerment of single mothers in the Adjara region, number Kvinfo 25/03 are presented below:

the aim of the project was to raise public awareness about the care economy and the needs of single mothers. A key objective of the project was to run a digital campaign about the challenges faced by single mothers and specific solutions to address them. Public engagement was particularly important in identifying and addressing the needs of single mothers in the areas of education, employment, healthcare, and social services. Another crucial goal was to create a safe space for single mothers, ensuring equal access to career mentoring, education, and counseling services for both urban and rural single mothers.

The final beneficiaries are single mothers in Adjara (totally up to 50).

Total grant amount is 63,725 DKK (equivalent of 25,171.38 GEL) at the rate when funds were received from the Women Fund. The rate of exchange on 16 April 2025 0.395 per 1 GEL. No changes in the approved budget, implementing period, or other changes. The grant is financially closed, however the activities are implemented after the formal closing of the grant.

CASH

Cash represents money kept at the bank account. The organization has the bank account in TBC Bank. The account is open in multiple currency account. However, the transactions including funds received from the Women Fund in Georgia are stated in Georgian Lari only. All payment are conducted via bank transfers. No cash transactions are allowable by the Organisations's policy.

VAT

VAT invoices were paid within the project for certain purchase. VAT was not reimbursed by the Revenue Services, and therefore, VAT are included in the costs charged to the project.

FINANCIAL REPORTING

The special purpose financial statement is made in accordance with the donor guidelines. Income is recognized when received and expenses are recognized when paid, under the cash basis of accounting. Grant had been received in Georgian Lari (GEL) equivalent based on the rate of exchange on the date prevailed on the date of transaction. The approved grant budget is 63,725 DKK. Actually, funds received were accounted at 25,171.38 GEL.

Operational currency of the grant Georgian Lari, however the reporting currency is DKK. For reporting purposes expenditures incurred in GEL were converted into DKK, based on the rate of exchange fixed at the date when the funds were received.

The rate of exchange is:

| Date | Amount in GBP | Exchange Rate | Amount in GEL |
|------------|-------------------------|---------------|---------------|
| 16.04.2025 | Women's Fund in Georgia | 0.395 | 25,171.38 |

Cash balance as at end of the project is 1.34GEL.

CASH RECONCILIATION

The grant funds were utilized in full. Insignificant cash balances in amount of 1.34 GEL maybe reimbursed to the Women's Fund in Georgia, if requested. Refer to the Cash Reconciliation statement below:

| Description | Amount GEL |
|---|-------------|
| Balance of the project funds at start of the reporting period : | 0 |
| Plus total revenue during the reporting period: | 25,171.38 |
| Less total expenses during the reporting period: | – 25,170.04 |
| Balance of the project funds at the end of the reporting period: | 1.34 |
| Cash status | |
| Cash at bank | 1.34 |
| Balance of cash at the end of the reporting period: | 1.34 |
| Items to reconcile final cash balances (if any): | |
| Reimbursable to WF as not utilized funds * | 1.34 |
| Final difference | 0 |

AUDIT OBJECTIVES AND SCOPE OF WORK

An audit of special purpose financial statement has been performed in accordance with International Standards on Auditing. The specific objectives of the audit are to:

- ✓ Examine, assess and report on compliance with the terms and conditions of the grant agreement and applicable laws and regulations.
- ✓ Examine on a test basis that there is supporting documentation related to reported expenditure
- ✓ Examine whether the organization has complied with rules and regulations in regard with taxes.
- ✓ Make recommendations to address any weaknesses identified.

There were no any restrictions imposed on the scope of the audit.

We have obtained and reviewed the applicable documents considered necessary to perform the audit, which included the Grant Agreement, contracts with the third parties for works and services, invoices and other contractual documents; we have obtained the copies of the excel spreadsheets with financial information and budgets.

We have examined the Special Purpose Financial Statement including the budgeted and actual costs incurred.

We have examined non – financial information to evaluate program implementation actions to determine whether costs incurred are allowable, allocable, and reasonable under the grant agreement terms and applicable cost principles.

We have obtained the bank statement to verify that all funds received are properly posted into excel spreadsheets, and whether expenses incurred are paid.

We have obtained an understanding of the organization structure and control environment. Based on our investigations, we assessed the risk of material misstatement of the special purpose financial statement whether due to error or fraud.

We have evaluated the control environment, policies and procedures that pertain to the recipient's ability to record, process, summarize, and report financial data consistent with the assertions embodied in Special Purpose Financial Report.

Audit involves performing procedures, on a test basis, to obtain audit evidence about the amounts and disclosures in the special purpose financial statement. The procedures selected and sizes of test depend on 63,725 DKK. Expense register is annexed to this audit report (Annex 1).

According to results of our audit we state following:

- ✓ All programme funds have been used in accordance with the conditions of the grant agreement, with due attention to economy and efficiency and only for the purposes for which the financing was provided for.
- ✓ Within the project, organization pays income tax on salaries paid to employees, and pension charges 4% from gross salaries.
- ✓ All necessary supporting documents, records and accounts have been kept in respect of all programme expenditures. Clear linkages exist between the excel spreadsheets and the special purpose financial statement.
- ✓ Salary costs debited to the project are recorded throughout the duration of the year in a systemized way and can be verified by sufficient supporting documentation.
- ✓ The Organization complied with applicable laws and regulations regarding taxes.

In general, the Special Purpose Financial Report of the Organization for the given period is prepared in accordance with the Donor's requirements for financial reporting.