



შპს აუდიტორული და საკონსულტაციო სამსახური
„მედიატორი“
MEDIATOR LTD



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№ 11

" 26 " March 2008

INDEPENDENT AUDITORS' REPORT

on the 2007 Financial Statements of the Joint Stock Company **Georgian Central Securities Depository**

We have audited the accompanying Balance Sheet of the Joint Stock Company Georgian Central Securities Depository (the Company) as of December 31, 2007 and the related statements of Cash Flow, Shareholders' Equity and Income & Loss as of December 31, 2007. The financial statements are the responsibility of the Exchange's management. Our responsibility is to express our opinion based on our audit of the financial statements.

We conducted our audit in accordance with the International Standards on Auditing. The Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures presented in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion. In our opinion, except those corrections that are recognized to be indispensable, the financial statements referred to above give a true and fair view of the financial position of the JSC Georgian Central Securities Depository as of December 31, 2007.

General Director: M. Tsartsidze

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Audit and Consultancy Service

Address: 1, 26 May Sq., Hotel Ajara, 1st Floor

D#241 - for Insurance Companies' Audit

Z#240 - for General Audit issued by the Audit Activities Council



JSC Georgian Central Securities Depository
Balance Sheet
(In GEL)

	31.12.2006	31.12.2007
Assets		
Current Assets		
Cash	201433	7551
Accounts receivable	10813	7079
Prepaid expenses		6327
Total Current Assets	212247	20956
Long-Term Assets		
Fixed Assets	7171	26328
Intangible assets	56707	76269
Long-term investments in securities	74000	254000
Total Long-Term Assets	137878	356597
Total Assets	350124	377553
Liabilities & Equity		
Current Liabilities		
Accounts payable	3190	1896
Notes payable	59	81
Taxes payable	30637	497
Short-Term Debt		17000
Total Current Liabilities	33886	19474
Long -Term Liabilities		
Deferred wages		
Deferred taxes	2379	7946
Other deferred charges		
Total Long-Term Liabilities	2379	7946
Equity		
Authorized capital	110000	110000
Shares Unissued	-8800	-8800
Additional Paid-in Capital	10800	10800
Retained Earnings/Losses	35471	201859
Current period Earnings/Losses	166389	36274
Total Equity	313859	350133
Total Liabilities & Equity	350124	377553

JSC Georgian Central Securities Depository
Income Statement
(In GEL)

	31.12.2006	31.12.2007
Operating Revenues		
Membership fees	2735	4710
Commissions fees	246516	100818
Total Operating Income	249251	105528
Operating Expenses		
Wages expenses	32508	39690
Depreciation and amortization	14441	13611
Office Rent expenses	2486	2900
Audit	250	1150
Bad debt expenses		90
Tax expenses	538	832
Other operating expenses	1525	569
Total Operating Expenses	51748	58842
Total Operating Profit/losses	197503	46686
Non-Operating Revenues		
Government Securities Revenues	3528	
Other Investments revenues	6814	
Other non-operating revenues	540	13
Total Non-Operating Revenues	10881	13
Non-Operating Expenses		
Investments expenses	68	
Representative expenses		772
Other non-operating expenses	330	565
Total Non-Operating expenses	398	1357
Total Non-Operating profit/losses	10483	-1344
Income Before Taxes	207986	45342
Income Tax	41597	9068
Net Income/ Losses	166389	36274

JSC Georgian Central Securities Depository

Statement of Cash Flows

(Indirect Method)

(In GEL)

	31.12.2006	31.12.2007
Net Income	166389	36274
Cash from Operating Activities		
Accounts Receivable	-10155	3734
Accounts Payable	-1401	-1294
Notes Payable	-20	22
Tax Payable	21865	-30140
Depreciation	14441	13611
Deferred charges	-861	5567
Prepayments		-6327
Net cash from operating activities	190257	21447
Cash from Investment Activities		
Investments in Fixed Assets	-16626	-52330
Long-Term investments	-70000	-180000
Short-Term investments	79623	
Net Cash from Investment activities	-7003	-232330
Cash from Finance Activities		
Short-term debt		17000
Net Cash from Finance Activities		17000
Net Cash Flows	183254	-193883
Beginning Cash	18179	201433
Ending Cash	201433	7551

JSC Georgian Central Securities Depository

Shareholders' Equity

(In GEL)

	2005	2006	2007
Authorized Capital	110000	110000	110000
Shares Unissued	-8800	-8800	-8800
Additional Paid-in Capital	10800	10800	10800
Current period Earnings/Losses	36358	166389	36274
Retained Earnings/Losses	-888	35471	201859
Total Shareholders' Equity	147471	313859	350133