

**The Institute for Development of Freedom of  
Information (IDFI)**

**Financial Statements for the year ended  
December 31, 2024**

**with**

**Independent Auditors' Report**

Contents

	Page
<b>Statement of management's responsibilities</b>	1
<b>INDEPENDENT AUDITOR'S REPORT</b>	2
<b>Statement of Financial Position</b>	4
<b>Statement of Comprehensive Income</b>	5
<b>Statement of Cash Flow</b>	6
<b>Statement of Changes in Equity</b>	7
<b>Notes to the financial statements</b>	
1 The organization and its operations	8
2 Summary of significant accounting policies	8
3 Significant accounting policies	9
4 Critical accounting judgments	13
5 Property and equipment	13
6 Right-of-use assets and lease liability	14
7 Long-term investment	14
8 Grants receivable	15
9 Cash and cash equivalents	15
10 Deferred grant revenue	16
11 Revenue from grants	17
12 Other operating income	19
13 Salaries	19
14 Other operating expenses	19
15 Provision	20
16 Financial instruments	20
17 Financial risk management	20
18 Contingencies	22
19 Related party transactions	22
20 Going concern considerations	22
21 Events after the reporting period	22

**The last page number of the Financial Statements is 22**

**The Institute for Development of Freedom of Information (IDFI)**  
**Financial Statements for the year ended**  
**December 31, 2024**  
**Amounts expressed in Georgian Lari**

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**Statement of management's responsibilities**

Management of the Institute for Development of Freedom of Information (IDFI) is responsible for accompanying financial statements of the Institute for Development of Freedom of Information (IDFI).

This responsibility includes:

- preparation of financial statements in accordance with International Financial Reporting Standards;
- selection of suitable accounting policies and their consistent application;
- making judgments and estimates which are reasonable and prudent;
- preparation of the financial statements on the going concern basis, unless circumstances make this inappropriate.

Management is also responsible for:

- creation, implementation and maintaining effective internal control system;
- keeping proper accounting records in compliance with local regulations;
- taking such steps that are reasonably open to them to safeguard the assets of the Organization, and
- prevention and detection of fraud and other irregularities.

The financial statement is approved and signed on March 10th, 2025:

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**Giorgi Kldiashvili**

Executive Director

NN(L)E The Institute for  
Development of Freedom of  
Information (IDFI)

---

**Nutsa Vepkhvadze**

Financial Manager

NN(L)E The Institute for  
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**Financial Statements for the year ended**  
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**Nutsa Vepkhvadze**

Financial Manager

NN(L)E The Institute for  
Development of Freedom of  
Information (IDFI)

**INDEPENDENT AUDITOR'S REPORT****To the Management of Institute for Development of Freedom of Information (IDFI)****20, T. Shevchenko str.*****Opinion***

We have audited the financial statements of Institute for Development of Freedom of Information (IDFI) (the "Organization") which comprise the statement of financial position as at December 31, 2024 and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then 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 Organization as at December 31, 2024, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

***Basis for our 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 Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the standalone financial statements in Georgia, 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.

***Material Uncertainty Related to Going Concern***

We draw attention to Note 20 to the financial statements, which describes the conditions that indicate the existence of a material uncertainty that cast significant doubt on the Organization's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

***Responsibilities of management and those charged with governance for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), 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 Organization's ability to continue as a 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 Organization or to cease operations, or has no realistic alternative but to do so.

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

***Auditors' 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 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.

**INDEPENDENT AUDITORS' REPORT (Continued)**

**Auditors' responsibility for the audit of the financial statements (Continued)**

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 Organization'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 Organization'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 Organization to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents 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.

**Sopho Abaiadze / Certified Auditor / Partner**

Audit firm registration number: SARAS-F-320544

Auditor registration number: SARAS-A-417263

**Tbilisi, Georgia**

March 10, 2025



**INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION**

**Statement of Financial Position**

**December 31, 2024**

**Amounts expressed in Georgian Lari**

	Note	31-Dec-24	31-Dec-23
<b>Assets</b>			
<b>Non-current assets</b>			
Right-of-use assets	6	82,654	212,521
Intangible assets		180	-
Property and equipment	5	67,776	77,682
Long-term investment	7	-	532,501
<b>Total non-current assets</b>		<b>150,610</b>	<b>822,704</b>
<b>Current assets</b>			
Other assets		-	1,035
Grants receivable	8	2,255,843	3,631,599
Advances paid		1,630	250
Tax asset		2,569	-
Cash and cash equivalents	9	1,367,672	1,482,399
<b>Total current assets</b>		<b>3,627,715</b>	<b>5,115,284</b>
<b>Total assets</b>		<b>3,778,324</b>	<b>5,937,988</b>
<b>Equity</b>			
Net assets		761,245	1,041,912
Fixed assets revaluation reserve		6,419	6,419
<b>Total equity</b>		<b>767,664</b>	<b>1,048,331</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Deferred grant revenue	10	2,891,339	4,655,505
Lease liability	6	33,500	140,258
<b>Total non-current liabilities</b>		<b>2,924,839</b>	<b>4,795,763</b>
<b>Current Liabilities</b>			
Provision	15	25,000	-
Tax liabilities		-	5,950
Current portion of lease liability	6	57,182	80,776
Trade and other payables		3,640	7,168
<b>Total current liabilities</b>		<b>85,821</b>	<b>93,894</b>
<b>Total liabilities</b>		<b>3,010,660</b>	<b>4,889,657</b>
<b>Total liabilities and equity</b>		<b>3,778,324</b>	<b>5,937,987</b>

The financial statement is approved and signed on March 10th, 2025:

**Giorgi Kldiashvili**

Executive Director

NN(L)E The Institute for  
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**Nutsa Vepkhvadze**

Financial Manager

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**INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION**  
**Statement of Comprehensive Income**  
**December 31, 2024**  
**Amounts expressed in Georgian Lari**

	Note	Year 2024	Year 2023
Revenue from grants	11	1,883,124	1,882,894
Other operating income	12	268,585	239,832
Salaries	13	(712,529)	(391,226)
Other operating expenses	14	(1,653,543)	(1,741,418)
Depreciation and amortisation	5; 6	(92,002)	(72,374)
Interest expenses		(12,433)	(7,929)
Provisions	7, 15	(19,621)	(5,379)
<b>Net result from operating activities</b>		<b>(338,420)</b>	<b>(95,600)</b>
Other non-operating income		51,030	15,414
Other non-operating expenses		(1,074)	(19,995)
<b>Net result from non-operating activities</b>		<b>49,956</b>	<b>(4,581)</b>
Foreign exchange gains/(losses), net		7,797	3,299
<b>Result before income tax</b>		<b>(280,667)</b>	<b>(96,883)</b>
<b>Result for the year</b>		<b>(280,667)</b>	<b>(96,883)</b>

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Financial Manager

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**INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION****Statement of Cash Flow****December 31, 2024****Amounts expressed in Georgian Lari**

	<b>Year 2024</b>	<b>Year 2023</b>
<b>Cash flows from operating activities</b>		
Result for the year	(280,667)	(96,883)
<b>Adjustments:</b>		
Depreciation and amortisation	24,678	26,534
Write-off property and equipment	(217)	9,333
Interest expenses	12,433	7,929
Right-of-use assets	67,234	45,842
Foreign exchange gains/(losses), net	7,797	(3,299)
Law provisions	25,000	-
<b>Operation cash flows before working capital changes</b>	<b>(143,743)</b>	<b>(10,544)</b>
Decrease / (Increase) in advances paid	(1,380)	8,532
Decrease / (Increase) in grants receivable	1,375,757	(2,993,354)
Decrease / (Increase) in prepaid taxes	(2,569)	16,268
(Decrease) / Increase in other assets	14,279	18,546
(Decrease) / Increase in deferred grant revenue	(1,764,166)	3,429,935
(Decrease) / Increase in trade and other payables	(1,995)	(1,908)
(Decrease) / Increase in tax liabilities	(5,950)	-
(Decrease) / Increase in provision	25,000	-
<b>Net cash flows from operating activities</b>	<b>(504,767)</b>	<b>467,475</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(14,990)	(51,390)
Interest income	23,294	-
non-operating income	14,817	-
Purchase of long-term investments	512,880	(520,301)
Addition of right-of-use assets	-	(246,798)
<b>Net cash flows from investing activities</b>	<b>536,001</b>	<b>(818,489)</b>
<b>Cash flows from financing activities</b>		
Payment of lease liability	(127,369)	205,873
<b>Net cash flows from financing activities</b>	<b>(127,369)</b>	<b>205,873</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(96,135)</b>	<b>(145,141)</b>
Cash and cash equivalents at beginning of year	1,482,399	1,632,193
Effect of exchange rate changes on cash and cash equivalents	(18,584)	(4,653)
<b>Cash and cash equivalents at end of year</b>	<b>1,367,681</b>	<b>1,482,399</b>

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**INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION**

**Statement of Cash Flow**

**December 31, 2024**

**Amounts expressed in Georgian Lari**

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**INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION**

**Statement of Changes in Equity**

**December 31, 2024**

**Amounts expressed in Georgian Lari**

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	<b>Net assets</b>	<b>Total net assets</b>
<b>Balance at 31 December 2022</b>	<b>1,145,214</b>	<b>1,145,214</b>
Changes in net assets 2023	(96,883)	(96,883)
<b>Balance at 31 December 2023</b>	<b>1,048,331</b>	<b>1,048,331</b>
Changes in net assets 2024	(280,667)	(280,667)
<b>Balance at 31 December 2024</b>	<b>767,664</b>	<b>767,664</b>

The financial statement is approved and signed on March 10th, 2025:

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**INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION**  
**Statement of Changes in Equity**  
**December 31, 2024**  
**Amounts expressed in Georgian Lari**

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	<b>Net assets</b>	<b>Total net assets</b>
<b>Balance at 31 December 2022</b>	<b>1,145,214</b>	<b>1,145,214</b>
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**Nutsa Vepkhvadze**

Financial Manager

NN(L)E The Institute for  
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**1 The organization and its operations**

Institute for development of Freedom on Information IDFI ("the Organization" ID:204569617) is a Georgian nonentrepreneurial, noncommercial legal entity committed to enhancing openness of the government and promoting an informed civil society through ensuring access to public information. IDFI was founded in 2009 by two academicians, Levan Avalishvili and Giorgi Kldiashvili. Organization is registered on following adress: N4, Niagvari str. Tbilisi, 0108, Georgia.

Mission of IDFI is to create an empowered and inclusive society; to promote human rights and good governance by raising civic awareness through sound informational reports, research, and recommendations; to advocate for initiating and implementing reforms in policies, laws, and practices to enhance democratic governance.

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

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

Currently, IFRS do not contain specific guidance for non-profit organizations and non-governmental organizations concerning the accounting treatment and presentation of financial statements. Where IFRS do not give guidance on how to treat transactions specific to the not for profit sector, accounting policies have been based on the general principles of IFRS, as detailed in the International Accounting Standards Board ("IASB") Framework for preparation and Presentation Financial Statements.

**2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis.

**2.3 Functional and presentation currency**

The national currency of Georgia is the Georgian lari, which is the Organization's functional currency, since this currency best reflects the economics substance of the underlying events and transactions of the Organization.

These financial statements are presented in Georgian lari. All financial information presented in Georgian lari has been rounded to the nearest full amount.

**2.4 Use of estimates and judgment**

The preparation of financial statements in conformity with IFRS requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the current events and actions, actual results ultimately may differ from those estimates and the original estimates and assumptions may be modified as appropriate in the year in which circumstances change.

**2.5 New and revised standards and interpretations**

The Organization has applied the following amendments:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

These amendments together impact the classification as current or non-current for liabilities with covenants and convertible notes that the Group has issued with liability classified conversion features. This amendment has been applied retrospectively. As a result of adopting this amendment, in 2023, the convertible note has been reclassified from non-current to current. There has been no impact on the classification of the Group's loans and borrowings subject to covenants.

- Amendments to IAS 7 & IFRS 7 Supplier Financing Arrangements.

This amendment has no impact on the amounts recognised in the financial statements but has resulted in additional disclosures regarding the nature of the Group's supplier financing arrangements.

**2.6 Standards and interpretations that have been issued but are not yet effective**

The following standards and amendments are not yet effective but may have a material impact on the financial statements of the Organization in the future.

Amendments to IFRS 9 and IFRS 7 Amendments to the classification and Measurement of Financial Instruments

These amendments change the requirements as to when a financial liability can be derecognised when it is settled via electronic transfer as well as when cash flows can be considered simply payments of principal and interest and hence the ability to classify assets as at amortised cost.

**2 Summary of significant accounting policies (continued)**

**2.6 Standards and interpretations that have been issued but are not yet effective (continued)**

Whilst the Organization is still assessing the impacts, the current expectation is that the amendments relating to the timing of derecognition of the liabilities may impact Group's financial liabilities, however the amendment relating to the classification of financial assets is not expected to have an impact on the Organization.

The amendments are applicable for the 2026 Financial statements.

This standard will replace IAS 1 Presentation of Financial Statements. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the Statement of Profit and Loss and consequential impacts on the Statement of Cash Flows. It will also require the disclosure of non-IFRS management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

IFRS 18 applies for periods beginning on or after 1 January 2027 and will be applied retrospectively. The entity is still currently assessing the impact that IFRS 18 will have on the entity.

There are no other new standards or amendments that are expected to have a material impact on the entity.

**3 Significant accounting policies**

**3.1 Foreign currency transactions**

In preparing the financial statements, transactions in currencies other than the functional currency are recorded at the rates of exchange defined by the National Bank of Georgia prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates defined by the National Bank of Georgia prevailing on the reporting date.

Exchange differences arising on the settlement and retranslation of monetary items, are included in the result for the period.

Rates of main currencies at the reporting dates were as presented below:

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
1 USD =	2.8068	2.6894
1 EUR =	2.9306	2.9753

**3.2 Lease**

The IASB issued the new standard for accounting for leases – IFRS 16 Leases in January 2016, which is effective for annual periods beginning on or after January 1, 2019. The new standard does not significantly change the accounting for leases for lessors. However, it does require lessee to recognise most leases on their balance sheets as lease liabilities, with the corresponding right-of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short term' leases and leases of 'low-value' assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to today's finance lease accounting, with interest and depreciation expense recognised separately in the statement of profit or loss.

The Organization has arisen obligation and first applied IFRS 16 from February 1, 2020.

On adoption of IFRS 16, the Organization recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019, which were applied on a portfolio basis of leases with reasonably similar characteristics.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities in 2023 and 2024 was 8.5% for GEL denominated contracts.

The Organization recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, with the depreciation presented within depreciation expense in statement of comprehensive income.

**3 Significant accounting policies (continued)**

**3.2 Lease (continued)**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Organization's incremental borrowing rate. Lease liabilities are subsequently reduced by lease payments. Each lease payment is allocated between the liability and interest expense. Interest expense on the lease liability is presented within interest expense in the statement of comprehensive income.

Lease payments include fixed payments. When the lease contains an extension or termination option that the Organization considers reasonably certain to be exercised, the expected rental payments or costs of termination are included within the lease payments used to generate the lease liability.

Lease liabilities generally include the net present value of the following lease payments:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the organization is reasonably certain to exercise;
- payments of penalties for terminating the lease, if the lease term reflects the organization exercising that option.

Right-of-use assets are measured at cost comprising the following at initial recognition:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

The recognised right-of-use assets relate to properties for own use, in particular office buildings.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

**3.3 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including import duties and non-refundable purchase taxes and other directly attributable costs. When an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

Item of property, plant and equipment - Vehicles - is measured at cost less accumulated depreciation and any accumulated impairment losses.

Revaluation was done in 2019, 2020 and 2021. After valuation, fixed assets are depreciated as follows.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Item	Useful life
Office and equipment	3-5 years
Furniture	5 years
Vehicles	8 years

If there is an indicator that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the result for the period.

Expenditure related to the improvement of leasehold properties are recognized as an item of property and equipment and are presented separately. Leasehold improvement is depreciated over the useful life of the asset or over the term of the relevant agreement, whichever is shorter.

**3 Significant accounting policies (continued)**

**3.4 Financial instruments**

***Recognition, initial measurement and derecognition***

Financial assets and financial liabilities are recognized when the Organization becomes a part of the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs.

***Classification and subsequent measurement of financial assets***

For the purpose of subsequent measurement financial assets other than hedging instruments are divided into the following categories upon initial recognition:

- Loans and receivables
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets
- Held-to-maturity investments.

Financial assets are assigned to different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant for the way it is measured and whether any resulting income and expenses are recognized in the result or directly in other comprehensive income. Refer to note 15 for summary of the Organization's financial assets by category.

Generally, the Organization recognizes all financial assets using settlement date accounting. An assessment of whether a financial asset is impaired is made at least at each reporting date. All income and expenses relating to financial assets that are recognized in the result are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

***Loans and receivables***

loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quotes in an active market and include trade and other receivables as well as cash and bank balances.

***Trade and other receivables***

Current accounts receivable are initially recognized at fair value. Subsequently they are measured at amortized cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Organization will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor and default and delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

The balance of the allowance is adjusted by recording a charge or income to the result of the reporting period. Any amount written-off with respect to customer account balances is charged against the existing allowance for doubtful accounts. All accounts receivable for which collection is not considered probable are written-off.

***Cash and bank balances***

The Organization's cash balances comprise of bank accounts.

***Trade and other payables***

Payables are stated at fair value and subsequently stated at amortized cost.

**3.5 Provision**

If, as a result of past events, the organization has a present obligation (legal or constructive) as of the reporting date and it is probable that the organization will settle this obligation, provisions are recognized in the statement of financial position. Provisions are measured at the amount required to settle the obligation and are discounted to present value using a rate that reflects the changes in the time value of money and the risks associated with the obligation under current market conditions. Any changes in the estimates are reflected in profit or loss for the relevant period.

**3 Significant accounting policies (continued)**

**3.6 Impairment**

**Impairment of property and equipment**

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of net selling price and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverse, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case any reversal of impairment loss is treated as a revaluation increase.

**3.7 Grants**

Grants are not recognized until there is reasonable assurance that the Organization will comply with the condition attaching to them and the grants will be received.

Grants received unconditionally from the donors as a financial support or as a compensation for expenses and losses already incurred, are recognized in the result for the period in which they become receivable.

Grants whose primary condition is that the Organization should purchase, construct or otherwise acquire non-current assets are recognized as grants related to assets in the statement of financial position and transferred to annual result on a systematic and rational basis over the useful lives of the related assets.

Other conditional grants are recognized in the statement of financial position as deferred income when the contract with donor is signed to the extent that there is reasonable assurance that the Organization will comply with the conditions attaching to the grant contract and the grants will be received. Deferred income is transferred to the statement of comprehensive income in line with the realization of the grant commitments, over the periods necessary to match them with the cost for which they are intended to compensate, on a systematic basis.

**3.8 Income tax**

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Assets and services received by the Organization as a grant, as well as expenses related to them are not taxable items for income tax purposes.

**3.9 Income recognition**

The income of the Organization arises from the use of grants received and other sources.

**Income from grants**

Policy for recognition of income from grants is disclosed in note 3.7

**Income from rendering of services**

Revenue from rendered services is earned from research and training contracts performed by the Organization. Revenue is measured as the fair value of the consideration received or receivable and is recognized when:

- The amount of revenue may be reliably measure;
- It is probable that the economic benefits associated with the transaction will flow to the Organization;
- The stage of completion of the transaction at the reporting date may be reliably measured; and
- The cost incurred for the transaction and the cost to complete the transaction may be reliably measured.

4 Critical accounting judgments

In the application of the organization's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

*Useful lives of property, plant and equipment and intangibles* – The estimation of the useful life of property, plant and equipment and intangibles is a matter of management estimate based upon experience with similar assets. In determining the useful life of an item of property, plant and equipment and intangibles, management considers the expected usage, estimated technical obsolescence, physical wear and tear and the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments for future depreciation and amortization rates.

*Taxation* - Georgian tax, currency and customs legislation is subject to varying interpretations. The management of the organization recognizes liabilities for anticipated additional tax assessments as a result of tax audits based on estimates of whether it is probable that additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax provisions in the period in which such determinations are made.

*Determining the lease term as lessee* - When determining the lease term, the organization's management considers all circumstances that create an incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the organization is reasonably certain to extend the lease (or not to terminate). The assessment is reviewed if any significant change in circumstances occurs affecting this assessment and that is within the control of the lessee.

*Estimating the incremental borrowing rate* - When the organization cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure its lease liabilities. The IBR is the rate of interest that the organization would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore requires estimation when no observable rates are available to the organization or when they need to be adjusted to reflect the terms and conditions of the lease. The organization estimates the IBR using observable inputs (such as interest rates on own borrowings and/or commercial bank's interest rates on similar loans) when available and market interest rates when no other observable inputs are available.

5 Property and equipment

	Technical equipment	Lease Hold improvement	Furniture	Vehicle	Total
Cost	Dep-Technical equipment	Lease Hold improvement	Dep-Furniture	Dep-Vehicle	
<b>As of 31-Dec-2022</b>	<b>101,108</b>	<b>11,969</b>	<b>35,400</b>	<b>25,247</b>	<b>173,724</b>
Additions	7,226	-	841	43,323	51,390
Write-off	(4,515)	-	(685)	(25,247)	(30,447)
<b>As of 31-Dec-2023</b>	<b>103,819</b>	<b>11,969</b>	<b>35,556</b>	<b>43,323</b>	<b>194,667</b>
Additions	6,776	-	8,214	-	14,990
Write-off	(1,830)	-	-	-	(1,830)
<b>As of 31-Dec-2024</b>	<b>108,766</b>	<b>11,969</b>	<b>43,770</b>	<b>43,323</b>	<b>207,828</b>
<b>Accumulated Depreciation</b>					
<b>As of 31-Dec-2022</b>	<b>70,620</b>	<b>6,878</b>	<b>17,406</b>	<b>16,662</b>	<b>111,566</b>
Depreciation	15,791	1,420	5,374	3,949	26,534
Write-off	(3,690)	-	(656)	(16,768)	(21,114)
<b>As of 31-Dec-2023</b>	<b>82,721</b>	<b>8,298</b>	<b>22,124</b>	<b>3,843</b>	<b>116,986</b>
Depreciation	9,842	3,273	6,147	5,415	24,678
Write-off	(1,612)	-	-	-	(1,612)
<b>As of 31-Dec-2024</b>	<b>90,951</b>	<b>11,571</b>	<b>28,271</b>	<b>9,258</b>	<b>140,052</b>

The Institute for Development of Freedom of Information (IDFI)  
Notes to the Financial Statements for the year ended  
December 31, 2024  
Amounts expressed in Georgian Lari

5 Property and equipment (*Continued*)

*Net Book Value*

<i>As of 31-Dec-2022</i>	<b>30,488</b>	<b>5,091</b>	<b>17,994</b>	<b>8,585</b>	<b>62,160</b>
<i>As of 31-Dec-2023</i>	<b>21,097</b>	<b>3,671</b>	<b>13,432</b>	<b>39,481</b>	<b>77,682</b>
<i>As of 31-Dec-2024</i>	<b>17,815</b>	<b>398</b>	<b>15,499</b>	<b>34,065</b>	<b>67,776</b>

6 Right-of-use assets and lease liability

The organization leases property for its own use, in particular, for office. Rental contracts are typically made for fixed periods of 1 to 3 years.

The right of use assets by class of underlying items is analysed as follows:

	Office	Total
<b>Cost</b>		
<b>As at 31-Dec-2022</b>	<b>202,304</b>	<b>202,304</b>
Additions	246,799	<b>246,799</b>
<b>As at 31-Dec-2023</b>	<b>449,103</b>	<b>449,103</b>
Additions	-	-
Write-Off	(62,633)	(62,633)
<b>As at 31-Dec-2024</b>	<b>386,470</b>	<b>386,470</b>
<b>Accumulated Depreciation</b>		
<b>As at 31-Dec-2022</b>	<b>(190,740)</b>	<b>(190,740)</b>
Depreciation	(45,842)	<b>(45,842)</b>
<b>As at 31-Dec-2023</b>	<b>(236,582)</b>	<b>(236,582)</b>
Depreciation	(67,234)	<b>(67,234)</b>
<b>As at 31-Dec-2024</b>	<b>(303,816)</b>	<b>(303,816)</b>
<b>Net carrying amount</b>		
<b>As at 31-Dec-2022</b>	<b>11,564</b>	<b>11,564</b>
<b>As at 31-Dec-2023</b>	<b>212,521</b>	<b>212,521</b>
<b>As at 31-Dec-2024</b>	<b>82,654</b>	<b>82,654</b>

As at December 31, 2024, the balances of right of the use asset and the lease liability are GEL 82,654 and GEL 90,682 (from which GEL 57,182 is current portion and GEL 33,500 is non-current) respectively. The interest charge on lease liabilities amounted GEL 12,433.

7 Long-term investment

	Currency	Initial amount in currency	Maturity date	Interest rate	31-Dec-24	31-Dec-23
Tegeta Holding disposing of bond investments	USD	200,000	28-Apr-25	8.50%	532,501 (537,880)	537,880
<b>Total before allowance for long-term investments</b>					<b>(5,379)</b>	<b>537,880</b>
Impairment allowance for securities					5,379	(5,379)
<b>Net held to maturity financial assets</b>					<b>-</b>	<b>532,501</b>

Interst income from long-term investments for the reporting period equals to GEL 23,294 (2023: GEL 15,414).

On May 17, 2024 the Organization sold it's investments with net value of USD 200,295 and after the transaction, long-term investment balance at the end of the reporting period equals to GEL 0 (December 31, 2023: GEL 532,501).

The Institute for Development of Freedom of Information (IDFI)  
Notes to the Financial Statements for the year ended  
December 31, 2024  
Amounts expressed in Georgian Lari

8	Grants receivable				31-Dec-24	31-Dec-23
	Donor	Start date	End date	Project		
	The Swedish International Development Cooperation Agency (SIDA)	1-Jul-23	30-Jun-26	Core Support	1,998,046	2,938,529
	The European Union, represented by the European Commission	1-Jan-24	31-Dec-26	Promoting greater civic awareness and engagement in judicial reforms and facilitating increased access to justice through holistic multi-agency action	217,141	220,453
	DAI Global, LLC	23-May-24	27-Jan-25	Assessment of Digital Tools for Citizen Engagement	29,999	-
	The State of Netherlands Represente	1-Sep-23	31-Dec-24	Increase the access of media to public information in Georgia	10,657	72,641
	Deloitte Consulting LLP (USAID)	5-Apr-21	10-Jun-24	Promoting PPD in Georgia through Monitoring and Awareness Raising	-	129,287
	Internews Network (USAID)	29-Nov-23	28-Aug-24	Digital Freedoms in Georgia - 2024	-	66,651
	Research ICT Africa	27-Jul-23	29-Feb-24	Global Index on Responsible AI: Regional Research Hub	-	58,597
	Deloitte Consulting LLP (USAID)	10-Jul-23	9-Mar-24	Open Government Data (OGD) Survey	-	56,854
	International Visegrad Fund/Post Bellum	1-Apr-23	30-Sep-24	Transcaucasian and Visegrad Nations Common Memory –	-	31,171
	Juliusz Mieroszewski Centre for Dialogue	10-Jul-23	31-May-24	Joint publishing of the book on the victims of the great terror in	-	26,183
	International Visegrad Fund	1-Jun-23	31-Jul-24	Empowered Watchdog Community and Enhanced	-	20,821
	NATO Public Diplomacy Programmes/Division	8-Jun-23	31-Dec-23	Overcoming Barriers to Combat Disinformation in	-	10,414
	<b>Total Grants receivable</b>				<b>2,255,843</b>	<b>3,631,599</b>
9	<b>Cash and cash equivalents</b>				<b>31-Dec-24</b>	<b>31-Dec-23</b>
	Cash at Bank in GEL				77,099	266,507
	Cash at Bank in foreign currency (USD)				1,002,549	850,176
	Cash at Bank in foreign currency (EUR)				288,024	365,716
	<b>Total cash and cash equivalents</b>				<b>1,367,672</b>	<b>1,482,399</b>

**The Institute for Development of Freedom of Information (IDFI)**  
**Notes to the Financial Statements for the year ended**  
**December 31, 2024**  
**Amounts expressed in Georgian Lari**

10	Deferred grant revenue							
	Donor	Start date	End date	Project	31-Dec-24	31-Dec-23		
	The Swedish International Development Cooperation Agency (SIDA)	1-Jul-23	30-Jun-26	Core Support	2,569,436	3,610,476		
	The European Union, represented by the European Commission	1-Jan-24	31-Dec-26	Promoting Greater Civic Awareness and Engagement in Judicial Reforms and Facilitating Increased Access to Justice through Holistic Multi-agency Action	281,558	369,696		
	DAI Global, LLC	23-May-24	27-Jan-25	Assessment of Digital Tools for Citizen Engagement	33,574	-		
	The State of Netherlands Represented by the Minister of Foreign Affairs	1-Sep-23	31-Dec-24	Increase the access of media to public information in Georgia	6,771	152,482		
	Deloitte Consulting LLP (USAID)	5-Apr-21	10-Jun-24	Promoting PPD in Georgia through Monitoring and Awareness Raising	-	129,957		
	Research ICT Africa	27-Jul-23	29-Feb-24	Global Index on Responsible AI: Regional Research Hub	-	111,773		
	International Visegrad Fund	1-Jun-23	31-Jul-24	Empowered Watchdog Community and Enhanced Transparency Standards for Government Accountability	-	88,749		
	Internews Network (USAID)	29-Nov-23	28-Aug-24	Digital Freedoms in Georgia - 2024	-	66,651		
	Juliusz Mieroszewski Centre for Dialogue	10-Jul-23	31-May-24	Joint publishing of the book on the victims of the great terror in Adjara	-	41,896		
	Deloitte Consulting LLP (USAID)	10-Jul-23	9-Mar-24	Open Government Data (OGD) Survey	-	29,286		
	International Visegrad Fund/Post Bellum	1-Apr-23	30-Sep-24	Transcaucasian and Visegrad Nations Common Memory – Occupants or Liberators? Democracy or Tyranny?	-	26,608		
	East-West Management Institute	1-Feb-23	1-Apr-24	Promoting the Accessibility of Judicial acts through Monitoring, Advocating and Litigation	-	12,632		
	Luminate Foundation	13-Jan-22	31-Dec-23	Core Grant	-	11,637		
	Global Partners Digital	1-May-23	14-Mar-24	Global AI Advocacy Subgrant: Georgia	-	3,413		
	NATO Public Diplomacy Programmes/Division	8-Jun-23	31-Dec-23	Overcoming Barriers to Combat Disinformation in Ethnic Minority Communities	-	249		
<b>Total deferred grant revenue</b>					<b>2,891,339</b>	<b>4,655,505</b>		

**The Institute for Development of Freedom of Information (IDFI)**  
**Notes to the Financial Statements for the year ended**  
**December 31, 2024**  
**Amounts expressed in Georgian Lari**

11	Revenue from grants							
	Donor	Start date	End date	Project	Year 2024	Year 2023		
	The Swedish International Development Cooperation Agency (SIDA)	1-Jul-23	30-Jun-26	Core Support	1,145,626	477,533		
	DAI Global, LLC	23-Feb-24	1-Nov-24	Public Policy Pilot Initiatives to Engage and Mentor Youth	174,814	-		
	The State of Netherlands Represented by the Minister of Foreign Affairs	1-Sep-23	31-Dec-24	Increase the access of media to public information in Georgia	145,712	60,679		
	The European Union, represented by the European Commission	1-Jan-24	31-Dec-26	Promoting Greater Civic Awareness and Engagement in Judicial Reforms and Facilitating Increased Access to Justice through Holistic Multi-agency Action	82,679	-		
	DAI Global, LLC	23-May-24	27-Jan-25	Assessment of Digital Tools for Citizen Engagement	66,420	-		
	Czech Republic - Ministry of Foreign Affairs	1-Sep-24	31-Dec-24	Supporting Peoples Right to Vote in Georgia	58,634	-		
	International Visegrad Fund	1-Jun-23	31-Jul-24	Empowered Watchdog Community and Enhanced Transparency Standards for Government Accountability	53,238	14,809		
	Deloitte Consulting LLP (USAID)	5-Apr-21	10-Jun-24	Promoting PPD in Georgia through Monitoring and Awareness Raising	44,849	134,063		
	The Netherlands Helsinki Committee	1-Mar-24	31-Jul-24	Assessing the accountability, transparency, and effectiveness of the institutions involved in the external oversight of covert surveillance	28,539	-		
	Deloitte Consulting LLP (USAID)	10-Jul-23	9-Mar-24	Open Government Data (OGD) Survey	22,923	33,818		
	Juliusz Mieroszewski Centre for Dialogue	10-Jul-23	31-May-24	Joint publishing of the book on the victims of the great terror in Adjara	15,540	9,440		
	East-West Management Institute	1-Feb-23	1-Apr-24	Promoting the Accessibility of Judicial acts through Monitoring, Advocating and Litigation	12,425	52,621		
	Research ICT Africa	27-Jul-23	29-Feb-24	Global Index on Responsible AI: Regional Research Hub	6,684	34,057		
	Internews Network (USAID)	29-Nov-23	28-Aug-24	Digital Freedoms in Georgia - 2024	6,157	-		
	International Visegrad Fund/Post Bellum	1-Apr-23	30-Sep-24	Transcaucasian and Visegrad Nations Common Memory – Occupants or Liberators? Democracy or Tyranny?	5,921	14,325		

The Institute for Development of Freedom of Information (IDFI)  
Notes to the Financial Statements for the year ended  
December 31, 2024  
Amounts expressed in Georgian Lari

11	Revenue from grants (Continued)						Year 2024	Year 2023
	Donor	Start date	End date	Project				
	Civil Society Forum	15-Apr-24	16-Dec-24	Common Future	History, Common	5,488	-	
	YSU Center of Social Innovational Research	3-Nov-23	30-Sep-24	Digital Storytelling for Peaceful Coexistence		4,285	-	
	Global Partners Digital	1-May-23	14-Mar-24	Global AI Advocacy Subgrant: Georgia		3,190	6,031	
	The Swedish International Development Cooperation Agency (SIDA)	1-Jan-20	31-Mar-23	Core Support		-	335,429	
	Luminate Foundation	13-Jan-22	31-Dec-23	Core Grant		-	230,623	
	United Nations Development Programme (UNDP)	24-Feb-23	23-Nov-23	Fostering Decentralization and Good Governance at the Local Level in Georgia		-	208,853	
	International Media Support (IMS)	1-Feb-23	30-Sep-23	Advocating Open Data Standards and Promoting Open Data Use in Georgia – Phase II		-	74,667	
	Juliusz Mieroszewski Centre for Dialogue	10-Jul-23	31-Oct-23	Providing the International Conference – “Uncovering the Truth: Mass Graves of the Great Terror (1937-1938) in Batumi, Georgia”		-	63,321	
	Czech Republic - Ministry of Foreign Affairs	1-Apr-23	31-Oct-23	Advancing the capacity of CSOs and the Media in the field of Freedom of information and freedom of speech		-	45,829	
	Zinc Network / USAID	26-Sep-22	27-Feb-23	Russian Capital in Georgian Business - Stage 3		-	44,266	
	NATO Public Diplomacy Programmes/Division	8-Jun-23	31-Dec-23	Overcoming Barriers to Combat Disinformation in Ethnic Minority Communities		-	19,820	
	Internews Network (USAID)	29-Nov-22	28-May-23	Digital Freedoms in Georgia - 2023		-	9,279	
	Zinc Network / USAID	12-Sep-22	15-Jan-23	Overcoming disinformation and nostalgia surrounding Stalin: A new identity for the city of Gori - Stage 3		-	4,661	
	Civil Society Forum	28-Nov-23	31-Dec-23	History education at the time of war		-	4,465	
	e-Governance Academy Foundation	1-Sep-21	31-Aug-23	DRIVE: Digital Research and Impact for Vulnerable E-citizens in Ukraine and Georgia		-	4,305	
<b>Total revenue from grants</b>						<b>1,883,124</b>	<b>1,882,894</b>	

The Institute for Development of Freedom of Information (IDFI)  
Notes to the Financial Statements for the year ended  
December 31, 2024  
Amounts expressed in Georgian Lari

12	Other operating income	Year 2024	Year 2023
	Non-refundable amounts from donor organizations	262,910	167,084
	Income from service agreements	4,942	46,035
	Revenue from selling vehicle	-	25,137
	Other income	733	1,576
	<b>Total other operating income</b>	<b>268,585</b>	<b>239,832</b>
13	<b>Salaries</b>		
	<b>Salaries per donors</b>	<b>Year 2024</b>	<b>Year 2023</b>
	IDFI Reserve	410,214	-
	The state of the Netherlands	82,631	27,647
	DAI Global, LLC	74,180	-
	USAID	51,960	127,876
	The European Union, represented by the European Commission	47,174	-
	Czech Republic - Ministry of Foreign Affairs	16,964	40,778
	The Netherlands Helsinki Committee	8,252	-
	East-West Management Institute	5,865	51,194
	Other	15,289	19,595
	United Nations Development Programme (UNDP)	-	63,265
	International Media Support (IMS)	-	46,403
	Zinc Network	-	14467.33
	<b>Total Salaries</b>	<b>712,529</b>	<b>391,226</b>
14	<b>Other operating expenses</b>	<b>Year 2024</b>	<b>Year 2023</b>
	Service Fee	691,408	909,902
	Consultancy and Other Professional Services (Translation, Consultancy, etc.)	524,555	322,465
	Events (Conferences, Presentations, Workshops, Trainings)	133,840	132,029
	Outreach and PR Activities (Design, Audio-Video Visualization, Publishing, etc.)	73,842	96,403
	Penson Contribution	36,774	31,857
	Fringe Benefits and Health Insurance	32,748	38,733
	Financial, Accounting and Audit Services	28,493	29,284
	Web-Page Development	21,816	23,067
	Travel (International Trips, Per Diems, Accomodation)	18,540	28,392
	Communication Expenses	17,982	20,353
	Other Office Costs and Inventory	12,328	10,282
	Utilities	12,138	13,969
	Transportation (Local Trips, Fuel Costs, Accomodation)	10,042	16,306
	Bank Fees	4,657	2,970
	Representative Cost	4,008	-
	Postage	2,267	2,035
	Office Cost	2,071	-
	Office Vehicle Maintenance and Insurance Costs	1,650	3,206
	Office Stationary	1,436	3,121
	Other Costs	22,949	18,068
	Office Rent	-	38,976
	<b>Total other operating expenses</b>	<b>1,653,543</b>	<b>1,741,418</b>

15 **Provision**

On May 28, 2024 a new law on "Transparency of Foreign Influence" introduced. The organization has chosen not to register under this law which has led to a potential financial obligation due to non-compliance with the registration requirement. As of December 31, 2024, the organization has accrued a provision of GEL 25,000 to account for potential expected fines arising from this obligation.

16 **Financial instruments**

**Categories of financial instruments**

The carrying amount presented in the statement of financial position relate to the following categories of financial assets and liabilities.

<b>Financial assets</b>	<b>31-Dec-24</b>	<b>31-Dec-23</b>
Long-term investment	-	532,501
Grants receivable	2,255,843	3,631,599
Cash and cash equivalents	1,367,672	1,482,399
<b>Total</b>	<b>3,623,515</b>	<b>5,646,500</b>
<b>Financial liabilities</b>	<b>31-Dec-24</b>	<b>31-Dec-23</b>
Trade and other payables	3,640	7,168
Lease liability	90,682	221,034
<b>Total</b>	<b>94,322</b>	<b>228,202</b>

17 **Financial risk management**

The Organization is exposed to various risks in relation to financial instruments. The main types of risks are market risk and credit risk.

The Organization does not engage in the trading of financial assets for speculative purpose nor does it write options. Most significant risks to which the Organization is exposed are described below.

**Financial risk factors**

**Market risk**

The Organization is exposed to market risk through its use of financial instruments and specifically to currency risk.

**Foreign currency risk**

Most of the Organizations contracts with donors are denominated in foreign currencies and the Organization also has foreign currencies in its bank accounts, hence, exposures to exchange rate fluctuations arise.

Foreign currency denominated financial assets and liabilities which expose the Organization to currency risk are disclosed below. The amount shown are translated in to Georgian laris are the closing rate:

<b>As of December 31, 2024</b>	<b>USD</b>	<b>EUR</b>	<b>GEL</b>	<b>Total</b>
<b>Financial assets</b>				
Grants receivable	1,998,046	217,141	40,656	<b>2,255,843</b>
Cash and cash equivalents	1,002,549	288,024	77,099	<b>1,367,672</b>
<b>Total</b>	<b>3,000,595</b>	<b>505,165</b>	<b>117,755</b>	<b>3,623,516</b>
<b>Financial liabilities</b>				
Lease liability	33,500	-	-	<b>33,500</b>
Current portion of lease liability	57,182	-	-	<b>57,182</b>
Trade and other payables	-	-	3,640	<b>3,640</b>
<b>Total</b>	<b>90,682</b>	<b>-</b>	<b>3,640</b>	<b>94,321</b>
<b>Net position</b>	<b>2,909,913</b>	<b>505,165</b>	<b>114,116</b>	<b>3,529,195</b>

The Institute for Development of Freedom of Information (IDFI)  
Notes to the Financial Statements for the year ended  
December 31, 2024  
Amounts expressed in Georgian Lari

17 Financial risk management (*Continued*)

As of December 31, 2023	USD	EUR	GEL	Total
<b>Financial assets</b>				
Long-term investments	532,501	-	-	<b>532,501</b>
Grants receivable	3,063,777	309,040	258,782	<b>3,631,599</b>
Cash and cash equivalents	850,176	365,716	266,507	<b>1,482,399</b>
<b>Total</b>	<b>4,446,454</b>	<b>674,756</b>	<b>525,289</b>	<b>5,646,500</b>
<b>Financial liabilities</b>				
Lease liability	140,258	-	-	<b>140,258</b>
Current portion of lease liability	80,776	-	-	<b>80,776</b>
Trade and other payables	-	-	7,168	<b>7,168</b>
<b>Total</b>	<b>221,034</b>	<b>-</b>	<b>7,168</b>	<b>228,202</b>
<b>Net position</b>	<b>4,225,420</b>	<b>674,756</b>	<b>518,121</b>	<b>5,418,298</b>

The table below presents analysis of the effect on the organization's income statement of a reasonably possible movement of the currency exchange rate against the GEL, with all other variables held constant. A negative amount in the table reflects a potential net reduction in income statement or equity, while a positive amount reflects a net potential increase. The base currency is assumed to be the GEL.

Currency	2024		2023	
	Change in	Impact on	Change in	Impact on
USD	(10%)	(290,991)	(10%)	(422,542)
	(5%)	(145,496)	(5%)	(211,271)
	5%	145,496	5%	211,271
	10%	290,991	10%	422,542

Currency	2024		2023	
	Change in	Impact on	Change in	Impact on
EUR	(10%)	(50,517)	(10%)	(67,476)
	(5%)	(25,258)	(5%)	(33,738)
	5%	25,258	5%	33,738
	10%	50,517	10%	67,476

Exposures to foreign exchange rates vary during the year depending on the value of donations in foreign currency. Nonetheless, the analysis above is considered to be representative of the Organization's exposure to currency risk.

**Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Organization. The effect of the risk for the Organization arises from different financial instruments, such as accounts receivable, especially the amounts expected from donors. Management believes that the credit risk on these amounts is low, since the practice with those donors shows that donors always transfer the agreed amounts. The maximum exposure to credit risk is represented by the carrying amounts of the following financial instruments:

Financial assets at carrying amounts	31-Dec-24	31-Dec-23
Long-term investment	-	532,501
Grants receivable	2,255,843	3,631,599
Cash and cash equivalents	1,367,672	1,482,399
<b>Total</b>	<b>3,623,515</b>	<b>5,113,999</b>

At the reporting date there were no significant concentration of credit risk in respect of grants receivable.

The credit risk for cash and cash equivalents is considered negligible, since the Organization hold its accounts at reputable banks with Long-term Issuer Default rating "BB/Stable" awarded by Fitch Ratings.

**18 Contingencies**

***Donor funding***

The Organization's financial stability depends on its ability to obtain donor funding for its projects and attract other donations from its members or from other stakeholders. The past experience of the Organization proved that its programs and projects are important for the enhancing of openness of the government and promoting and informed civil society through ensuring access to public information and that the donor organizations value IDFI's input in this process. Management of the Organization believes that in the foreseeable future IDFI will still have sufficient donor support to continue its operations, projects and programs.

***Taxes***

The taxation system in Georgia is relatively new and is characterized by frequently changing legislation, which is often subject to interpretation. Often differing interpretations exist among various taxation authorities and jurisdictions. Taxes are subject to review and investigations by tax authorities, which are enabled by law to impose severe fines and penalties.

**19 Related party transactions**

***Transactions with key management:***

Reported salary expenses and service fee for the year 2024 of Key Management personnel equal to GEL 11,000 (year 2023: GEL 11,000).

**20 Going concern considerations**

Financial statements are prepared based on going concern basis. On May 28, 2024 the Parliament of Georgia adopted the law "Transparency of foreign influence", which directly affects the operations of the organization and raises concerns regarding its continued functionality. The organization anticipates that, if it is not registered as an entity pursuing the interests of a foreign power, it may face sanctions in accordance with article 9 of the law. Should the law remain in effect in the near future, there is a risk that the sector represented by the organization may be unable to sustain its operations over the forecasted period (1-3 years). Notwithstanding this, the organization is currently operational, and there are no plans for liquidation or reorganization at this time.

**21 Events after the reporting period**

After the reporting period, the organization has received GEL 10,000 from DAI Global, LLC per grant agreement.

Other significant events that may be reflected in these financial statements have not occurred between the end of the reporting period and the date of its signature.

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