

Regional Environmental Centre for Central Asia

*For the year ended 31 December 2024
with Independent Auditor's Report*

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Statement of the Management Responsibility for the Preparation and Approval of the Financial Statements for the year ended 31 December 2024

The following statement, which should be read in conjunction with the description of the auditors' responsibilities contained in the independent auditors' report, is made for the purpose of distinguishing the auditors' responsibilities in relation to the financial statements of Regional Environmental Centre for Central Asia (hereinafter referred to as the 'Centre').

Management of the Centre is responsible for the preparation of financial statements that present fairly the financial position as at 31 December 2024, as well as its financial results of operations, cash flows and changes in equity for the year ended 31 December 2024 in accordance with International Financial Reporting Standards ('IFRS').

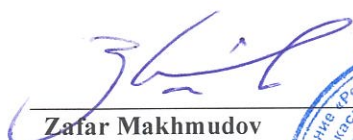
When preparing the financial statements, the management is responsible for:

- Ensuring the correct selection and application of accounting policies;
- Providing information, including accounting policies, in a form that ensures that such information is relevant, reliable, comparable and understandable;
- Providing additional disclosures when compliance with the requirements of IFRSs is insufficient to enable users of the financial statements to understand the impact that particular transactions, other events or conditions, have on the Centre's financial position and financial performance;
- Assessment of the Centre's ability to continue as a going concern.

Management is also responsible for:

- Development, implementation and maintenance of reliable internal control in all business units of the Centre;
- Maintenance of the accounting records in the manner, which allows to disclose and explain the Centre's transactions, and present at any moment the information on the financial position of the Centre with a sufficient degree of accuracy and ensure that the financial statements comply with IFRS;
- Maintenance of accounting records in accordance with applicable laws of the Republic of Kazakhstan and IFRS;
- Taking all reasonably possible measures to ensure the safekeeping of the assets of the Centre; and
- Detection and prevention of financial and other irregularities.

The financial statements for the year ended 31 December 2024 were approved by the management of the Centre on 2 May 2025 and signed on its behalf:



Zafar Makhmudov
Executive Director





Madina Chukumova
Chief Accountant

Independent Auditor's Report

To Management of Regional Environmental Centre for Central Asia

Opinion

We have audited the financial statements of the Regional Environmental Centre for Central Asia (hereinafter referred to as the 'Centre'), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

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 Financial Statements section of our report. We are independent of the Centre in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the 'IESBA Code') together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for the system of internal control that management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, for disclosing, where appropriate, matters related to going concern, and for the preparation of the financial statements on a going concern basis, unless management intends to liquidate the Centre or cease its operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the preparation of the Centre's financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

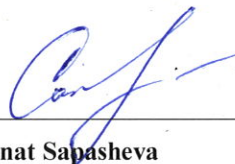
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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 Centre'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 Centre'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 Centre 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.

Signed by:



Saltanat Sapasheva

**Certified Auditor
of the Republic of Kazakhstan**
Auditor's Qualification Certificate
No. МФ-0001251 dated 9 November 2020



Approved by:



Olzhas Kuanyshebekov

General Director SFAI Kazakhstan LLP
State licence to conduct audit № 24020399 dated
3 June 2024 issued by the Ministry of Finance of the
Republic of Kazakhstan

13 Al-Farabi Avenue, Bostandyk district, BC Nurly Tau,
block 1V, office 505, Almaty, 050000, the Republic of
Kazakhstan

2 May 2025


Regional Environmental Centre for Central Asia
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024
all amounts are presented in thousands of KZT and EUR

	Note	in KZT 2024	in KZT 2023	in EUR 2024	in EUR 2023
Fund received	14	2 166 696	1 578 125	4 266	3 142
Direct expenses on programs	15	(2 100 937)	(1 530 308)	(4 137)	(3 047)
Gross profit		65 759	47 817	129	95
Administrative expenses	16	(53 904)	(94 313)	(106)	(188)
Operating income/(loss)		11 855	(46 496)	23	(93)
Other income	17	127 401	146 388	251	291
Other expenses	18	(132 948)	(93 548)	(262)	(186)
Profit before tax		6 308	6 344	12	12
Income tax expense		-	-	-	-
Net income for the period		6 308	6 344	12	12
Other comprehensive income:					
Foreign currency translation reserve		-	-	(31)	(4)
Total comprehensive income		6 308	6 344	(19)	8

The financial statements for the year ended 31 December 2024 were approved by the management of the Centre on 2 May 2025 and signed on its behalf:


Zafar Makhmudov
 Executive Director




Madina Chukumova
 Chief Accountant

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to, and forming part of, the financial statements.


Regional Environmental Centre for Central Asia
Statement of Cash Flows
For the year ended 31 December 2024
all amounts are presented in thousands of KZT and EUR

	in KZT 2024	in KZT 2023	in EUR 2024	in EUR 2023
Cash flows from operating activities				
Rental receipts	55 825	58 614	110	117
Funds received	1 580 158	1 474 645	3 111	2 936
Payments to suppliers for goods and services	(1 322 917)	(1 021 349)	(? 605)	(2 034)
Salaries paid	(558 602)	(490 098)	(1 100)	(976)
Payment of taxes and other payments related to labour remuneration	(12 074)	(10 819)	(24)	(22)
Other payments	(4 925)	(14 454)	(10)	(29)
Net cash flows used in operating activities	(262 535)	(3 461)	(518)	(8)
Cash flows from investing activities				
Purchase of property, plant and equipment	(5 354)	(943)	(11)	(2)
Net cash flows used in investing activities	(5 354)	(943)	(11)	(2)
Net decrease in cash and cash equivalents				
Exchange rate differences	(6 145)	(20 030)	(54)	9
Cash and cash equivalents at the beginning of the period	500 537	524 971	997	998
Cash and cash equivalents at the end of the period	226 503	500 537	414	997

The financial statements for the year ended 31 December 2024 were approved by the management of the Centre on 2 May 2025 and signed on its behalf:


Zafar Makhmudov
 Executive Director




Madina Chukumova
 Chief Accountant

The Statement of Cash Flows is to be read in conjunction with the notes to, and forming part of, the financial statements.

Regional Environmental Centre for Central Asia
Statement of Changes in Equity
For the year ended 31 December 2024
all amounts are presented in thousands of KZT and EUR

	in KZT Reserves	in KZT Retained earnings	in KZT Total equity	in EUR Reserves	in EUR Retained earnings	in EUR Total equity
Balance at 1 January 2023	8 346	185 175	193 521	17	373	390
Profit for the year	-	6 344	6 344	-	12	12
Foreign currency translation reserve	-	-	-	-	(4)	(4)
Balance at 31 December 2023	8 346	191 519	199 865	17	381	398
Profit for the year	-	6 308	6 308	-	12	12
Revaluation reserve	(469)	-	(469)	(3)	-	(3)
Foreign currency translation reserve	-	-	-	-	(31)	(31)
Balance at 31 December 2024	7 877	197 827	205 704	14	362	376

The financial statements for the year ended 31 December 2024 were approved by the management of the Centre on 2 May 2025 and signed on its behalf:


Zafar Makhmudov
 Executive Director




Madina Chukumova
 Chief Accountant

The Statement of Changes in Equity is to be read in conjunction with the notes to, and forming part of, the financial statements.

1. Reporting entity

a. General information

The Regional Environmental Centre for Central Asia (hereinafter referred to as the 'Centre' or 'CAREC') is an independent, non-political, non-commercial, and international legal entity. The Centre was registered as a legal entity in the State Register of Legal Entities under Code 34711-1910-MD confirmed by the Legal Entity State Registration Certificate issued by the Justice Department of Almaty City on 16 August 2000. The Centre was also registered as a taxpayer at its location under Taxpayer Registration Number (TRN) 600900163982. The Taxpayer Certificate of the RK Series 60 No. 0033608 was issued by the Tax Committee of Medeu District of Almaty City on 5 June 2001. Taxpayer registration is valid since 23 August 2000.

The Statistical Card on assigning the Centre the OKPO Code [transl. note: State Registry of Enterprises and Organisations] No.39349629 issued by the Statistics Office of Almaty City on 23 August 2000.

The Centre's legal and actual address is 40 Microdistrict Orbita-1, Bostandyk district, Almaty, 050043, the Republic of Kazakhstan.

Purpose and scope of activity

The goals of the Centre's activities include assisting national- and regional-level cooperation to address environmental issues in Central Asia (CA) among non-governmental public organisations (associations), state agencies, business, local governance bodies and any other stakeholders with the aim of expanding free exchange of information; assisting non-governmental environmental organizations (NGOs) and other stakeholders; promoting and expanding public engagement in decision making and, thus, fostering continuous development of democratic civil societies in Central Asia

Based on the goals of its activities, CAREC:

- assists the exchange and distribution of information on environmental issues;
- provides access to international and national databases on environmental protection by using already existing frameworks and mechanisms;
- publishes newsletters and produces other printed materials;
- organises training and development seminars, lectures, etc. on environmental issues;
- holds events aimed at drawing attention to environmental issues;
- develops and implements a grant program to execute regional and transboundary projects striking balance between small- and large-scale grants;
- promotes public involvement in decision making on environmental issues;
- carries out events to discuss environmental challenges as well as environmental and sustainable development policies, fosters dialogue among state agencies, NGOs and other stakeholders;
- promotes regional cooperation among governments, state agencies and non-governmental public organisations.

The Centre's founders are:

- The Republic of Kazakhstan,
- The Republic of Kyrgyzstan,
- The Republic of Tajikistan,
- The Republic of Turkmenistan,
- The Republic of Uzbekistan,
- Commission of the European Communities,
- United Nations Development Programme.

1. Reporting entity, continued

The Centre's officials are:

- Chairperson of the Board of Governors;
- President of the Advisory Board;
- Executive Director responsible for the Centre's day-to-day management in compliance with general principles and guidelines approved by the Board of Governors.

Executive Director is appointed by the Board of Governors for a 3 (three) year term, which may be extended for another 3 (three) years.

These financial statements have been authorised for issue by the Centre's management on 2 May 2025.

b. Business conditions

The Centre operates in the Republic of Kazakhstan. The Centre's assets and liabilities are located in the Republic of Kazakhstan. Consequently, the Centre is exposed to economic and financial risks in the markets of the Republic of Kazakhstan. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Republic of Kazakhstan.

The accompanying financial statements reflect the Centre's management's assessment of the possible impact of the existing conditions of financial and business activities on the results of operations and financial position of the Centre. The actual impact of future business conditions may differ from current estimates by the Centre's management.

2. Basis of accounting

a. Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

b. Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments at fair value through profit or loss and those at fair value through other comprehensive income, which are measured at fair value.

c. Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Centre is the Kazakhstani tenge (hereinafter referred to as the 'tenge' or 'KZT'), the presentation currency is euro ('EUR'). All amounts in these financial statements, unless otherwise stated, are presented in thousands of KZT and EUR.

Assets and liabilities presented in the statement of financial position (including comparatives) have been translated at the rate of exchange ruling at the reporting date and gains and losses presented in the statement of profit or loss and other comprehensive income (including comparatives) have been translated at the market exchange rate quoted on the official website of the National Bank of the Republic of Kazakhstan (the 'NBRK') at the date of the transaction.

Transactions and account balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All foreign currency differences arising on retranslation are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Gains and losses arising on the translation of non-monetary items are accounted for in accordance with the principles for recognising gains or losses arising from changes in the fair value of the item (i.e. exchange differences on items whose fair value gains or losses are recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, as appropriate).

2. Basis of accounting, continued

Exchange rates

Weighted average exchange rates established by the NBRK are used as the official exchange rates in the Republic of Kazakhstan. The following tenge exchange rates have been used in the preparation of these financial statements:

in KZT	Average exchange rate		Reporting date spot rate	
	2024	2023	31 December 2024	31 December 2023
1 EUR	507.86	493.33	546.47	502.24
1 USD	469.44	456.31	525.11	454.56

d. Going concern

In preparing the financial statements in conformity with IFRS, management assesses the Centre's ability to continue as a going concern. The financial statements are prepared on a going concern basis unless management has neither the intention nor the need to liquidate or significantly reduce the scope of the Centre's operations.

Long-term economic stability of the Centre depends on changes in the political and business environment in the Republic of Kazakhstan, on economic stability both in the country and in the world as a whole.

The Centre's management has made reasonable assumptions regarding the continuation of the organisation's operations, including the availability of sufficient funding and resources. The Centre has a stable network of donors and partners, and it has successfully implemented numerous projects over the years that contribute to its long-term sustainability. Furthermore, the management has outlined plans for securing future grants and resources to support its ongoing initiatives in the region.

The management assumes that the Centre's financial position, including its liquidity and resource allocation, supports its capacity to meet operational and programmatic needs.

At the time of authorisation of the financial statements, the Centre's management has a reasonable expectation that the Centre has adequate resources to continue as a going concern for the foreseeable future. These financial statements do not include any adjustments that would be necessary if the Centre was unable to continue as a going concern.

3. Material accounting policies

a. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that a transaction to sell the asset or transfer the liability takes place:

- in the market that is principal to the asset or liability; or
- in the absence of a principal market, in the market that is most advantageous to the asset or liability.

The Centre must have access to the principal or most advantageous market.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their best economic interests.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by either using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Centre uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value while maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3. Material accounting policies, continued

All assets and liabilities measured at fair value in the financial statements, or whose fair value is disclosed in the financial statements, are categorised within the fair value hierarchy described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are measured in the financial statements on a recurring basis, the Centre determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Centre's management establishes policies and procedures for both recurring fair value measurements of assets and nonrecurring fair value measurements of assets.

At each reporting date, the Centre's management reviews the changes in the value of assets and liabilities that need to be reassessed or re-assessed in accordance with the Centre's accounting policies. As part of this review, the Centre's management verifies the key inputs used in the last valuation by comparing the information used in the valuation with contracts and other relevant documents. The Centre's management also compares changes in the fair value of each asset and liability with relevant external sources to determine the reasonableness of the change.

For the purposes of fair value disclosures, the Centre has categorised assets and liabilities based on their nature, inherent characteristics and risks, and the applicable level within the fair value hierarchy as described above.

b. Property, plant and equipment

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost.

After recognition as an asset, property, plant and equipment carried at revalued amount, being its fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such property, plant and equipment is recognised in other comprehensive income (except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged) and is shown as revaluation reserve in shareholder's equity. A decrease in the carrying amount arising on the revaluation of such property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

The revaluation surplus included in equity is transferred directly to retained earnings when the property, plant and equipment is used and when it is disposed.

Subsequent costs

Subsequent expenditure increases the cost of an item of property, plant and equipment only if it is probable that it will result in future economic benefits to the Centre.

Costs related to repairs and maintenance are recognised in profit or loss in the financial period in which they are incurred.

At the end of each reporting period, management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell or its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in the statement of profit or loss. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount.

3. Material accounting policies, continued

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences from the date of acquisition. The useful lives of various items of property, plant and equipment are as follows:

Group of PPE	Useful life, years
Buildings and premises	12.5 years
Machinery and equipment	3-8 years
Vehicles	10 years
Other	3-8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use. Any gain or loss arising on the sale or other disposal of an item of property, plant and equipment is determined as the difference between the sale price and the carrying amount of the item and is recognised in profit or loss.

c. Intangible Assets

Intangible assets include acquired software used for operations or administration that qualifies for recognition as an intangible asset. They are accounted for using the cost model whereby capitalised costs and its residual values are reviewed at each reporting date. Amortisation is recognised on a reducing balance method at an annual rate of 20% and it has been included within 'administrative expenses'.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software, i.e. expenditure relating to patches and other minor updates as well as their installation, is expensed as incurred.

d. Cash and cash equivalents

Cash and cash equivalents are items that are readily convertible to known amounts of cash and are subject to insignificant changes in value. Cash and cash equivalents include cash on hand, amounts due from credit institutions on current accounts. Funds that are restricted for a period greater than three months at the time of origination are excluded from cash and cash equivalents. Cash and cash equivalents are carried at amortised cost.

e. Revenue recognition

Revenue from funds received for the fulfilment of obligations to finance the Centre's activities

The Centre has developed accounting policies. According to the accounting policy, cash receipts of contributions from Donors are recognised as a liability and are recorded in income as expenses are incurred. The Centre has adopted a gross presentation of income and expenses in the statement of profit or loss and other comprehensive income. The amount of income (the amount of funds used to finance the Centre's activities) is equal to the fulfilment by the Centre of its intended obligations.

Other income

The Centre recognises rental income from leased property (in particular, office premises) on an accrual basis, on a systematic basis over the lease term, irrespective of the date when cash is received.

Rental income is recognised:

- if the amount of income can be measured reliably;
- it is probable that economic benefits (or an inflow of assets) will flow to the Centre;
- the lease payment is determined by the lease agreement.

Rental revenue is recognised within other income of the Centre.

3. Material accounting policies, continued

f. Provisions

Provisions are recognised when the Centre has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amounts recognised as provisions represent the Centre's best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

g. Recognition and measurement of financial instruments

Financial assets and financial liabilities are recognised in the Centre's statement of financial position when the Centre becomes a party to the contractual provisions of the instrument. The Centre recognises regular way purchases and sales of financial assets and liabilities using settlement date accounting. Regular way purchases of financial instruments that will be subsequently measured at fair value are accounted for in the same way as acquired instruments from the date of the transaction to the settlement date. Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised directly in profit or loss.

The accounting policies for subsequent measurement of financial assets and financial liabilities are disclosed in the respective accounting policies set out below.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value. Transaction costs directly attributable to the acquisition of financial assets classified as at fair value are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 Financial Instruments are required to be subsequently measured at amortised cost or fair value based on the Centre's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Reclassification of financial assets

Where there has been a change in the business model under which the Centre holds certain financial assets, such assets are reclassified. The classification and measurement requirements relating to the new category are applied prospectively from the first day of the first reporting period after the occurrence of the change in business model that led to the reclassification of the Centre's financial assets. Changes in the contractual cash flows are analysed in accordance with the accounting policy below 'Modification and derecognition of financial assets'.

Modification and derecognition of financial assets

A financial asset is modified if, between the initial recognition date and the maturity date of the financial asset, the contractual terms of the asset's cash flows are renegotiated or otherwise modified. The modification affects the amount and/or timing of the contractual cash flows either at the same time or at a future point in time.

When a financial asset is modified, the Centre assesses whether the modification results in the asset being derecognised. The Centre's policy is to derecognise a modification if it results in substantially different contractual terms. To determine whether the modified terms are substantially different from the original contractual terms, the Centre analyses qualitative factors. For example, after a modification of terms, the contractual cash flows include principal and interest payments.

When a financial asset is derecognized, the ECL allowance is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between the revised carrying amount and the fair value of the new financial asset under the new terms will result in a gain or loss on derecognition.

3. **Material accounting policies, continued**

The ECL allowance for a new financial asset will be calculated based on the ECL in the subsequent 12 months, except in rare cases where a new financial asset is considered credit-impaired at origin.

Impairment of financial assets

The Centre always recognises lifetime expected credit losses (ECL) on trade and other receivables. Expected credit losses for such financial instruments are estimated using professional judgment based on statistics from rating agencies and other analytical publications. For financial instruments, the Centre recognises lifetime expected credit losses when there is a significant increase in credit risk since initial recognition. However, if at the reporting date there has been no significant increase in the credit risk of a financial instrument since initial recognition, the Centre shall measure the credit loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Lifetime expected credit losses are the expected credit losses that arise from all possible events of default over the expected life of the financial instrument. 12-month expected credit losses, in contrast, are the portion of lifetime expected credit losses that represent the expected credit losses that arise from default on a financial instrument that are possible within 12 months after the reporting date.

Write-off

Financial assets are written off when the Centre has no reasonable expectation of recovering a financial asset (either in full or in part). This is when the Centre determines that the borrower does not have assets or sources of income that would generate sufficient cash flows to meet the obligations associated with the amounts to be written off. A write-off represents derecognition. A reversal would result in an impairment gain. Financial assets that are collateralised are written off after any proceeds from the sale or collection of collateral have been received.

Financial liabilities

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it is accepted for the primary purpose of repurchasing it in the near term; or
- on initial recognition it forms part of a portfolio of identified financial instruments that are managed by the Centre as a single portfolio and for which there is a recent history of short-term purchases and resales; or
- is a derivative that is not designated and effective as a hedging instrument.

A financial liability that is not a financial liability held for trading may qualify as a financial liability at FVTPL at the time of recognition if:

- the application of such classification eliminates or significantly reduces imbalances in the measurement or accounting of assets or liabilities that might otherwise arise; or
- the financial liability is part of an instrument that contains one or more embedded derivatives, and IFRS 9 permits the entire instrument (asset or liability) to be designated at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss are carried in the statement of financial position at fair value. Changes in fair value are reflected in net (loss)/gain on financial liabilities measured at fair value through profit or loss.

h. Share capital

The Centre has no share capital and its activities are financed from Donors' contributions.

i. Events after the reporting period

The values of assets and liabilities at the reporting date are subject to adjustment when there is evidence that subsequent adjusting events confirm a change in those values. Such adjustments are made prior to the date the financial statements are authorised for issue by the Centre's management. Other unrelated adjusting events are disclosed in the notes to the financial statements.

4. **New and amended standards and interpretations**

The Centre applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Centre has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate.

The amendments are not expected to have a material impact on the Centre's financial statements.

Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

The amendments are not expected to have a material impact on the Centre's financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023). In response to concerns of the users of financial statements about inadequate or misleading disclosure of financing arrangements, in May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require disclosure about entity's supplier finance arrangements (SFAs). These amendments require the disclosures of the entity's supplier finance arrangements that enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The purpose of the additional disclosure requirements is to enhance the transparency of the supplier finance arrangements. The amendments do not affect recognition or measurement principles but only disclosure requirements.

The amendments are not expected to have a material impact on the Centre's financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Centre's financial statements are disclosed below. The Centre intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025). In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

The amendments are not expected to have a material impact on the Centre's financial statements.

4. New and amended standards and interpretations, continued

IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026). On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Centre is currently assessing the impact of the amendments on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Centre is currently assessing the impact of the amendments on its financial statements.

IFRS 19 Subsidiaries without Public Accountability:

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027). The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

The Centre is currently assessing the impact of the amendments on its financial statements.

IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014). IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS Accounting Standards. However, to enhance comparability with entities that already apply IFRS Accounting Standards and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents financial statements in compliance with IFRS Accounting Standards is not eligible to apply the standard. This standard will be effective from a date that is yet to be determined by the IASB. The Centre is currently assessing the impact of the amendments on its financial statements.

4. New and amended standards and interpretations, continued

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB). These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. In 2015, the IASB decided to postpone the effective date of these amendments indefinitely. The Centre is currently assessing the impact of the amendments on its financial statements.

Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026). IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the ‘qualifying criteria’, rather than ‘conditions’ for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included ‘significant unobservable inputs’. This new phrase replaced reference to ‘significant inputs that were not based on observable market data’. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at ‘the amount determined by applying IFRS 15’ instead of at ‘their transaction price (as defined in IFRS 15)’. IFRS 10 was amended to use less conclusive language when an entity is a ‘de-facto agent’ and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to ‘cost method’ that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment ‘Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate’.

5. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Assumptions and estimates are reviewed regularly to determine whether changes are necessary. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Taxation

In assessing tax risks, management considers as a possible area of non-compliance taxes that the Centre cannot challenge, or does not believe it could successfully challenge, if additional taxes were assessed by the tax authorities. Such determination requires significant judgement and is subject to change as a result of changes in tax laws and regulations.

Useful life of depreciable assets

The Centre estimates the remaining useful life of intangible assets at least as of the end of each reporting year. If expectations differ from previous estimates, the changes are accounted for as changes in estimates in accordance with IAS 8 Accounting Policies, Changes in Estimates and Errors. These estimates could have a significant effect on the carrying amount of intangible assets and the amount of depreciation recognised in the statement of profit or loss and other comprehensive income. The Centre has not revised the useful lives of property, plant and equipment and intangible assets in 2024.

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Centre. The carrying amounts are analysed in Note 6. Actual results, however, may vary due to technical obsolescence, particularly relating to computers and office equipment.

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6. Property, plant and equipment

	in KZT	in EUR
Initial cost		
At 1 January 2023	154 166	313
Additions	7 718	15
Disposals	(4 466)	(9)
Foreign currency translation reserve	-	-
At 31 December 2023	157 418	319
At 1 January 2024		
At 1 January 2024	157 418	319
Additions	5 354	11
Disposals	(11 473)	(23)
Foreign currency translation reserve	-	(30)
At 31 December 2024	151 299	277
Accumulated depreciation		
At 1 January 2023	(143 805)	(292)
Depreciation for the period	(5 992)	(12)
Disposals	3 503	7
Foreign currency translation reserve	-	-
At 31 December 2023	(146 293)	(297)
At 1 January 2024		
At 1 January 2024	(146 293)	(297)
Depreciation for the period	(2 759)	(5)
Disposals	10 866	21
Foreign currency translation reserve	-	28
At 31 December 2024	(138 186)	(253)
Carrying value		
At 1 January 2023	10 361	21
At 31 December 2023	11 125	22
At 31 December 2024	13 113	24

7. Short-term receivables

	2024 in KZT	2023 in KZT	2024 in EUR	2023 in EUR
Receivables from suppliers:				
- <i>European Commission</i>	125 578	-	229	-
- <i>UNOPS</i>	117 957	-	215	-
- <i>Swiss Agency for Development and Cooperation (SDC)</i>	52 391	-	96	-
- <i>GIZ</i>	27 650	-	51	-
- <i>FAO</i>	257	-	1	-
Other	10 831	3 585	20	7
Debt of business subdivisions	-	456	-	1
Total	334 664	4 041	612	8

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8. Advances paid

	2024	2023	2024	2023
	in KZT	in KZT	in EUR	in EUR
NASMBRT	27	47 130	0	94
CCIU Uzbekistan	-	30 482	-	61
STENUM Asia Sustainable Development Society	-	27 542	-	55
Adelphi research gGmbH	-	20 468	-	41
AUSTRIA RECYCLING	-	17 639	-	35
The Energy and Resources Institute (TERI)	-	12 006	-	24
Other	5 892	14 943	11	30
Total	5 919	170 209	11	339

9. Cash and cash equivalents

	2024	2023	2024	2023
	in KZT	in KZT	in EUR	in EUR
Cash on hand	1 652	1 665	3	3
Cash in current bank accounts in:				
KZT (A+(A+) rated)	2 611	30 667	5	61
USD (A+(A+) rated)	191 073	252 080	350	502
EUR (A+(A+) rated)	1 261	134 963	2	269
CHF (A+(A+) rated)	29 906	81 162	55	162
Total	226 503	500 537	414	997

Cash and cash equivalents are not past due. The balances of cash and cash equivalents are categorised as Stage 1 credit risk. The Centre has not recognised an allowance for expected credit losses on current account balances due to the immateriality of the amount of the estimated allowance. The credit rating is based on Standard & Poor's rating agency data in relation to the rating of the parent organisation.

10. Public grants

	2024	2023	2024	2023
	in KZT	in KZT	in EUR	in EUR
Grants received from the government of RK	21 116	21 116	39	42
Other grants	23 514	23 514	43	47
Total	44 630	44 630	82	89

11. Short-term payables

	2024	2023	2024	2023
	In KZT	In KZT	In EUR	In EUR
Short-term payables to vendors and contractors	79 932	6 587	145	13
Salaries payable	1 230	451	2	1
Payables to accountable persons	230	9 534	-	18
Total	81 392	16 573	148	32

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12. Advances received

	2024	2023	2024	2023
	In KZT	In KZT	In EUR	In EUR
The Coca-Cola Foundation	61 954	85 883	113	171
GIZ	41 813	73 764	77	147
Caritas Switzerland	29 579	76 995	54	153
TETRA TECH, INC.	26 753	8 255	49	16
CEP Tajikistan	18 402	-	34	-
Swiss Federal Department of Foreign Affairs	12 042	17 551	22	35
The International Water Management Institute	7 081	-	13	-
UNCCD	2 777	-	5	-
EUROPEAN EDUCATION AND CULTURE EXECUTIVE AGENCY	2 379	-	4	-
Swiss Agency for Development and Cooperation	-	91 600	-	182
European commission	-	25 804	-	51
World Bank CA	-	14 389	-	29
UNOPS	-	11 333	-	23
Total	202 780	405 573	371	808

Advances received represent funds received from Donors, but not utilised as at the reporting date.

13. Tax liabilities

	2024	2023	2024	2023
	In KZT	In KZT	In EUR	In EUR
Individual income tax	30 917	10 978	57	22
Pension liabilities	14 177	8 004	26	16
Social insurance liabilities	2 194	1 556	4	3
Total	47 288	20 538	87	41

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14. Revenue (funds received)

	2024	2023	2024	2023
	In KZT	In KZT	In EUR	In EUR
Swiss Agency for Development and Cooperation	374 885	114 614	738,17	228
UNOPS	355 847	166 947	700,68	332
World Bank CA	305 112	127 184	600,78	253
TETRA TECH, INC.	232 434	257 780	457,67	513
CEP Tajikistan	224 936	-	442,91	-
European comission	199 076	211 663	391,99	421
Global GIZ	115 337	192 667	227,10	384
NIRAS-IP Consult GmbN	84 351	-	166,09	-
Umweltbudesamt (German Environment Agency)	67 172	-	132,26	-
Caritas SwitzerlandCaritas Switzerland	47 416	86 391	93,36	172
The Coca-Cola Foundation	43 922	208 614	86,48	415
GLobal Water chalenge	32 237	14 197	63,48	28
OSCE	30 261	31 880	59,59	63
UNCCD	26 987	23 593	53,14	47
UNEP - United Nations Environment Programme	9 752	1 437	19,20	3
FAO OF THE UNITED NATION	5 034	4 576	9,91	9
ATLAS	-	49 265	-	98
Netherlands Enterprise Agency	-	14 328	-	29
Leibniz Institute of Agricultural Development	-	7 518	-	15
GFA Consulting Group GmbH	-	5 482	-	11
NOOKOM EZHZ	-	5 520	-	11
Ramsar Secretariat	-	5 015	-	10
Representative of GIZ in Kazakhstan	-	2 813	-	6
The Stockholm International Water Institute (SIWI)	-	1 113	-	2
Other	11 937	45 530	23,50	91
Total	2 166 696	1 578 125	4 266	3 142

15. Direct expenses in programs

	2024	2023	2024	2023
	In KZT	In KZT	In EUR	In EUR
Consulting services of experts and translators	611 418	384 800	1 204	766
Salary expenses	566 936	64 594	1 116	129
Travel expenses	373 333	156 003	735	311
Other Project submissions	179 036	-	353	-
Office supplies, materials and publications	122 888	-	242	-
Information and other services	98 959	46 306	195	91
Transport expenses	38 915	132 436	77	246
Computer subscription maintenance and site maintenance	29 858	5 915	59	12
Audit	25 953	10 403	51	21
Taxes and other payments to budget	17 416	-	34	-
Communication and bank services	14 656	3 735	29	7
Utilities	5 328	9 398	10	19
Equipment and repair	4 240	3 577	8	7
Other	12 001	713 141	24	1 438
Total	2 100 937	1 530 308	4 137	3 047

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16. Administrative expenses

	2024	2023	2024	2023
	In KZT	In KZT	In EUR	In EUR
Event holding	26 361	65 233	52	130
Salary	6 163	9 528	12	19
Building materials and repair services	4 333	-	9	-
Transport expenses	3 418	3 892	7	8
Consulting services of experts and translator	3 329	2 317	7	5
Depreciation and amortisation	2 765	3 189	5	6
Taxes and other payments to budget	772	1 951	2	4
Communication services, internet, stationery	504	447	1	1
Fees	-	4 678	-	9
Other	6 259	3 078	12	6
Total	53 904	94 313	106	188

17. Other income

	2024	2023	2024	2023
	In KZT	In KZT	In EUR	In EUR
Exchange rate gain	70 157	87 288	138	174
Income from office lease	55 825	58 614	110	117
Other	1 419	487	3	1
Total	127 401	146 388	251	291

18. Other expenses

	2024	2023	2024	2023
Description	In KZT	In KZT	In EUR	In EUR
Exchange rate loss	123 516	84 123	243	167
Other	9 432	9 425	19	19
Total	132 948	93 548	262	186

19. Risk management

Financial risk management

In connection with its operations, the Centre is exposed to various financial risks associated with its financial instruments. The Centre's principal financial instruments comprise: cash and cash equivalents, short-term receivables and short-term payables.

The main risks arising from the Centre's financial instruments are liquidity risk, currency risk and credit risk.

Credit risk

Credit risk is the risk that the Centre will incur a financial loss because counterparties fail to honour their obligations under a financial instrument or customer contract. The Centre is exposed to credit risk arising from its operating activities.

Cash and cash equivalents

As part of its credit and liquidity risk management, the Centre regularly analyses the financial strength of financial and banking institutions in which it places cash and cash equivalents. Cash and cash equivalents were placed with major Kazakhstan bank with stable credit ratings. Credit quality analysis of cash and cash equivalents as at 31 December 2024 and 31 December 2023 is disclosed in Note 9.

19. Risk management, continued

Short-term receivables

The Centre's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers factors that could affect the credit risk of the Centre's customer base, including default risk inherent in the particular industry or country in which customers operate.

As at 31 December 2024 and 31 December 2023, all short-term receivables are not past due.

Liquidity risk

Liquidity risk is the risk that the Centre will have difficulty meeting the obligations associated with financial obligations that are settled by the delivery of cash or another financial asset. The Centre's approach to liquidity management is to ensure, to the extent possible, that the Centre always has sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or exposing reputation of the Centre.

The following tables show the undiscounted cash flows of financial liabilities at their earliest contractual maturity dates. The total cash flow inflows and outflows shown in these tables represent the contractual undiscounted cash flows of the financial liabilities.

The analysis of financial liabilities by maturity as at 31 December 2024 and 2023 can be presented as follows:

in KZT	Contractual cash flows				Total
	On demand	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	
31 December 2024					
Short-term payables to vendors and contractors	-	79 932	-	-	79 932
Total undiscounted financial liabilities	-	79 932	-	-	79 932

in EUR	Contractual cash flows				Total
	On demand	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	
31 December 2024					
Short-term payables to vendors and contractors	-	145	-	-	145
Total undiscounted financial liabilities	-	145	-	-	145

in KZT	Contractual cash flows				Total
	On demand	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	
31 December 2023					
Short-term payables to vendors and contractors	-	6 587	-	-	6 587
Total undiscounted financial liabilities	-	6 587	-	-	6 587

in KZT	Contractual cash flows				Total
	On demand	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	
31 December 2023					
Short-term payables to vendors and contractors	-	13	-	-	13
Total undiscounted financial liabilities	-	13	-	-	13

20. Contractual and contingent liabilities

Operating environment

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

Taxation in Kazakhstan

The taxation system in Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities, including opinions regarding the treatment of income, expenses and other items of financial statements in accordance with IFRS.

Taxes are subject to review and investigation by a number of authorities, which are enabled by law to impose severe fines, penalties and interest charges. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years; however, under certain circumstances tax periods may be extended. These circumstances may create tax risks in Kazakhstan that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax laws, regulations and court decisions.

However, the interpretations of the relevant authorities could differ and the effect on these financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

Litigations

In the ordinary course of business, the Centre may be subject to various legal proceedings and claims. The Centre assesses the likelihood of significant liabilities on a case-by-case basis and recognises an appropriate provision in the financial statements only when it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be measured reliably.

Management believes that the ultimate liability, if any, will not have a material impact on the Centre's current financial statements or financial performance.

21. Events after the reporting date

After the reporting date 31 December 2024, the following significant events have occurred up to the date of authorisation of these financial statements:

- In 2025, the amount of KZT 271,442 thousand or EUR 496 thousand recognised within Short-term receivables as at 31 December 2024 was fully repaid.
- In 2025, the Centre faced minor challenges due to the global cessation of USAID operations. Until 28 January 2025, the Centre had an active subcontract agreement 'WAVE Project Subcontract No.: 1099-CAREC-002', financed by USAID. The Centre makes efforts to diversify its funding sources and avoid dependency on a single donor. In response to the current situation, measures were being taken by management to optimise cost efficiency and reallocate project personnel using internal reserves.

During the period from the end of the reporting period to the date of approval of these financial statements, there were no other significant events in the Centre's activities that required adjustments or disclosure in the Notes to these financial statements.