Georgia Capital PLC

Interim Financial Statements

For the period from 1 January 2018 to 13 June 2018

Registered No: 10852406

Georgia Capital PLC

Directors
Kim Bradley
Caroline Brown
Massimo Gesua' Sive Salvadori
Irakli Gilauri
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Company Secretary
Rebecca Wooldridge

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STATEMENT OF COMPREHENSIVE INCOME (Thousands of Georgian Lari)
For the period from 1 January 2018 to 13 June 2018

	Notes	13 June 2018	31 December 2017
Administrative expenses	*3*	(157)	-
Operating Loss		(157)	-
Non-recurring expenses	*4*	(15,749)	-
Translation differences		(13)	3
Loss before taxation		(15,919)	3
Income taxes		-	-
Loss for the period		(15,919)	3

STATEMENT OF FINANCIAL POSITION (Thousands of Georgian Lari)
At 13 June 2018 and 31 December 2017

	Notes	13 June 2018	31 December 2017
Non-current Assets			
Investments in subsidiaries	2	1,441,551	-
		1,441,551	-
Current assets			
Debtors	5	164	175
Cash		-	-
Total current assets		**164**	**175**
Total assets		**1,441,715**	175
Creditors: amounts falling due within one year	6	(15,907)	-
Net assets		**1,425,808**	175
Capital and reserves			
Share capital	7	1,467	172
Called up share capital of £0.01 each		*1,295*	-
Redeemable share capital of £1 each		*172*	*172*
Retained earnings		1,424,341	3
Shareholders' funds		**1,425,808**	**175**

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

Irakli Gilauri

Director

13 June 2018

Company registration no: 10852406

STATEMENT OF CHANGES IN EQUITY (Thousands of Georgian Lari)
For the period ended 13 June 2018

	Notes	Share Capital	Retained Earnings	Total
At incorporation on 5 July 2017		-	-	-
Shares issued in the period		172	-	172
Profit for the period		-	3	3
At 31 December 2017		**172**	**3**	**175**
Shares issued in the period		1,644,011	-	**1,644,011**
Difference between nominal value and fair value of assets transferred		-	(202,459)	**(202,459)**
Capital Reduction	8	(1,642,716)	1,642,716	-
Loss for the period		-	(15,919)	**(15,919)**
At 13 June 2018		**1,467**	**1,424,341**	**1,425,808**

1. **General Information**

Georgia Capital PLC was incorporated on 5 July 2017 as a private limited company with the name BGEO Investments Limited, changed its name to Georgia Capital Limited on 13 December 2017 and re-registered as a public company with its present name on 7 February 2018 under the laws of the United Kingdom.

2. **Accounting policies**

Basis of preparation

The principal accounting policies applied consistently throughout the period are:

Basis of accounting

The financial statements are prepared under historical cost basis in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Board ("IASB") effective for 2017 reporting and Companies Act 2006 on a going concern basis.

The Financial Statements are presented in thousands of Georgian Lari ("GEL") unless otherwise stated.

Subsidiaries

Total amount of investment in subsidiaries as at 13 June 2018 was GEL1,441,551 thousand (2017: nil), represented by direct investment in JSC Georgia Capital.

Functional and presentation currency

The Company's functional currency and presentational currency is Georgian Lari since the underlying transactions that are relevant to the entity will be carried out in Georgian Lari. The Company determines its own functional currency and items included in the financial statements are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency, converted at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency at the rate of exchange ruling at the reporting date. Gains and losses resulting from the translation of foreign currency transactions are recognised in the income statement as gains less losses from foreign currencies – translation differences.

Accounting estimates and judgements

No estimates, assumptions or judgements were required in preparing these financial statements.

Deferred redeemable shares

Deferred redeemable non-voting shares are deemed to be an equity instrument as: (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable and the obligation to deliver cash or other financial assets arises only in the event of liquidation of the issuer and (ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future, being at least one year from the date of signing these financial statements, and confirm that in their opinion the Company is a going concern. For this reason, they adopt the going concern basis in preparing these financial statements.
In the short time period the Company plans to finance its costs by obtaining funds from 100% subsidiary JSC Georgia Capital.

Investments in subsidiaries

Investments in subsidiaries are accounted at cost and in accordance with IFRS 5 are accounted as Non-current Assets Held for Sale and Discontinued Operations when they are classified as held for sale or distribution. Dividends from a subsidiary or an associate are recognised in the company's financial statements when the right to receive the dividend is established.

Debtors

Debtors are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as trading securities or designated as investment securities. Such assets are carried at amortised cost using the effective interest method. This calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognised in the income statement when the receivables are derecognised or impaired, as well as through the amortisation process.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and on bank account, amounts due from credit institutions that mature within ninety days of the date of origination and are free from contractual encumbrances and readily convertible to a known amount of cash.

Non-recurring items

The Company separately classifies and discloses those income and expenses that are non-recurring by nature. The Company defines non-recurring income or expense as an income or expense triggered by or originated from an economic, business or financial event that is not inherent to the regular and ordinary business course of the Company and is caused by uncertain or unpredictable external factors that cannot be reasonably expected to occur in the future and, thus, they should not be considered when making projections of future results.

3. Directors' emoluments

As of 13 June 2018, Director's remuneration totaled GEL 157 thousand (2017: nil). The company has no employees as at 31 December 2017 and 13 June 2018.

4. Non- Recurring Expenses

On July 3, 2017 BGEO Group PLC, incorporated under laws of England and Wales, announced its intention to separate the investment business from the banking business (Demerger). On 29 May 2018 Demerger became effective as a result of which the Company became parent of the demerged Investment business.

Non- recurring expenses as of 13 June 2018 comprises of legal and professional fees incurred in relation to demerger process.

5. **Debtors**

	13 June 2018	31 December 2017
Amounts owed by shareholders	164	175

6. **Creditors**

	13 June 2018	31 December 2017
Payable for demerger related fees	15,750	-
Accruals for Directors compensation	157	-
Total Creditors	15,907	-

7. **Share capital**

	13 June 2018	31 December 2017
Allotted, called up and fully paid		
2 ordinary shares of £0.01 each (2017: £1 each)	-	-
39,384,712 ordinary shares of £0.01 each	1,295	-
Allotted, called up		
49,999 deferred redeemable non-voting shares of £1 each (2017: £1 each)	172	172
	1,467	172

As at 13 June 2018 issued share capital comprised of 39,384,714 ordinary shares and 49,999 Deferred redeemable shares (2017: 2 ordinary shares and 49,999 deferred redeemable shares). Each ordinary share has a nominal value of one (1) British Penny (2017: one (1) British Pound) and deferred redeemable shares have nominal of 1 British Pound.

On 29 May 2018 Company issued 39,384,712 additional ordinary shares at nominal value of 12.70 British Pounds each.

Shares issued and outstanding as at 13 June 2018 are described below:

		Number of ordinary shares	Number of Deferred redeemable shares	Amount of Share Capital
5-Jul-17	Incorporation	1	-	-
15-Dec-17	Issuance of shares	1	49,999	172
31-Dec-17		**2**	**49,999**	**172**
29-May-18	Issuance of shares	39,384,712	-	1,644,011
12-Jun-18	Capital reduction (Note 8)	-	-	(1,642,716)
13-Jun-18		**39,384,714**	**49,999**	**1,467**

8. **Capital Reduction**

On 12 June 2018 the Company undertook a planned reduction of capital to create distributable reserves for Georgia Capital PLC.

Following the reduction of capital, the nominal value of the Company's shares was reduced to GBP 0.01 from GBP 12.70. Reduction of the capital created a new reserve on the statement of financial position, which became distributable to the shareholders and was fully reclassified to retained earnings. The reduction of capital is a legal and accounting adjustment and is not expected to have any direct impact on the market value of Georgia Capital PLC shares.

The Deferred Shares are redeemable by the Company at any time. Each Deferred Share has a par value of £1. The Deferred Shares carry no right to profits or dividends. On a return of capital on a winding up or otherwise, the holders of the Deferred Shares are entitled to receive the sum of £1 per Deferred Share, but shall not be entitled to any further participation in the assets of the Company.

The Company may, at its discretion, at any time after allotment and issue of the Deferred Shares, without prior notice, redeem some or all of the Deferred Share then in issue.

9. **Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The Company had no transactions with related parties during the period between incorporation 13 June 2018 and 31 December 2017.