

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

**FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016
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, 2016

Audit Company	:	Kadioğlu Yeminli Mali Müşavirlik ve Uluslararası Denetim Limited Şirketi Member firm of EMPACTA
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, 2016. 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, 2016.**

Kadioğlu Yeminli Mali Müşavirlik ve
Uluslararası Denetim Limited Şirketi

Member firm of Integra International
March 21, 2017

ADFIMI
BALANCE SHEET AS OF DECEMBER 31, 2016 AND 2015
(CURRENCY –TURKISH LIRA (TL))

	December 31, 2016	December 31, 2015
ASSETS		
Current Assets		
Cash and cash equivalents	406,632.35	149,142.84
Receivables from related parties	-	-
Total Current Assets	406,632.35	149,142.84
Non-Current Assets		
Fixed Assets	116,034.69	156,735.69
Total Non-Current Assets	116,034.69	156,735.69
Total assets	522,667.04	305,878.53
LIABILITIES AND EQUITY		
Current Liabilities		
Trade Payables	-	-
Total Current Liabilities	-	-
Equity		
Retained earnings	305,878.53	255,012.24
Net income for the period	216,788.51	50,866.29
Total Equity	522,667.04	305,878.53
Total Equity and Liabilities	522,667.04	305,878.53



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

ADFIMI
INCOME STATEMENT
FOR THE PERIODS ENDED DECEMBER 31, 2016 AND 2015
(CURRENCY – TURKISH LIRA (TL))

	December 31, 2016	December 31, 2015
Revenues	1,132,849.37	664,571.74
Gross Profit	1,132,849.37	664,571.74
General administrative expenses	(940,770.43)	(672,253.94)
Other operating income	56,085.78	70,362.90
Other operating expenses	(22,846.21)	(11,814.41)
Profit from operations	225,318.51	50,866.29
Extraordinary incomes and profits	17,012.33	-
Extraordinary expenses and losses	(25,542.33)	-
Net income / (loss)	216,788.51	50,866.29



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, forums 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 2016 until 31 December 2016 (the Period)
- Review the income of “ADFIMI” derived from 1 January 2016 until 31 December 2016
- Examine and confirm the bank accounts for the period
- Review the assets and liabilities of ADFIMI as of December 31, 2016.

THE PROCEDURE EXAMINATIONS:

The Association’s legal books certified by İstanbul 23. Notary Office in Sirkeci stated as below:

Legal Book	Certification Date	Certification Number
Journal	14 December 2015	03830
Ledger	14 December 2015	03831
Inventory Book	14 December 2015	03832

CASH AND CASH EQUIVALENTS:

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

	December 31, 2016	December 31, 2015
Cash on Hand	10,269.26	2,868.27
TL	3,587.53	174.78
USD	6,681.73	2,693.49
EUR	-	-
Banks –Demand Deposits	114,824.31	28,238.98
TL	659.98	1,487.98
USD	114,164.33	26,750.39
EUR	-	0,61
Banks –Time Deposits	281,538.78	118,035.59
USD	281,538.78	118,035.59
Total	406,632.35	149,142.84



ADFIMI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016
(Currency - In Turkish Lira (TL))

The bank accounts comprised of USD 112,441.21 as of December 31, 2016. The association used 31.12.2016 effective rates to value its bank accounts. (December 31, 2015: USD 49,795.70 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, 2016 there were no outstanding balances with the related parties. (December 31, 2015; 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, 2015	Entries	Disposals	December 31, 2016
Motor Vehicles:	130,000.00	-	45,000.00	85,000.00
Fixtures and Furniture	22,472.34	4,299	-	26,771.34
Software licenses	3,409.66	-	-	3,409.66
Rights	853.69	-	-	853.69
Total	156,735.69			116,034.69

TRADE PAYABLES:

None. (December 31, 2015; none)



GENERAL ADMINISTRATIVE EXPENSES:

	December 31, 2016	December 31, 2015
Payroll Expenses (including Social security premiums, benefits and housing allowances)	384.055,19	372,215.02
Seminar and Workshop Expenses	388.741,42	152,421.81
Promotion Expenses	13.318,43	17,952.75
Health Insurance and Expenses	13.776,03	10,691.09
Vehicle Expenses	22.774,20	21,726.72
Communication Expenses	6.107,94	7,137.29
General Assembly and Management Com.	18.903,97	14,502.76
Stationary Expenses	3.705,75	1,812.50
Auditing and Accounting Expenses	31.982,26	29,064.20
Computer Expenses	4.583,99	4,002.72
Insurance Expenses	6.304,57	674.00
Bank and Notary Expenses	3.473,18	1,727.10
Office Expenses and Other Sundry Expenses	36.023,50	38,325.98
Subscriptions	7.020,00	-
Total	940.770,43	672.253,94

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 1,959.51 and 54,126.27 respectively. (December 31, 2015; interest income and foreign exchange gains amounting TL 1,910.72 and 68,452.18 respectively)

OTHER OPERATING EXPENSES:

Other operating expenses consist of foreign exchange losses amounting TL 22,846.21. Opening exchange rates of USD and Euro 2.9076 and 3.1776 are changed to 3.5192 and 3.7099 respectively, as of December 31, 2016. 1 Euro was equal to USD 1.0929 at the beginning of the period and decreased to 1.0542 at the end of the period. (December 31, 2015; foreign exchange losses amounting TL 11,814.41)



EXTRAORDINARY INCOMES AND PROFITS:

Other extraordinary income and profits comprised of TL 170 scrap fixed asset sales profit and TL16,842.33 vehicle insurance income. (December 31, 2015: None)

EXTRAORDINARY EXPENSES AND LOSSES:

Other extraordinary expenses and losses comprised of TL 16,842.33 vehicle insurance expense and TL 8,7000 vehicle sales losses (no depreciation was calculated). (December 31, 2015: None)

