



ARMENIAN TERRITORIAL DEVELOPMENT FUND

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
for the year ended 31 December 2024

Yerevan
2025

Disclaimer

The attached report was originally prepared in Armenian and then translated into English for the convenience of readers. In the event of any differences between the English and Armenian versions, the Armenian will prevail.

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Fund address:	31 K. Ulnetsi Street, Yerevan, 0037, Republic of Armenia
Legal form:	Foundation
Principal activities	The principal activities of the Foundation are presented in the 1 st note
Executive director	Sargis Baghinyan

INDEPENDENT AUDITOR'S REPORT

To the Management of the Armenian Territorial Development Fund

Opinion

We have audited the accompanying financial statements of "Armenian Territorial Development Fund" ("ATDF" or "Fund") which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ATDF as at 31 December 2024, and its financial performance and its cash flows for the year ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as issued by International Auditing and Assurance Standards Board (IAASB). 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 ATDF in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical requirements in accordance with IESBA Code.

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

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

Management of the ATDF is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as 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 Fund's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operation, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 guaranty that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements arise from fraud and 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 judgement 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 Fund'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 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 Fund'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 Fund 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 management 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.

"BDO Armenia" CJSC

30 June 2025



Vahagn Sahakyan, FCCA
Managing Partner

Armenian Territorial Development Fund
Statement of financial position
As at 31 December 2024

	Note	31.12.2024 USD	31.12.2023 USD
ASSETS			
Non-current assets			
Property and equipment	3	309,719	329,360
Funds receivable	4	167,724,112	171,491,510
Total non-current assets		168,033,831	171,820,870
Current assets			
Prepayments	5	32,862,598	28,999,263
Cash and cash equivalents	6	16,398,235	12,832,970
Total current assets		49,260,833	41,832,233
TOTAL ASSETS		217,294,664	213,653,103
LIABILITIES AND EQUITY			
Equity			
Founders' contribution	7	151,631	151,631
Accumulated surplus/(deficit)		1,648,597	1,399,891
Total equity		1,800,228	1,551,522
Non-current liabilities			
Government grants	8	206,594,473	202,311,535
Total non-current liabilities		204,942,253	202,311,535
Current liabilities			
Accounts payable	9	8,899,963	9,790,046
Total current liabilities		8,899,963	9,790,046
TOTAL LIABILITIES AND EQUITY		217,294,664	213,653,103

The financial statements from page 6 to 33 were signed by the management of the Armenian Territorial Development Fund on 30 June 2025. The accompanying notes form an integral part of these financial statements.

Sargis Baghinyan
Executive Director

Karine Shahbazyan
Head of Financial Management and
Accounting Department



Armenian Territorial Development Fund
Statement of comprehensive income
As of 31 December 2024

	Note	2024 USD	2023 USD
Cost of the Projects	10	(140,483,213)	(86,731,105)
Income from Grants	8	140,483,213	86,731,105
Other income, net		286,717	554,611
Exchange gain/(loss), net		(38,011)	(697,627)
Results of the year before income tax		248,706	(143,016)
Income tax		-	-
Results of the year		248,706	(143,016)
Other comprehensive income		-	-
Comprehensive result for the year		248,706	(143,016)

Armenian Territorial Development Fund
Statement of changes in equity
For the year ended 31 December 2024

	Founders' contribution USD	Accumulated surplus/ (deficit) USD	Total USD
As of 1 January 2023	151,631	1,542,907	1,694,538
Results of the year	-	(143,016)	(143,016)
As of 31 December 2023	151,631	1,399,891	1,551,522
Results of the year	-	248,706	248,706
As of 31 December 2024	151,631	1,648,597	1,800,228

Armenian Territorial Development Fund
Statement of cash flows
For the year ended 31 December 2024

	2024 USD	2023 USD
Operating cash flows		
Funds received/(returned)		
SSIP	1,034,377	28,795,637
SSIP AF	33,771,162	-
IWRM	4,012,084	13,902,451
LEID	15,545,223	13,228,326
ISMP	678,754	12,253,126
SILD AF	13,496,691	9,954,973
CIP II-P2,P3	13,905,707	8,233,877
VEDI	5,508,767	961,343
YWIP	6,625,535	3,472,151
USAID	769,590	630,932
SILD	-	21,258
USAID	-	-
Government Projects	47,031,157	-
Other	218,923	1,475,008
	<u>147,597,971</u>	<u>92,929,082</u>
Project expenditures		
SSIP	(3,265,185)	(31,251,337)
SSIP AF	(32,969,609)	-
IWRM	(4,018,991)	(13,900,794)
LEID	(14,988,811)	(13,037,025)
ISMP	(3,580,872)	(10,256,167)
SILD AF	(13,003,096)	(9,870,442)
CIP II-P2,P3	(13,232,733)	(9,452,038)
VEDI	(5,285,119)	(5,326,472)
YWIP	(6,441,703)	(3,867,141)
USAID Grant	(471,584)	(572,248)
SILD	-	(357,817)
USAID	-	-
Government Projects	(45,814,729)	-
Other	(775,951)	(1,092,508)
	<u>(143,848,384)</u>	<u>(98,983,989)</u>
Other operating cash flows, (net)	<u>(278,454)</u>	<u>(292)</u>
Total Operating cash flows	<u>3,471,133</u>	<u>(6,055,199)</u>
Exchange gain/(loss) on cash	94,132	67,131
Net cash flows	<u>3,565,265</u>	<u>(5,988,068)</u>
Opening cash balance	<u>12,832,970</u>	<u>18,821,038</u>
Closing cash balance	<u>16,398,235</u>	<u>12,832,970</u>

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1. Background

1.1 The foundation and its activity

The Armenian Territorial Development Fund ("ATDF", "Fund") is the legal successor of Armenian Social Investment Fund (ASIF) since 2015. The ATDF operates based on the new Charter since 4 August 2015, and continues ordinary activities of the ASIF.

The ASIF has been established by a Decree N 162 dated 11.04.2000 of the Government of the Republic of Armenia ("RoA"), the sole founder, as an autonomous non-profit agency to assist in the rehabilitation of small-scale infrastructure through community initiated and demand-based activities. It was registered in accordance with resolution N 988 of the Ministry of Justice of the RoA dated 13 September 2000.

The ATDF registered address is: 31 K. Ulnetsi Street, Yerevan, 0037, Republic of Armenia.

The ATDF implements projects with objective to related to:

- Enhance the well-being of the population by improving infrastructure, public services, employment opportunities, and overall access across regions.
- Support the development of institutional, financial, and administrative capacities in local governments, including governance reforms and community consolidation.
- Stimulate regional economic growth and investment by promoting targeted programs, developing growth hubs, and ensuring effective use of public, donor, and private resources.
-

The projects are financed by the Government of the RoA through funds received from international donors, the largest creditor being International Development Association (IDA), International Bank of Reconstruction and Development (IBRD) and Asian Development Bank (ADB). The Projects are co-financed by the Government of the RoA, Local Communities and Other Sponsors.

1.2 WSPIU merger

In accordance with the RoA Government Decrees N 170-N dated 28.02.2019 and N 1966-N dated 26.12.2019 the operations of "Water Sector Projects Implementation Unit" State Agency of the Water Committee of the Ministry of Territorial Administration and Infrastructure of the RoA ("WSPIU") were combined to the Fund since start of 2020.

The former activity of the WSPIU continues to be fully implemented, including through its staff and resources, which were merged to the ATDF as a branch.

According to the minutes of the meeting held on August 25, 2023 by the Board of Trustees of ATDF, the new structure of ATDF was approved, and a decision was made to terminate the activities of the ATDF "WSPIU" branch and assign the implementation of water sector projects to ATDF.

The main activities of the water sector are:

- Construction of Vedi reservoir and irrigation system,
- Irrigation System Modernization Project
- Integrated water resources management of Akhuryan River,
- Improving Yerevan water supply system,
- Implementation of "Community Infrastructure Program II, Phase 3 - Water Supply and Sewerage Infrastructure of Armenia" program.

The water sector programs are funded by the Government of the RoA, mainly with funds received from international donors. The Eurasian Development Bank (EDB), the Agence Française de Développement (AFD), the European Investment Bank (EIB), the Bank for Reconstruction and Development (KfW) are the largest donors. The projects are cofinanced by the Government of the RoA and local communities.

1.3. Implemented projects

In the year ended 31 Dec 2024, the ATDF implemented the following main projects:

Armenian Territorial Development Fund
Notes forming part of the financial statements
For the year ended 31 December 2024

- **SILD AF** - "Additional Financing for Social Investment and Local Development Project", financed by the Loan Agreement number 9060-AM dated 21 April 2020 between the Republic of Armenia and the IBRD, in the amount of 17,900,000 EURO. The objective of the project is to improve quality and use of and access to community and inter-community infrastructure. The Loan became effective on 08 December 2020. The Closing date for the Loan Number 9060-AM financing is set on 31 May 2025.
- **SSIP** - "Seismic Safety Improvement Program", financed by Loan Agreement ADB Loan Number 3284-ARM dated 19 October 2015 between the ADB and the Republic of Armenia, in the amount of 83,600,000 USD. The objective of the project is to build earthquake-resilient schools and improve ability of responding to natural disasters. The closing date of the SSIP project is set on 31 May 2026.
- **SSIP-AF** - "Seismic Safety Improvement Program-Additional Financing" ("Program") financed by Loan Agreement ADB Loan Number 4351-ARM (Additional Financing to Loan No. 3284-ARM(SF)) dated 27 November 2023 between the ADB and the Republic of Armenia, in the amount of 66,100,000 EURO. The objective of the project is to build earthquake-resilient schools and improve ability of responding to natural disasters. The closing date of the SSIP-AF project is set on 30 September 2027.
- **LEID** - "Local Economy and Infrastructure Development Project", financed by the Loan Agreement IBRD Loan Number 8572-AM dated 23 February 2016 between the Republic of Armenia and the IBRD, in the amount of 55,000,000 USD. The Project objective is to improve infrastructure services and institutional capacity for increased tourism contribution to local economy in selected regions of Armenia (i.e. Kotayk, Vayots Dzor, Syunik, Lori, Armavir, Ararat). In particular, the proposed Project will support business environment and investment climate for Small and Medium-sized Enterprises (SME) creation, growth, and innovations. The Loan became effective on 29 December 2016. The Project related activities commenced from 21 April 2017. The Closing date for the Loan Number 8572-AM financing is set on 31.12.2024.
- **USAID** - "Local Government and Decentralization Reforms" Project, which is financed by the contract signed between the USAID and the RA Government in the amount of USD 7,980,000, of which USAID contributes USD 6,000,000 and the RA Government contributes USD 1,980,000. The goal of the project is the development of the most important systems and capacities of enlarged communities, community councils and municipal governments; The project started on December 1, 2022 and is scheduled to be completed on November 30, 2027.
- **ISMP** - "Irrigation Systems Modernization Project" supported by the Eurasian Development Bank (EDB) is implemented based on loan agreement signed on 16.10.2015, which became effective on 10 June 2016. The objective of the project is to provide access to irrigation services, including replacement of mechanical irrigation by gravity, rehabilitation of main and secondary canals, rehabilitation and construction of tertiary irrigation networks, length of renovated networks - 344.32 km, length of newly constructed irrigation networks - 67.18. km. The closing date of the project was revised and extended to 30.06.2025.
- **VEDI** - "Construction of Vedi Reservoir and Irrigation System Project" implemented with the support of the Agence Française de Développement (AFD) is implemented within the framework of the Loan Agreement dated 26.01.2016, which became effective on 12 May 2016. The aim of the project is to build Vedi reservoir and auxiliary structures, water intakes, water conveyance and irrigation system, as well as tertiary irrigation network of the lands to be irrigated from the reservoir, as a result of which it is expected to ensure, to construction of Vedi and Khosrov water intakes, construction of water conveyance system - 10,6 km, construction of irrigation system - 36.2 km, rehabilitation of tertiary irrigation network - 60 km - construction of dam - 80 m. The project closing date has been revised and extended to May 31, 2028.
- **IWRM** - Integrated Water Resources Management (IWRM) / Akhuryan River, Phase 1 & 2 implemented with the support of the German Development Bank (KfW) BMZ-No2014.67.950 and BMZ-No2012.66.956. The Project is implemented within the framework of the Loan Agreements accordingly signed on 19.12.2014 and 18.12.2017. The objective of the project is the construction of Kaps reservoir with a dam height of 33 m. The deadline for closing the project and disbursement of both loan funds has been revised and extended to December 30, 2026

Armenian Territorial Development Fund
Notes forming part of the financial statements
For the year ended 31 December 2024

- **CIP II-P2, P3** - "Communal Infrastructure Program II, Phase 3 - Water Supply and Sewerage Infrastructure in Armenia" BMZ N 2013 66 343 Project. The aim of the project is to carry out urgent (partial) rehabilitation of some sections of water supply and sewerage systems in 41 rural settlements of 11 cities and immediate rehabilitation of water supply and sewerage systems in some communities selected from 560 rural settlements. The project is financed by KfW Bank in accordance with the Loan Agreement dated December 27, 2013, effective since June 21, 2014, as well as with the support of European Investment Bank in accordance with the Financing Contract, effective since 27.06.2014; and the KfW Bank and EU NIF in accordance with the Implementing Financing Agreement dated 14.05.2014, effective since June 21, 2014. The deadline for requesting disbursements has been revised and extended till December 30, 2025.
- **YWIP** - Yerevan Water Supply Improvement Project implemented with the assistance of the European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), and EU Neighborhood Investment Facility (EU NIF). EIB Finance Contract was signed on 27.06.2014 and came into force on 05.02.2015. Completion date has been extended till 31.12.2025. EU NIF Financing Agreement was signed on 06.08.2014 and enacted on 04.11.2014. The completion date is 31.12.2025.
- The Government financed programs include:
 - Implementation of the construction/renovation projects of schools and educational complexes included in Annex 1 of the "300 Schools to be Constructed, Capital Repaired or Reconstructed by 2026" program, as defined by RA Government Decree No. 2093-N of November 30, 2023 – specifically for the schools assigned to the ATDF (Armenian Territorial Development Fund) under that decree.
 - Implementation of the construction projects of kindergartens included in Annex 1 of the "500 Kindergartens and Preschools to be Constructed, Capital Repaired or Reconstructed by 2026" program, as defined by RA Government Decree No. 1581-N of October 3, 2024 – specifically for the kindergartens assigned to the ATDF under that decision;
 - Subprograms for the construction of external and internal water supply networks, two daily-regulated reservoirs, and a pumping station in the Syunik, Lori and Kotayk regions;
 - Program for the rehabilitation of the damaged section of the Sevan city sewer collector in the area of Varser settlement in the Gegharkunik region;
 - Construction works of sports schools and "Workout"-type sports grounds in various regions of the Republic of Armenia;
 - Program for the procurement of a patrol service for the maintenance of the "AERATSIA" treatment plant;
 - Program for the procurement of medical equipment for the needs of the polyclinic in the Byureghavan community, Kotayk region.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

(a) New standards, interpretations and amendments effective from 1 January 2024

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

Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments). These Amendments arose as a result of a submission received by the IFRS Interpretations Committee (the Committee) about the presentation requirements for liabilities and associated cash flows arising out of supply chain financing arrangements and related disclosures. In December 2020, the Committee published an Agenda Decision Supply Chain Financing Arrangements—Reverse Factoring that addressed this submission based on the requirements in IFRS Accounting Standards existing at that time. During this process, the feedback from stakeholders indicated limitations of the then existing requirements to address important information needs of users to understand the effects of supplier finance arrangements on an entity's financial statements and to compare one entity with another.

In response to this feedback, the IASB undertook a narrow scope standard setting, leading to the Amendments. The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)

The IFRS Interpretations Committee issued an agenda decision in June 2020 - Sale and leaseback with Variable Payments. This matter was referred to the IASB for standard setting for some aspects. The IASB issued the final amendments in September 2022.

The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)

The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Noncurrent Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. As a result of the COVID-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after 1 January 2024.

Non-current Liabilities with Covenants (Amendment to IAS 1)

Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period.

The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

These amendments had no impact on the financial statements of the Company

b) New standards and amendments to IFRSs issued but not yet effective.

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements.

Lack of Exchangeability (Amendment to IAS 21)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments arose as a result of a submission received by the IFRS Interpretations Committee about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not

Armenian Territorial Development Fund
Notes forming part of the financial statements
For the year ended 31 December 2024

exchangeable into another currency, which led to diversity in practice. The Committee recommended that the IASB develop narrow-scope amendments to IAS 21 to address this issue. After further deliberations, the IASB issued an exposure draft of the proposed amendments to IAS 21 in April 2021 and the final amendments were issued in August 2023. The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

The following changes will enter into force for the period starting on 1 January 2026.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In response to matters that had been raised to the IFRS Interpretations Committee as well as matters that arose during the post-implementation review of classification and

measurement requirements of IFRS 9 Financial Instruments, in May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7:

Derecognition of financial liabilities

- Derecognition of financial liabilities settled through electronic transfers.

Classification of financial assets

- Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment – ‘SPPI test’)
- Contractual terms that change the timing or amount of contractual cash flows
- Financial assets with non-recourse features
- Investments in contractually linked instruments.

Disclosures

- Investments in equity instruments designated at fair value through other comprehensive income
- Contractual terms that could change the timing or amount of contractual cash flows.

The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified. The Amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. This would be particularly useful to entities that wish to apply the Amendments early for financial instruments with ESG (Environmental, Social and Governance)-linked or similar features.

Annual Improvements to IFRS Accounting Standards

Annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard, or correct relatively minor unintended consequences, oversights or conflicts between requirements of the Accounting Standards. The proposed improvements are packaged together in one document. This cycle of annual improvements addresses the following:

- Hedge Accounting by a First-time Adopter (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards)
- Disclosure of Deferred Difference between Fair Value and Transaction Price Amendments to Guidance on implementing IFRS 7)
- Gain or Loss on Derecognition (Amendments to IFRS 7)

Armenian Territorial Development Fund
Notes forming part of the financial statements
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- Introduction and Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7)
- Derecognition of Lease Liabilities (Amendments to IFRS 9)
- Transaction Price (Amendments to IFRS 9)
- Determination of a 'De Facto Agent' (Amendments to IFRS 10)
- Cost Method (Amendments to IAS 7).

The final amendments were issued in July 2024.

The following changes will enter into force for the period starting on 1 January 2027.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after 1 January 2027. IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on:

- The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.
- Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.
- Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards. The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

On 9 May 2024, the International Accounting Standards Board (IASB) issued IFRS 19 Subsidiaries without Public Accountability: Disclosures. Stakeholders have asked the IASB to permit a subsidiary reporting to a parent applying IFRS Accounting Standards in its consolidated financial statements to apply IFRS Accounting Standards with reduced disclosure requirements in its own financial statements. Considering this feedback, the IASB added a project to its research pipeline to provide reduced disclosure requirements for subsidiaries without public accountability. The project has culminated in the issuance of IFRS 19, which permits eligible subsidiaries to apply reduced disclosure requirements while applying the recognition, measurement and presentation requirements in IFRS Accounting Standards. For example, under IFRS 19, an entity that has transactions within the scope of IFRS 2 Share-based Payment would not apply the disclosure requirements in IFRS 2.44-52, which are extensive. Instead, an entity would disclose only the information contained in paragraphs 31-34 of IFRS 19, which include a description of share-based payment arrangements, the number and weighted average exercise prices of share options, how an entity measures the fair value of equity settled share-based payment transactions and other general information about transactions in the scope of IFRS 2. As an indication of the scope of the reduction in disclosure requirements, IFRS 2 currently contains 991

Armenian Territorial Development Fund
Notes forming part of the financial statements
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words in its disclosure requirements, whereas IFRS 19 contains only 250 words relating to IFRS 2 disclosures. The eligibility criteria for an entity to apply IFRS 19 are:

- The entity is a subsidiary (as defined in Appendix A of IFRS 10 Consolidated Financial Statements);
- The entity does not have public accountability; and
- The entity has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. An entity has public accountability if:
 - Its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market; or
 - It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses outsiders as one of its primary businesses.

2.2 Basis of measurement

These financial statements are prepared on a historical cost basis.

2.3 Functional and presentation currency

The ATDF's functional currency is the national currency of the Republic of Armenia, Dram (AMD). The presentation currency of these financial statements is United States Dollar (USD).

2.4 Significant accounting estimates and judgments

Estimates and judgments of the Fund are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual experience may differ from those estimates and assumptions. In the reporting year, there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Measurement of fair values

A number of assets and liabilities included in the Fund's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Fund's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur.

2.5 Financial instruments - Risk Management

During its natural activity, the Fund is exposed to various financial risks such as:

- credit risk
- liquidity risk.

In common with all other businesses, the Fund is exposed to risks that arise from its use of financial instruments. This note describes the Fund's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Fund's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) Principal financial instruments

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The principal financial instruments used by the Fund, from which financial instrument risk arises, are as follows:

- Funds receivable;
- Cash and cash equivalents;
- Payables.

(b) Financial instruments by category

	Measured at amortized cost	
	31.12.2024	31.12.2023
	USD	USD
<i>Financial assets</i>		
Funds receivable	167,724,112	171,491,510
Cash and cash equivalents	16,398,235	12,832,970
	184,122,347	184,324,480

	Measured at amortized cost	
	2024	2023
	USD	USD
<i>Financial liabilities</i>		
Payables	8,899,963	9,790,046
	10,552,183	9,790,046

(c) Financial instruments not measured at fair value

Financial instruments not measured at fair value include funds receivable, cash and cash equivalents, payables.

Due to their short-term nature, the carrying value of funds receivable, cash and cash equivalents, and payables approximates their fair value.

For details of the fair value hierarchy, valuation techniques, and significant unobservable inputs related to determining the fair value, which are classified in level 3 of the fair value hierarchy, refer to appendix A.

General objectives, policies, and processes

The overall management of the Fund's activities is carried out by the Board of Trustees.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without disruption of the Fund's activities. Further details regarding these policies are set out below.

Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counter party to a financial instrument fails to meet its contractual obligations.

The Fund is mainly exposed to credit risk, which arises from cash and cash equivalents held by banks.

Liquidity risk

Liquidity risk arises from the Fund's finance charges and principal repayments on its debt instruments. It is the risk that the Fund will encounter difficulty in meeting its financial obligations as they fall due.

The Fund's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements.

The following table sets out the Fund's contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities.

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	Up to 1 month USD	Between 1 and 3 months USD	Between 3 and 12 months USD	Between 1 and 5 years USD	Over 5 years USD
At 31 December 2024					
Payables	301,298	-	2,023,104	6,575,561	-
	<u>301,298</u>	<u>-</u>	<u>2,023,104</u>	<u>6,575,561</u>	<u>-</u>
At 31 December 2023					
Payables	742,495	-	63,563	8,983,988	-
	<u>742,495</u>	<u>-</u>	<u>63,563</u>	<u>8,983,988</u>	<u>-</u>

2.6 Foreign currency transactions

Foreign currency is a currency other than the functional currency of the ATDF.

Transactions in foreign currencies are translated into functional currency at exchange rates at the dates of the transactions. Average exchange rates as published by the Central Bank of the Republic of Armenia (CBA) is taken as the exchange rate.

The ATDF's accounts are maintained, and transactions are mainly made in United States dollars (USD), Euro (EUR) and Armenian Drams (AMD). Transactions denominated in EUR or AMD currency are translated into USD based on average exchange rates as published by the CBA.

The average exchange rates as publish by the CBA related to USD against the EUR and AMD are follows:

	31.12.2024	31.12.2023
AMD	396.56	404,79
EUR	<u>1.0437</u>	<u>1,1065</u>
	2024 average rate	2023 average rate
AMD	392.73	392,54
EUR	<u>1.082</u>	<u>1,082</u>

2.7 Government grants

Grants from the government in return for past or future compliance with certain conditions relating to operating activities of ATDF are recognized at their fair value where there is reasonable assurance that:

- the ATDF will comply with the conditions attached to them; and
- the grants will be received:

Government grants relating to the purchase of property, plant and equipment are deferred and are recognized in the income statement on a straight-line basis over the expected lives of the related assets. Grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

2.8 Property and equipment

Property and equipment are stated at cost, less accumulated depreciation, and provision for impairment, where required. Costs of minor repairs and maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items are capitalized and the replaced part is retired.

Depreciation is calculated on a straight-line basis in accordance with the following annual depreciation rates:

Machinery and equipment	15%-30%
Transportation means	12%-20%
Operational fixtures	12%-20%

2.9. Cash

Cash comprises of bank accounts balances.

2.10. Prepayments

Prepayments are carried at cost less provision for impairment. If there is an indication that the assets, goods or services relating to an advance will not be received, the carrying value of the advance is written down accordingly and a corresponding impairment loss is recognized in the income statement.

3. Property and equipment

Property and equipment represent assets acquired in the scope of the implemented projects for use at ATDF.

	Vehicles	Equipment	Office furniture and fixtures	Total
	USD	USD	USD	USD
As of January 1, 2023	130,816	479,085	27,787	637,688
Acquisitions	246,601	46,525	6,333	299,459
Write-offs	-	-	-	-
As of December 31, 2023	377,417	525,610	34,120	937,146
Acquisitions	7,652	19,782	-	27,434
Write-offs	-	(159)	-	(159)
As of December 31, 2024	385,069	545,233	34,120	964,422
Annual depreciation charge				
As of January 1, 2023	90,274	430,911	23,265	544,450
Annual charges	41,960	18,975	2,402	63,337
Write-offs	-	-	-	-
As of December 31, 2023	132,234	449,886	25,667	607,787
Annual charges	27,231	18,357	1,328	46,916
Write-offs	-	-	-	-
As of December 31, 2024	159,465	468,243	26,995	654,703
Carrying value				
As of December 31, 2023	245,183	75,724	8,453	329,360
As of December 31, 2024	225,604	76,990	7,125	309,719

(a) As of 31 Dec 2024, the property and equipment with cost of 254,736 USD are fully depreciated (31 Dec 2023: 238,121 USD).

(b) The Fund carries out its activities in the following area provided free of charge by the state - 31 Ulnetsi, Yerevan, 5th and 6th floor, total 1,456.8 square meters. This area is accounted by equity approach, a net approach that recognizes grants out of profit or loss and does not recognize assets or liabilities in respect of that grant in accordance with IAS 20 "Accounting for government grants and disclosure of government assistance".

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4. Funds receivable

They represent funds receivable for implementation of the projects by the ATDF:

Project	Note	31.12.2024 USD	31.12.2023 USD
SILD AF	4.1	1,057,631	14,925,964
SSIP	4.2	9,147,852	10,182,229
LEID	4.3	7,527,140	23,072,362
USAID	4.4	442,468	442,468
USAID-1	4.4.a	6,599,893	7,349,068
ISMP	4.5	373,291	1,052,045
VEDI	4.6	1,043,701	6,790,061
IWRM	4.7	71,277,457	55,155,257
CIP II-P2,P3	4.8	28,407,392	44,458,705
YWIP	4.9	2,352,704	8,063,351
SSIP AF	4.10	39,494,583	-
		167,724,112	171,491,510

4.1. SILD AF

The IBRD Loan N 9060-AM; total funding is 17,900,000 EURO; payment currency is EUR:

	IBRD Loan 9060-AM USD equivalent	Government of RoA cofinancing USD	Community contribution USD	Donor USD	Total USD
As of 31 Dec 2023	11,609,626	3,601,324	(284,986)	-	14,925,964
Granted	-	-	50,494	-	50,494
Revaluation	(291,220)	(94,818)	14,396	-	(371,642)
Received	(10,436,840)	(3,110,345)	-	-	(13,547,185)
As of 31 Dec 2024	881,566	396,161	(220,096)	-	1,057,631

Funding receivable in movement in underlining currency, EUR, is follows:

	IBRD Loan 9060-AM EUR	Government of RoA cofinancing EUR	Community contribution EUR	Donor EUR	Total EUR
As of 31 Dec 2023	10,492,209	3,254,699	(257,556)	-	13,489,352
Granted	-	-	46,675	-	46,675
Received	(9,647,555)	(2,875,126)	-	-	(12,522,680)
As of 31 Dec 2024	844,654	379,573	(210,881)	-	1,013,347

4.2 SSIP

The ADB Loan 3284-ARM total funding is 63,259,000 SDR; payment currency is USD:

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	ADB Loan 3284-ARM USD	Government of RoA cofinancing USD	Total USD
As of 31 Dec 2023	12,669,720	(2,487,491)	10,182,229
Granted	-	4,248,713	4,248,713
Revaluation	-	-	-
Received	(5,283,090)	-	(5,283,090)
As of 31 Dec 2024	7,386,630	1,761,222	9,147,852

4.3 LEID

The IBRD Loan 8572-AM total funding is 42,800,000 USD; payment currency is USD.

	IBRD 8572-AM USD	Government of RoA cofinancing USD	Total USD
As of 31 Dec 2023	15,017,140	8,055,222	23,072,362
Granted	-	-	-
Received	(12,541,409)	(3,003,813)	(15,545,222)
As of 31 Dec 2024	2,475,731	5,051,409	7,527,140

4.4 USAID

The USAID total funding is 8,600,000 USD; payment currency is USD.

	USAID grant USD	Community contribution USD	Total USD
As of 31 Dec 2023	-	442,468	442,468
Granted	-	-	-
Received	-	-	-
As of 31 Dec 2024	-	442,468	442,468

4.4.a USAID-1

The USAID total funding is 6,000,000 USD; payment currency is USD.

	USAID grant USD	Community contribution USD	Total USD
As of 31 Dec 2023	5,399,500	1,949,568	7,349,068
Granted	-	-	-
Received	-	(749,175)	(749,175)
As of 31 Dec 2024	5,399,500	1,200,393	6,599,893

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4.5. ISMP

The ISMP total funding is 40,000,000 USD; payment currency is USD.

	EDB	Government of RoA cofinancing	Community contribution	Total
	USD	USD	USD	USD
As of 31 Dec 2023	-	888,183	163,862	1,052,045
Granted	-	-	-	-
Received	-	(666,187)	(12,567)	(678,754)
As of 31 Dec 2024	-	221,996	151,295	373,291

4.6. VEDI

The AFD Credit No. CAM 1002 01 Y total funding is 75,000,000 EU; payment currency is EUR.

	AFD	Government of RoA cofinancing	Total
	USD equivalent	USD	USD
As of 31 Dec 2023	5,532,497	1,257,564	6,790,061
Granted	-	18,037	18,037
Revaluation	(232,801)	(22,831)	(255,632)
Received	(4,255,995)	(1,252,770)	(5,508,765)
As of 31 Dec 2024	1,043,701	-	1,043,701

Funding receivable in movement in underlining currency, EUR, is follows:

	AFD	Government of RoA cofinancing	Total
	EUR	EUR	EUR
As of 31 Dec 2023	5,000,000	1,136,525	6,136,525
Granted	-	17,282	17,282
Received	(4,000,000)	(1,153,807)	(5,153,806)
As of 31 Dec 2024	1,000,000	-	1,000,001

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4.7. IWRM

The KfW Loan BMZ-No2014.67.950 total funding is 50,000,000 EUR as well as grant of 300,000 EUR; payment currency is EUR:

	KfW	Government of RoA cofinancing	Total
	USD equivalent	USD	USD
As of 31 Dec 2023	36,659,486	18,495,771	55,155,257
Granted	20,470,244	4,094,049	24,564,293
Revaluation	(3,190,816)	(1,239,193)	(4,430,009)
Received	(2,983,439)	(1,028,645)	(4,012,084)
As of 31 Dec 2024	50,955,475	20,321,982	71,277,457

Funding receivable in movement in underlining currency, EUR, is follows:

	KfW	Government of RoA cofinancing	Total
	EUR	EUR	EUR
As of 31 Dec 2023	33,131,040	16,715,569	49,846,609
Granted	18,500,000	3,700,000	22,200,000
Received	(2,809,125)	(944,489)	(3,753,614)
As of 31 Dec 2024	48,821,915	19,471,080	68,292,995

4.8 CIP II-P2,P3

The KfW Loan BMZ N 2013 66 343 total funding is 30,000,000 EUR, EIB Loan FIN 82.043 Separis 2012-0322 total funding is 16,658,267 EUR, EU-NIF Grant IG6 2020 EUR, EU-NIF Grant IG 2020 61 554 total funding is 12,000,000 EUR, KfW Loan BMZ N 2009 66 515 total funding is 1,114,165 EUR. Payment currency is EUR:

	KfW	EU-NIF	EIB	Government of RoA cofinancing	Total
	USD equivalent	USD equivalent	USD equivalent	USD	USD
As of 31 Dec 2023	15,276,679	12,955,215	8,916,470	7,310,341	44,458,705
Granted	-	-	-	-	-
Revaluation	(692,613)	(724,946)	(414,761)	(313,286)	(2,145,606)
Received	(5,600,267)	(286,578)	(5,309,793)	(2,709,069)	(14,905,707)
As of 31 Dec 2024	8,983,799	11,943,691	3,191,916	4,287,986	28,407,392

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Fund receivable movement in underlining currency, EUR, is follows:

	KFW EUR	EU-NIF EUR	EIB EUR	Government of RoA cofinancing EUR	Total EUR
As of 31 Dec 2023	13,806,311	11,708,287	8,058,267	6,606,728	40,179,593
Granted	-	-	-	-	-
Received	(5,198,674)	(264,690)	(5,000,000)	(2,498,284)	(12,961,648)
As of 31 Dec 2024	8,607,637	11,443,597	3,058,267	4,108,444	27,217,945

4.9 YWIP

The YWIP total funding is 13,060,340 USD: EIB funds- 7,000,000 USD and EU-NIF funds 6,060,340 USD; payment currency is USD:

	EIB USD	EU-NIF USD	Government of RoA cofinancing USD	Total USD
As of 31 Dec 2023	4,000,032	2,056,357	2,006,962	8,063,351
Granted	-	-	914,888	914,888
Received	(1,934,071)	(2,035,357)	(2,656,107)	(6,625,535)
As of 31 Dec 2024	2,065,961	21,000	265,743	2,352,704

4.10 Government Projects Grants

	Government of RoA cofinancing USD	Total USD
As of 31 Dec 2023	-	-
Granted	47,031,157	47,031,157
Received	(47,031,157)	(47,031,157)
As of 31 Dec 2024	-	-

4.11 SSIP AF

The ADB Loan Number 4351-ARM which total funding is 61,400,000 Euros. Government of the Republic of Armenia covering the Taxes by amount of 12,280,000 Euros.

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	ADB	Government of RoA cofinancing	Total
	USD equivalent	USD	USD
As of 31 Dec 2023	-	-	-
Granted	66,423,253	13,284,651	79,707,904
Revaluation	(1,173,284)	(268,875)	(1,442,159)
Received	(33,118,724)	(5,652,438)	(38,771,162)
As of 31 Dec 2024	32,131,245	7,363,338	39,494,583

SSIP AF

	ADB	Government of RoA cofinancing	Total
	EUR	EUR	EUR
As of 31 Dec 2023	-	-	-
Granted	61,400,000	12,280,000	73,680,000
Received	(30,614,123)	(5,224,973)	(35,839,096)
As of 31 Dec 2024	30,785,877	7,055,027	37,840,904

5. Prepayments

	31.12.2024 USD	31.12.2023 USD
Advances for construction works	32,770,633	28,983,749
Other advances	91,965	15,514
	32,862,598	28,999,263
Prepayments by projects		
IWRM	12,915,304	13,698,914
SSIP AF	6,859,110	-
SSIP	854,879	6,640,607
LEID	172,622	2,257,249
YWIP	473,559	2,215,364
VEDI	160,722	1,271,066
CIP II-P2,P3	77,388	1,809,961
SILD AF	-	660,033
ISMP	-	299,143
Government projects	11,270,645	-
Other projects	78,369	146,926
	32,862,598	28,999,263

a/ The Prepayments are mainly result from prepayments to contractors up to 20% on construction contracts secured with relevant bank guarantees.

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6. Cash and cash equivalents

	Project	Currency	31.12.2024 USD	31.12.2023 USD
Designated account (EDB)	ISMP	USD	1,211,792	4,114,934
Community cofinancing	ISMP	AMD	66,338	63,066
Designated account (IBRD 8283-AM)	SILD	USD	45	44
Designated account	SILD AF	AMD	21,758	-
Designated account (IBRD 9060-AM)	SILD AF	EUR	1,381,915	258,294
Deposit account (ADB 3284-ARM)	SSIP	USD	126,866	2,357,014
Deposit account	SSIP AF	EUR	5,312,561	-
Deposit account	SSIP AF	AMD	291,615	-
Designated account (AFD)	VEDI	EUR	1,633,955	1,423,949
Designated account (IBRD 8572)	LEID	USD	1,239,186	689,007
Designated account (KFW)	CIP II-P2,P3	EUR	959,080	212,112
Designated account	YWIP	USD	192,513	8,308
Designated account	YWIP	AMD	691	-
Designated account	Government projects	AMD	1,793,106	-
Other accounts		USD	179,709	28,271
Other accounts		AMD	1,987,105	3,677,971
			16,398,235	12,832,970

7. Founders' contribution

The Government of the Republic of Armenia is the sole founder of ATDF. The Founder contributed Property and Equipment with the valued amount of USD 151,631. Those assets were fully depreciated as at 31 December 2006.

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8. Government grants

Below are presented the grants' movements for the implementation of ATDF Projects:

Year ended 31.12.2024	SILD	SILD AF	SSIP	LEID	USAID-1	USAID	SSIP AF	ISMP	VEDI	IWRM	CIP II-P2,P3	YWIP	GP	Other	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Opening balance	387,931	16,781,397	16,550,175	25,464,342	7,468,809	433,850	-	4,869,604	5,684,706	68,850,054	44,746,323	10,203,235	602,977	268,132	202,311,535
Grants received	-	-	-	-	-	-	79,707,904	-	18,037	24,564,293	-	914,888	47,031,157	618,923	152,905,696
Other increase/ (decrease)	-	50,494	-	-	-	-	-	-	1,652,220	-	-	-	-	-	1,652,220
Revaluation	-	(519,523)	(103,118)	17,074	-	-	(1,886,604)	(37,040)	(104,594)	(5,053,161)	(2,036,205)	(25,650)	(42,944)	-	(9,791,765)
Income corresponding to compensated costs	-	(13,727,291)	(9,391,223)	(17,932,230)	(598,980)	-	(26,155,286)	(3,423,578)	(6,704,065)	(4,701,199)	(14,223,862)	(8,688,819)	(34,658,226)	(278,454)	(140,483,213)
Closing balance	387,931	2,585,077	7,055,835	7,549,186	6,869,829	433,850	51,666,014	1,408,986	546,303	83,659,986	28,486,256	2,403,654	12,932,964	608,601	206,594,473

Year ended 31.12.2023	SILD	SILD AF	SSIP	LEID	USAID-1	USAID	ISMP	VEDI	IWRM	CIP II-P2,P3	YWIP	Other	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Opening balance	603,366	25,381,913	49,815,584	37,568,543	-	433,849	16,620,000	9,828,481	67,245,518	54,455,250	12,338,624	939,627	275,230,755
Grants received	-	-	-	-	7,980,000	-	-	-	-	-	(402,358)	980,200	8,557,842
Other increase/ (decrease)	-	-	-	-	-	-	-	(4,018)	-	-	-	-	(4,018)
Revaluation	(9,183)	717,895	133,435	(54)	-	1	13,692	237,174	2,441,782	1,732,672	(434)	81	5,267,061
Income corresponding to compensated costs	(206,252)	(9,318,411)	(33,398,844)	(12,104,147)	(511,191)	-	(11,764,088)	(4,376,931)	(837,246)	(11,432,599)	(1,732,597)	(1,048,799)	(86,731,105)
Closing balance	387,931	16,781,397	16,550,175	25,464,342	7,468,809	433,850	4,869,604	5,684,706	68,850,054	44,746,323	10,203,235	871,109	202,311,535

9. Accounts payable

	31.12.2024 USD	31.12.2023 USD
Payables for construction works	8,584,361	8,355,238
Other payables	315,602	1,434,808
	8,899,963	9,790,046
Payables per projects		
SSIP	2,841,475	2,506,687
LEID	997,882	531,362
ISMP	290,335	715,123
VEDI	2,318,232	3,843,966
CIP II-P2, P3	957,602	1,734,455
YWIP	615,860	-
SILD AF	194,573	164,950
SSIP AF	7,913	-
IWRM	652,298	142,049
Government projects	10,962	
Other	12,831	151,454
	8,899,963	9,790,046

a) Retentions of 10% on VEDI and CIP II-P2, P3 projects; and 5% on SILD, SSIP, LEID and ISMP projects are held from the completed service invoice for up to one year as a guaranty for the quality of the work.

10. Project expenditures

Year ended 31.12.2024	SILD	SILD AF	SSIP	LEID	USAID-1	SSIP AF	ISMP	VEDI	IWRM	CIP II-P2,P3	YWIP	GP	Other	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Works	-	3,497,821	8,254,897	15,601,907	-	25,587,087	2,686,021	5,624,328	3,101,146	11,493,511	7,973,047	33,479,654	-	117,299,421
Goods	-	9,314,520	-	-	142,057	-	72,995	-	-	-	-	-	-	9,529,572
Consultants' services and Training	-	137,038	480,667	1,917,639	439,729	568,198	184,137	864,566	1,218,275	2,730,350	303,406	289,816	278,454	9,412,276
Operating costs	-	777,266	655,466	412,491	8,190	-	472,787	197,893	363,370	-	412,355	888,178	-	4,187,996
Depreciation of PPE	-	646	192	192	9,004	-	7,639	17,278	18,408	-	11	578	-	53,948
Total	-	13,727,291	9,391,223	17,932,230	598,980	26,155,286	3,423,578	6,704,065	4,701,199	14,223,862	8,688,819	34,658,226	278,454	140,483,213
Year ended 31.12.2023	SILD	SILD AF	SSIP	LEID	USAID-1	SSIP AF	ISMP	VEDI	IWRM	CIP II-P2,P3	YWIP	GP	Other	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Works	183,063	3,363,851	32,170,063	10,728,038	-	-	9,608,443	3,179,212	-	9,942,180	1,382,980	-	-	70,557,830
Goods	-	4,662,380	-	63,574	351,906	-	1,186,400	-	-	-	-	-	982,602	7,246,862
Consultants' services and Training	-	254,920	921,107	1,157,492	141,350	-	548,281	1,022,007	591,215	1,490,420	31,626	-	12,724	6,171,142
Operating costs	13	1,037,084	307,441	154,854	9,683	-	419,209	157,333	236,464	-	317,979	-	53,473	2,693,533
Depreciation of PPE	23,176	176	233	188	8,252	-	1,755	18,378	9,567	-	13	-	-	61,738
Total	206,252	9,318,411	33,398,844	12,104,146	511,191	-	11,764,088	4,376,930	837,246	11,432,600	1,732,598	-	1,048,799	86,731,105

Year ended 1,12,2024	SILD	SILD AF	SSIP	LEID	USAID-1	SSIP AF	ISMP	VEDI	IWRM	CIP II-P2,P3	YWIP	Government t Projects	Other	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Grants received/returned)	-	13,496,691	1,034,377	15,545,223	769,590	38,771,162	678,754	5,508,767	4,012,084	13,905,707	6,625,535	47,031,157	218,923	147,597,971
Grant	-	10,436,840	5,283,090	12,541,410	749,175	33,118,724	-	4,255,997	2,983,439	11,196,638	3,969,428	-	218,923	84,753,663
Government	-	3,110,345	(4,248,713)	3,003,814	-	5,652,438	666,187	1,252,770	1,028,645	2,709,069	2,656,107	47,031,157	-	62,861,819
Community contributions	-	(50,494)	-	-	20,415	-	12,567	-	-	-	-	-	-	(17,511)
Other sponsors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures	-	(13,003,096)	(3,265,185)	(14,988,811)	(471,584)	(32,969,609)	(3,580,872)	(5,285,119)	(4,018,991)	(13,232,733)	(6,441,703)	(45,814,729)	(775,951)	(143,848,384)
Projects	-	(3,034,345)	(2,129,068)	(12,658,677)	-	(32,401,413)	(2,817,052)	(4,210,939)	(2,738,258)	(10,503,664)	(5,731,095)	(44,630,634)	(24,929)	(120,880,074)
Goods	-	(9,054,451)	-	-	(320,073)	-	(73,377)	-	-	-	-	-	(395,350)	(9,843,250)
Consultant services and training	-	(137,035)	(480,651)	(1,917,643)	(143,322)	(568,196)	(215,814)	(875,777)	(917,363)	(2,729,068)	(298,252)	(279,014)	(345,410)	(8,907,545)
Operating costs	-	(777,266)	(655,466)	(412,491)	(8,190)	-	(474,629)	(198,403)	(363,370)	-	(412,355)	(905,081)	(10,263)	(4,217,514)
Other operating costs (net)	-	-	-	-	-	-	-	-	-	-	-	-	(278,454)	(278,454)
Foreign exchange gain/(loss)	-	74,043	976	(6,234)	-	(18,924)	2,248	(13,642)	6,907	73,994	1,063	(26,299)	-	94,132
Net cash flows	390,144	567,637	(2,229,832)	550,178	298,006	5,782,629	(2,899,869)	210,005	0	746,968	184,895	1,190,129	(835,482)	3,565,265
Opening cash balance	390,144	1,307,755	2,372,345	689,007	58,684	-	4,178,000	1,423,950	-	212,112	8,308	602,977	1,589,688	12,832,970
Closing cash balance	-	1,875,392	142,513	1,239,185	356,690	5,782,629	1,278,131	1,633,955	0	959,080	193,203	1,793,106	754,206	16,398,235
Lossing cash balance	-	13,496,691	1,034,377	15,545,223	769,590	38,771,162	678,754	5,508,767	4,012,084	13,905,707	6,625,535	47,031,157	218,923	147,597,971

Cash flows per projects

Year ended 31.12.2023	SILD	SILD AF	SSIP	LEID	USAID-1	ISMP	VEDI	IWRM	CIP II- P2,P3	YWIP	Other	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Funds received/ (returned)	21,258	9,954,973	28,795,637	13,228,326	630,932	12,253,126	961,343	13,902,451	8,233,878	3,472,151	1,475,008	92,929,083
Loan/Grant	(197,240)	6,871,237	17,127,090	10,617,923	600,500	10,251,775	-	13,243,456	6,102,191	2,403,951	-	67,020,883
RoA Government	230,154	2,591,482	11,668,547	2,610,403	-	1,946,855	961,343	658,995	2,131,687	1,068,200	1,475,008	25,342,674
Community Contributions	(11,656)	492,254	-	-	30,432	54,496	-	-	-	-	-	567,246
Other Sponsors	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures on Projects	(357,817)	(9,870,442)	(31,251,337)	(13,037,025)	(572,248)	(10,256,167)	(5,326,472)	(13,900,794)	(9,452,038)	(3,867,141)	(1,092,508)	(98,983,989)
Works	(280,883)	(3,624,658)	(30,022,306)	(11,661,107)	-	(8,105,356)	(4,143,379)	(13,041,614)	(7,970,887)	(3,532,539)	(24,929)	(82,407,658)
Goods	(76,934)	(4,952,210)	-	(63,574)	(395,160)	(1,211,344)	(22,491)	-	-	-	(1,060,207)	(7,781,920)
Consultant Services and Training	-	(256,363)	(921,590)	(1,157,490)	(140,346)	(518,702)	(1,002,486)	(622,717)	(1,481,151)	(16,623)	(7,372)	(6,124,840)
Operating Costs	-	(1,037,211)	(307,441)	(154,854)	(36,742)	(420,765)	(158,116)	(236,463)	-	(317,979)	-	(2,669,571)
Other operating flows (net)	(13)	-	19	(299)	-	-	-	-	-	-	(1)	(294)
Foreign exchange gain/(loss)	(14,570)	(31,969)	18,016	(2,872)	-	2,493	80,990	(1,657)	48,720	2,606	(34,625)	67,132
Net cash flows	(351,142)	52,562	(2,437,665)	188,130	58,684	1,999,452	(4,284,139)	-	(1,169,440)	(392,384)	347,874	(5,988,068)
Opening cash balance	741,286	1,255,193	4,810,010	500,877	-	2,178,548	5,708,089	-	1,381,552	400,692	1,844,791	18,821,038
Closing cash balance	390,144	1,307,755	2,372,345	689,007	58,684	4,178,000	1,423,950	-	212,112	8,308	2,192,665	12,832,970

11. Taxes

Applicable taxes are calculated and paid in accordance with Tax Code of the Republic of Armenia. Income tax rate in the Republic of Armenia for year 2024 is set at 18% (2023: 18%).

12. Litigations

There are no material claims against the ATDF or its implemented projects as of the reporting date and date of signing these reports.

13. IFRS 13 Fair Value measurement disclosures

The following table sets out the assets and liabilities for which fair values are disclosed in the notes:

Item	Fair Value USD	Valuation technique	Fair value hierarchy level	Significant unobservable inputs
Funds receivable	167,724,112	<i>Current</i> The carrying amount of short term (less than 12 months) trade payables approximates its fair values.	Level 3	N/A
Payables	8,899,963	<i>Current</i> The carrying amount of short term (less than 12 months) trade payables approximates its fair values.	Level 3	N/A