

KOZA YEMİNLİ MALİ MÜŞAVİRLİK LTD.ŞTİ.

Report No : KYMM-336/280-01
Number of Report Additional : 2

İSTANBUL
30.03.2007

AUDITORS' REPORT WITH SPECIAL TOPICS

THE CERTIFIED : NAME & SURNAME : HASAN NAZİF İLHAN
PUBLIC ACCOUNTANT'S : RELATED CHAMBER : İSTANBUL Y.M.M.O
: OFFICE ADRESS : BARBAROS BULVARI AKDOĞAN
SOKAK CANLI İŞ MERKEZİ
NO:35/4 BEŞİKTAŞ/İSTANBUL

: RELATED COMPANY : KOZA C.P.A CO.LTD.
: CHAMBER REGISTER NUMBER : İSTANBUL Y.M.M.O-336
: TAX OFFICE : BEŞİKTAŞ
: TAX REGISTER NUMBER : 582 008 4904
: TELEPHONE NO : 0212 258 81 39 - 227 19 12
: FAX NO : 0212 236 54 97

THE ESTABLISHMENT'S : TITLE : ASSOCIATION OF DEVELOPMENT
FINANCE INSTITUTIONS IN THE
MEMBER COUNTRIES OF ISLAMIC
DEVELOPMENT BANK (ADFİMİ)
: CURRENT ACTIVITY : ASSOCIATION ACTIONS
: ADDRESS : SAKA MEHMET SOKAK NO:33-39
KAT:2 SULTANHAMAM-EMİNÖNÜ
İSTANBUL
: TELEPHONE NO : 0212 526 51 26 - 27

THE PERIOD OF AUDITING : 01.01.2006-31.12.2006
RESULT : EXPLAINED IN THE RESULT
SECTION.



Barbaros Bulvarı Akdoğan Sokak Canlı İş Merkezi No:35/4 Beşiktaş/İSTANBUL
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I- GENERAL INFORMATION :

The ASSOCIATION OF DEVELOPMENT FINANCE INSTITUTIONS IN THE MEMBER COUNTRIES OF ISLAMIC DEVELOPMENT BANK (ADFI) was founded to realize the objectives specified in it's main status.

The association's authorities asked our company to make the examinations of Income-Expense Situation, The Bank Accounts, The Advance Accounts, The Assets and Inventory and to report the results.

II- THE PROCEDURE EXAMINATIONS :

The association's legal books for 2006 were ratified by the Beyoğlu 17. Notary Office with the dates and journal numbers as shown below.

<u>Name of the Book</u>	<u>Date of Ratification</u>	<u>Ratification Number</u>
Journal Book	06.03.2006	03371
Ledger Book	06.03.2006	03372
Inventory Book	06.03.2006	03373

III- ACCOUNT AUDITS :

The association's Balance Sheet and Statement of Income dated 31.12.2006 which are prepared by us based on the accounting data, are attached.

The examinations and the results on the related Balance Sheet and Statement of Income are given below.

A- The Examinations About The Statement of Income :

The membership fees and seminar participation fees which compose the Income Section of Statement of Income were audited and it's observed that collected amounts were deposited at the banks and there is no case requiring any criticism about these subjects.

The Membership Fees: The Association records it's membership fee incomes to it's bookkeeping system on accrual basis. The examinations and the results about the membership fees are given below;

The Membership Fees collected between 01.01.2006-31.12.2006:

The membership fees collected as of 31.12.2006 were as follows;

- The outstanding membership fees for 2004 and previous years, collected in 2006	37,00.-\$
- The outstanding membership fees for 2005, collected in 2006	20.131,00.-\$
- The part of total membership fees of 292.800,00.-\$ that became due in 2006 and collected in 2006	215.895,00.-\$
- The membership fees that will become due in 2007, collected in 2006	5.800,66.-\$
- The membership fees collected between 01.01.2006-31.12.2006	241.863.66.-\$



The Delayed Membership Fees to be collected in the future:

These membership fees are as shown below:

- The outstanding membership fees for 2004 and previous years, but have not been collected as of 31.12.2006	58.500,00.-\$
- The outstanding membership fees for 2005, have not been collected as of 31.12.2006	10.144,00.-\$
- The outstanding membership fees for 2006, have not been collected as of 31.12.2006	76.905,00.-\$
- The Delayed Membership Fees to be collected in the future:	145.549,00.-\$

During the auditing period, it was observed that, in the period of 01.01.2006-31.12.2006, the amount of seminar expenses were more than the amount of seminar participation allotments. In other words, there is an over expense because of the seminar services.

In the section of "Compensations and Bonuses" of the Statement of Income, it's observed that 19.837,96 USD was paid to Mr. Orhan SAĞCI, (The Association's Former General Secretary), as "Retirement Bonus" on the date of leaving the job. It's conveyed by the ADFIMI authorities that there is no decision about this payment given by the Association's Authorized Organs.

As it can be seen on the Statement of Income, there is an over expense as an amount of 59.504,72.-YTL in the Association, in the related period.

B- The Examinations About The Balance Sheet :

The results of the auditing made by the sampling method and made on the balances about the assets of the balance sheet are shown below.

1- **Cash** : In the auditing, it was observed that there is 9.701,86.-YTL (6.520,99 USD and 535,95.-YTL) cash in conformity with the records.

2- **Banks** : In the auditing, it was observed that the following accounts exist as of the date of examination.

<u>Name of The Bank</u>	<u>Branch</u>	<u>Account Number</u>	<u>Total Deposit Amount(YTL)</u>
YKB	Rahmanlar	1066093-6	0,25
YKB	Rahmanlar	3009542-2	1,29
YKB	Rahmanlar	3009105-8	0,49
YKB	Rahmanlar	3009589-3	0,67
Halkbank	Sultanhamam	16000017	90,46
Halkbank	Sultanhamam	53000734	9.781,25
Halkbank	Sultanhamam	53000735	77,31
Halkbank	Sultanhamam	2P000771	4.641,21
Ziraat	G.S.	1907085-5003	4,05
Ziraat	G.S.	1907085-5001	6,96
Fortis	Beyoğlu	30102-0014	1,25
		TOTAL	14.605,19

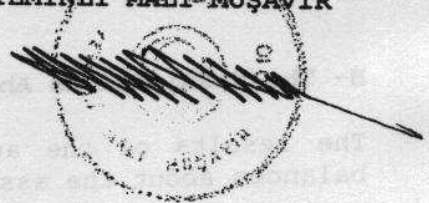


- 3- **Personnel Advances** : During the auditing of this budget line it was established that the amount of the balance of the payments made to the Association personnel as work advances was 1.054,00.-YTL.
- 4- **Vehicles** : In the auditing, it's determined that there's a vehicle with the licence plate 34 VF 8555 registered to Association's assets. According to the examinations of the license, it's understood that the ownership of the vehicle is on the Association.
- 5- **Fixtures** : During the examination of the Fixture Book of the Association, it's observed that, there are fixtures with the amount of 28.557,52.-YTL from the date of 31.12.2006. Also the existence of these fixtures are determined during the auditing made by sampling method.

IV- THE RESULT :

At the end of the auditing of Association's books and documents, limited with in accordance with the request of ASSOCIATION OF DEVELOPMENT FINANCE INSTITUTIONS IN THE MEMBER COUNTRIES OF ISLAMIC DEVELOPMENT BANK (ADFIMI), the results were explained detailed in the Account Audit section above.

HASAN NAZIF İLHAN
YEMİNLİ MALİ MÜŞAVİR

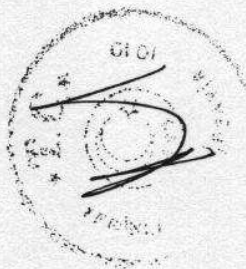


ADDITIONALS :

- 1- The Balance Sheet for 01.01.2006-31.12.2006
- 2- The Statement of Income-Expense for 01.01.2006-31.12.2006

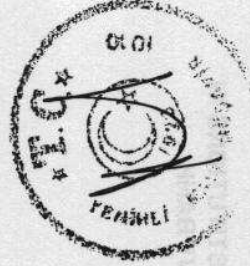
ADFIMI
ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN
MEMBER COUNTRIES OF THE ISLAMIC DEVELOPMENT BANK
DETAILED STATEMENT OF INCOME (USD)

	PREVIOUS TERM 01.01.2005 - 31.12.2005	CURRENT TERM 01.01.2006 - 31.12.2006
A- GROSS SALES		
1. Subscriptions and Educational Grant	247.707,82	296.432,70
NET SALES	247.707,82	296.432,70
B- OPERATING EXPENSES (-)		
1. General Administrative Exp. (-)	-271.309,65	-345.425,13
OPERATING PROFITS OR LOSS	-23.601,83	-48.992,43
C- ORDINARY INCOMES AND PROFITS OF OTHER OPERATIONS	3.235,97	10.882,69
1. Profits evaluation of exchange and stock exchange	3.235,97	10.882,69
D- ORDINARY EXPENSES AND LOSS OF OTHER OPERATIONS (-)		
1. Loss evaluation of exchange and stock exchange (-)	-1.211,02	-1.081,75
E- FINANCIAL EXPENSES (-)		
1. Expenses of Short Term Loans (-)	-515,64	-3.156,77
ORDINARY PROFITS OR LOSS	-22.092,53	-42.348,26
F- EXTRAORDINARY INCOMES AND PROFITS		
1. Other Extraordinary Incomes and Profits	110,41	14,23
CURRENT LOSS	-21.982,12	-42.334,04
CURRENT NET LOSS	-21.982,12	-42.334,04



ADFIMI
ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN
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DETAILED BALANCE SHEET (USD)

	Previous Period 31.12.2005	Current Period 31.12.2006
ASSETS		
I. CURRENT ASSETS		
A- Liquid Assets		
1- Cash	27,41	6.902,29
2- Banks	29,09	10.390,72
B- Other Current Assets		
1- Personnel Advances	66.324,18	750,00
TOTAL CURRENT ASSETS	66.324,18	18.043,01
A- Property and Equipment		
1- Vehicles	29.159,77	30.826,83
2- Fixtures	11.009,60	10.509,87
18.150,17	29.159,77	20.316,95
TOTAL PROPERTY AND EQUIPMENT	29.159,77	30.826,83
TOTAL ASSETS	<u>95.540,45</u>	<u>48.869,83</u>



ADFIMI
ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN
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DETAILED BALANCE SHEET (USD)

	Previous Term 31.12.2005	Current Term 31.12.2006
LIABILITIES		
I. EQUITIES		
A- Prior Years' Profits	237.394,72	226.619,40
B- Prior Years' Loss (-)	-119.872,15	-135.415,53
C- Current Net Loss(-)	-21.982,12	-42.334,04
TOTAL EQUITIES	95.540,45	48.869,83
TOTAL LIABILITIES	95.540,45	48.869,83

