

**ASSOCIATION OF DEVELOPMENT
FINANCE INSTITUTION IN THE MEMBER COUNTRIES OF
ISLAMIC DEVELOPMENT BANK (ADFIMI)**

**FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015
TOGETHER WITH REPORT OF INDEPENDENT AUDITORS**

Association's Title	:	Association of Development Finance Institutions in the Member Countries of Islamic Development Bank (ADFIMI)
Activities	:	ADFIMI organizes seminars, workshops and conferences for high level managers of Development Finance Institutions'
Address	:	Saka Mehmet Sokak No:33-39 Kat:2 Sultanhamam – Eminönü İstanbul
Telephone Number	:	+90 212 526 51 26-27
Audit Period	:	January 1 – December 31, 2015

Audit Company	:	Kadıoğlu Yeminli Mali Müşavirlik ve Uluslararası Denetim Limited Şirketi Member firm of Integra International
Address	:	Mecidiye Mahallesi Cevatpaşa Sokak No:12 Koşuyolu 34710 İstanbul
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KADIOĞLU
YEMİNLİ MALİ MÜŞAVİRLİK
"Member of Integra International"

To
**Association of Development Finance
Institutions in the Member Countries
of Islamic Development Bank
(ADFIMI)**
Saka Mehmet Sokak No: 33-39 Kat:2
Sultanhamam-Eminönü
İstanbul/TURKEY

Dear Sir/Madam,

We have been appointed by General Assembly of ADFIMI to audit the accompanying financial statements, balance sheet and income statement of ADFIMI as of December 31, 2015. We confirm that we belong to an internationally recognized supervisory body for statutory auditing. We have conducted out our audit in accordance with international auditing standards applicable to agreed-upon procedures engagements.

We hereby certify that the association's accounts (income and expenditure) are faithful, reliable and supported by the appropriate supporting documents.

In our opinion, based on our audit, the financial statements referred to in the first paragraph above, present fairly, in all material respects, the financial position of **Association of Development Finance Institutions in the Member Countries of Islamic Development Bank as of December 31, 2015.**

Kadioğlu Yeminli Mali Müşavirlik ve
Uluslararası Denetim Limited Şirketi

Member firm of Integra International
March 7, 2016

ADFIMI
BALANCE SHEET AS OF DECEMBER 31, 2015 AND 2014
(CURRENCY –TURKISH LIRA (TL))

	December 31, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	149,142.84	189,128.30
Receivables from related parties	-	-
Total Current Assets	149,142.84	189,128.30
Non-Current Assets		
Fixed Assets	156,735.69	65,883.94
Total Non-Current Assets	156,735.69	65,883.94
Total assets	305,878.53	255,012.24
LIABILITIES AND EQUITY		
Current Liabilities		
Trade Payables	-	-
Total Current Liabilities	-	-
Equity		
Retained earnings	255,012.24	154,344.99
Net income for the period	50,866.29	100,667.25
Total Equity	305,878.53	255,012.24
Total Equity and Liabilities	305,878.53	255,012.24



The accompanying policies and explanatory notes form an integral part of the financial statements.

ADFIMI
INCOME STATEMENT
FOR THE PERIODS ENDED DECEMBER 31, 2015 AND 2014
(CURRENCY – TURKISH LIRA (TL))

	December 31, 2015	December 31, 2014
Revenues	664,571.74	741,931.07
Gross Profit	664,571.74	741,931.07
General administrative expenses	(672,253.94)	(654,838.63)
Other operating income	70,362.90	35,010.22
Other operating expenses	(11,814.41)	(21,435.42)
Profit from operations	50,866.29	100,667.25
Extraordinary incomes and profits	-	-
Extraordinary expenses and losses	-	-
Net income / (loss)	50,866.29	100,667.25



The accompanying policies and explanatory notes form an integral part of the financial statements.

CORPORATE INFORMATION:

ADFIMI, Association of National Development Finance Institutions in Member Countries of Islamic Development Bank, presently serves 45 members in 19 countries. Its activities essentially aim at the human development dimension of Development Finance Institutions (DFIs). In this context, ADFIMI organizes seminars, workshops and conferences for high level managers of DFIs.

SCOPE OF OUR AUDIT:

We have performed the following procedures and report to you the factual findings resulting from our work:

- Review the expenses of "ADFIMI" incurred from 1 January 2015 until 31 December 2015 (the Period)
- Review the income of "ADFIMI" derived from 1 January 2015 until 31 December 2015
- Examine and confirm the bank accounts for the period
- Review the assets and liabilities of ADFIMI as of December 31, 2015.

THE PROCEDURE EXAMINATIONS:

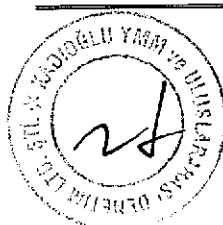
The Association's legal books certified by Beşiktaş 25. Notary Office in Levent stated as below:

Legal Book	Certification Date	Certification Number
Journal	30.01.2015	4122
Ledger	30.01.2015	4124
Inventory Book	30.01.2015	4123

CASH AND CASH EQUIVALENTS:

Cash and cash equivalents comprise cash at bank and on hand.

	December 31, 2015	December 31, 2014
Cash on Hand	2,868.27	3,904.02
TL	174.78	1,934.31
USD	2,693.49	1,969.71
EUR	-	-
Banks –Demand Deposits	28,238.98	45,638.46
TL	1,487.98	3,144.71
USD	26,750.39	42,493.05
EUR	0,61	0.70
Banks –Time Deposits	118,035.59	139,585.81
USD	118,035.59	139,585.81
Total	149,142.84	189,128.29



ADFIMI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015
(Currency - In Turkish Lira (TL))

The bank accounts comprised of USD 49,795.70 as of December 31, 2015. The association used 31.12.2014 effective rates to value its bank accounts. (December 31, 2014: USD 78,573.64 All the bank statements for the above mentioned accounts audited.

RELATED PARTIES :

Parties are considered related with one party either through ownership, contractual rights, family relationship or otherwise, has the ability to directly or indirectly control or significantly influence the other party. For the purpose of these financial statements, the personnel of the Association are referred to as related parties.

As of December 31, 2015 there were no outstanding balances with the related parties. (December 31, 2014; none)

FIXED ASSETS:

Fixed assets in the course of continuing the operations of the Association, are carried at cost. Fixed assets comprised of motor vehicles, fixtures and furniture and software licenses and not depreciated.

The ownership of the fixed assets audited by purchase tests and physical observation.

Fixed Assets	December 31, 2014	Entries	Disposals	December 31, 2015
Motor Vehicles:	45,000.00	85,000.00	-	130,000.00
Fixtures and Furniture	18,598.99	3,873.35	-	22,472.34
Software licenses	1,431.26	1,978.40	-	3,409.66
Rights	853.69	-	-	853.69
Total	65,883.94	90,851.75	-	156,735.69

TRADE PAYABLES:

None. (December 31, 2014; none)



REVENUES:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized on accrual basis.

Revenue comprise of membership fees, grants, contribution amounts to seminars and workshops, which ADFIMI organizes.

Revenues	December 31, 2014	December 31, 2014
Membership Fees		
- Membership fees for 2014	368,779.21	409,406.51
- Membership fees for 2015	189,351.66	161,665.84
- Membership fees for 2016	12,298.23	-
Revenue from Seminars	368,779.21	47,367.38
WFDFI Fees	-	8,767.74
Donations	93,842.82	105,839.00
Other Revenues	299.82	8,884.60
Total	664,571.74	741,931.07

ADFIMI, started to provide secretarial services to world federation of Development Financing Institutions (WFDFI). The Institution has four members and membership fees were started to be collected by ADFIMI and correspondingly provides organization services.



GENERAL ADMINISTRATIVE EXPENSES:

	December 31, 2015	December 31, 2014
Payroll Expenses (including Social security premiums, benefits and housing allowances)	372,215.02	298,271.97
Seminar and Workshop Expenses	152,421.81	231,231.22
Promotion Expenses	17,952.75	7,523.60
Conference Expenses	-	-
Health Insurance and Expenses	10,691.09	10,742.78
Vehicle Expenses	21,726.72	18,696.83
Communication Expenses	7,137.29	8,000.79
General Assembly and Management Com.	14,502.76	17,849.59
Stationary Expenses	1,812.50	1,457.06
Auditing and Accounting Expenses	29,064.20	24,698.04
Computer Expenses	4,002.72	9,418.12
Insurance Expenses	674.00	2,556.50
Bank and Notary Expenses	1,727.10	799.23
Office Expenses and Other Sundry Expenses	38,325.98	23.592,84
Total	672.253,94	654,838.63

Foreign Currency Translation

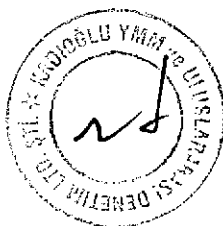
Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

OTHER OPERATING INCOME:

Other operating income consists of interest income and foreign exchange gains amounting TL 1,910.72 and 68,452.18 respectively. (December 31, 2014; interest income and foreign exchange gains amounting TL 2,494.40 and 32,515.82 respectively)

OTHER OPERATING EXPENSES:

Other operating expenses consist of foreign exchange losses amounting TL 11,814.41. Opening exchange rates of USD and Euro 2.3189 and 2.8207 are changed to 2.9076 and 3.1776 respectively, as of December 31, 2015. 1 Euro was equal to USD 1.2159 at the beginning of the period and decreased to 1.0929 at the end of the period. (December 31, 2014; foreign exchange losses amounting TL 21,435.42)



EXTRAORDINARY INCOMES AND PROFITS:

None. (December 31, 2014: None)

EXTRAORDINARY EXPENSES AND LOSSES:

None. (December 31, 2014: None)

