

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

**FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010
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, 2010

Audit Company	:	Kadioğlu 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, 2008. 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, 2010**

Kadioğlu Yeminli Mali Müşavirlik ve
Uluslararası Denetim Limited Şirketi

Member firm of Integra International
May 10, 2011

ADFIMI
BALANCE SHEET AS OF DECEMBER 31, 2010 AND 2009
(CURRENCY –TURKISH LIRA (TL))

	December 31, 2010	December 31, 2009
ASSETS		
Current Assets		
Cash and cash equivalents	56,987.47	69,836.70
Receivables from related parties	-	1,505.70
Total Current Assets	56,987.47	71,342.40
Non-Current Assets		
Fixed Assets	88,605.07	89,429.84
Total Non-Current Assets	88,605.07	89,429.84
Total assets	145,592.54	160,772.24
LIABILITIES AND EQUITY		
Current Liabilities		
Payables	20,000.00	-
Total Current Liabilities	20,000.00	-
Equity		
Retained earnings	160,772.24	98,579.66
Net income for the period	(35,179.70)	62,192.58
Total Equity	125,592.54	160,772.24
Total Equity and Liabilities	145,592.54	160,772.24

Y. M. M. Y. E.
ULUSLARARASI DENETİM LTD. ŞTİ.
Mecidiye Mah. Cevizbaşı Sok. No/12
Kaşuyolu Kadıköy/İSTANBUL
Tel: (0 216) 546 1146
Kadıköy V.D 4860045770

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

ADFIMI
INCOME STATEMENT
FOR THE PERIODS ENDED DECEMBER 31, 2010 AND 2009
(CURRENCY – TURKISH LIRA (TL))

	December 31, 2010	December 31, 2009
Revenues	752,122.54	546,417.96
Gross Profit	752,122.54	546,417.96
General administrative expenses	(784,402.95)	(491,984.00)
Other operating income	9,653.88	17,587.17
Other operating expenses	(10,181.17)	(21,195.87)
Profit from operations	(32,807.70)	50,825.26
Extraordinary incomes and profits	-	11,367.32
Extraordinary expenses and losses	(2,372.00)	11,367.32
Net income / (loss)	(35,179.70)	62,192.58

KADIOĞLU Y.M.M.VE
ULUSLARARASI DENETİM LTD. ŞTİ.
Mecidiye Mah. Cevatpaşa Sok. No/12
Koşuyolu/Kadıköy/İSTANBUL
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Kadıköy V.D. 4460045770

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CORPORATE INFORMATION:

ADFIMI, Association of National Development Finance Institutions in Member Countries of Islamic Development Bank, presently serves 57 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 2010 until 31 December 2010 (the Period)
- Review the income of “ADFIMI” derived from 1 January 2010 until 31 December 2010
- Examine and confirm the bank accounts for the period
- Review the assets and liabilities of ADFIMI as of December 31, 2010.

THE PROCEDURE EXAMINATIONS:

The Association’s legal books certified by İstanbul 6th Notary Office in Sirkeci stated as below:

Legal Book	Certification Date	Certification Number
Journal	December 29, 2009	12808
Ledger	December 29, 2009	12809
Inventory Book	December 29, 2009	12810

CASH AND CASH EQUIVALENTS:

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

	December 31, 2010	December 31, 2009
Cash on Hand	4,657.91	1,160.13
TL	1,357.03	145.69
USD	2,891.34	1,014.44
EUR	409.54	-
Banks –Demand Deposits	52,329.56	45,628.10
TL	1,940.56	8,101.77
USD	42,273.81	37,451.39
EUR	8,115.19	74.94
Banks –Time Deposits	-	23,048.47
USD	-	23,048.47
Total	56,987.47	69,836.70

ADFIMI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010
(Currency - In Turkish Lira (TL))

The bank accounts comprised of USD 27,343.99 and EUR 3,960.37 as of December 31, 2010. (December 31, 2009: USD 40,180.55 and EUR 34.68) 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.

Balances outstanding and the most significant of these transactions are as follows :

Short-Term Receivables from Related Parties	December 31, 2010	December 31, 2009
Personnel Advances - M. Behzat Ekinci	-	1,505.70
Total	-	1,505.70

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, 2009	Entries	Disposals	December 31, 2010
Motor Vehicles:	45,000.00	-	-	45,000.00
Fixtures and Furniture	44,429.84	365.97	(2,622.00)	42,173.81
Software licenses	-	1,431.26	-	1,431.26
Total	89,429.84	1,797.23	(2,622.00)	88,605.07

TRADE PAYABLES:

Trade payables as of December 31, 2010 comprised of the non-paid portion of its liabilities for organizing a seminar (Flag Event).

Trade Payables	December 31, 2010	December 31, 2009
Payables	20,000.00	-
Total	20,000.00	-

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 364.18 and TL 9,289.70 respectively. (December 31, 2009; income and foreign exchange gains amounting TL 2,102.77 and TL 15,484.40 respectively)

OTHER OPERATING EXPENSES:

Other operating expenses consist of foreign exchange losses amounting TL 10,181.17 Opening exchange rates of USD and Euro 1.5057 and 2.1603 are changed to 1.5460 and 2.1603 respectively, as of December 31, 2010. 1 Euro was equal to USD 1.4347 at the beginning of the period and decreased to 1.3609 at the end of the period. (December 31, 2009; foreign exchange losses amounting TL 21,195.87)

EXTRAORDINARY INCOMES AND PROFITS:

None. (December 31, 2009; profit for the sale of the motor vehicle amounting TL 11,367.32)

EXTRAORDINARY EXPENSES AND LOSSES:

Extraordinary expenses and losses consists of fixed asset sale losses amounting TL 2,372. (December 31, 2009: None)