

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

**FINANCIAL STATEMENTS AS OF DECEMBER 31, 2011  
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, 2011

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 31,2011. 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, 2011

Kadioğlu Yeminli Mali Müşavirlik ve  
Uluslararası Denetim Limited Şirketi

Member firm of Integra International  
March 21, 2012

ADFIMI  
BALANCE SHEET AS OF DECEMBER 31, 2011 AND 2010  
(CURRENCY –TURKISH LIRA (TL))

	December 31, 2011	December 31, 2010
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	5,057.37	56,987.47
Receivables from related parties	-	-
<b>Total Current Assets</b>	<b>5,057.37</b>	<b>56,987.47</b>
<b>Non-Current Assets</b>		
Fixed Assets	88,605.07	88,605.07
<b>Total Non-Current Assets</b>	<b>88,605.07</b>	<b>88,605.07</b>
<b>Total assets</b>	<b>93,662.44</b>	<b>145,592.54</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Payables	-	20,000.00
<b>Total Current Liabilities</b>	<b>-</b>	<b>20,000.00</b>
<b>Equity</b>		
Retained earnings	125,592.54	160,772.24
Net income for the period	(31,930.10)	(35,179.70)
<b>Total Equity</b>	<b>93,662.44</b>	<b>125,592.54</b>
<b>Total Equity and Liabilities</b>	<b>93,662.44</b>	<b>145,592.54</b>



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

ADFIMI  
INCOME STATEMENT  
FOR THE PERIODS ENDED DECEMBER 31, 2011 AND 2010  
(CURRENCY – TURKISH LIRA (TL))

	December 31, 2011	December 31, 2010
Revenues	330,725.71	752,122.54
<b>Gross Profit</b>	<b>330,725.71</b>	<b>752,122.54</b>
General administrative expenses	(373,193.79)	(784,402.95)
Other operating income	14,517.56	9,653.88
Other operating expenses	(3,979.58)	(10,181.17)
<b>Profit from operations</b>	<b>(31,930.10)</b>	<b>(32,807.70)</b>
Extraordinary incomes and profits	-	-
Extraordinary expenses and losses	-	(2,372.00)
<b>Net income / (loss)</b>	<b>(31,930.10)</b>	<b>(35,179.70)</b>



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 47 members in 15 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 2011 until 31 December 2011 (the Period)
- Review the income of “ADFIMI” derived from 1 January 2011 until 31 December 2011
- Examine and confirm the bank accounts for the period
- Review the assets and liabilities of ADFIMI as of December 31, 2011.

**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	30.12.2010	7815
Ledger	30.12.2012	7814
Inventory Book	30.12.2010	7813

**CASH AND CASH EQUIVALENTS:**

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

	December 31, 2011	December 31, 2010
<b>Cash on Hand</b>	<b>4,514.42</b>	<b>4,657.91</b>
TL	3,419.00	1,357.03
USD	1,095.42	2,891.34
EUR		409.54
<b>Banks –Demand Deposits</b>	<b>542.95</b>	<b>52,329.56</b>
TL	511.04	1,940.56
USD	31.88	42,273.81
EUR	0.02	8,115.19
<b>Banks –Time Deposits</b>	<b>-</b>	<b>-</b>
USD	-	-
<b>Total</b>	<b>5,057.37</b>	<b>56,987.47</b>



**ADFIMI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011**  
**(Currency - In Turkish Lira (TL))**

The bank accounts comprised of USD 16.88 and EUR 0.01 as of December 31, 2011. (December 31, 2010: USD 27,343.99 and EUR 3,960.37) 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 :

<b>Short-Term Receivables from Related Parties</b>	<b>December 31, 2011</b>	<b>December 31, 2011</b>
Personnel Advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**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.

<b>Fixed Assets</b>	<b>December 31, 2010</b>	<b>Entries</b>	<b>Disposals</b>	<b>December 31, 2011</b>
Motor Vehicles:	45,000.00	-	-	45,000.00
Fixtures and Furniture	42,173.81	-	-	42,173.81
Software licenses	1,431.26	-	-	1,431.26
<b>Total</b>	<b>88,605.07</b>	<b>-</b>	<b>-</b>	<b>88,605.07</b>

**TRADE PAYABLES:**

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

<b>Trade Payables</b>	<b>December 31, 2011</b>	<b>December 31, 2010</b>
Payables	-	20,000.00
<b>Total</b>	<b>-</b>	<b>20,000.00</b>



ADFIMI  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011  
(Currency - In Turkish Lira (TL))

**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, 2011	December 31, 2010
<b>Membership Fees</b>		
- Membership fees for 2010	-	343,271.71
- Membership fees for 2011	259,799.43	104,320.59
- Membership fees for 2012	35,730.48	-
<b>Revenue from Seminars</b>	24,118.24	55,122.54
<b>Revenue from Workshops</b>	-	-
<b>Donations</b>	11,077.56	248,299.11
<b>Other Revenues</b>		1,108.59
<b>Total</b>	<b>330,725.71</b>	<b>752,122.54</b>

Delayed membership fees to be collected in the future was, USD 52,800 as at December 31, 2011.

**GENERAL ADMINISTRATIVE EXPENSES:**

	December 31, 2011	December 31, 2010
Payroll Expenses (including Social security premiums, benefits and housing allowances)	185,451.93	244,374.50
Seminar and Workshop Expenses	80,842.42	202,955.04
Promotion Expenses	17,464.08	234,851.25
Health Insurance and Expenses	12,398.27	15,314.66
Vehicle Expenses	13,673.35	12,934.75
Communication Expenses	9,739.69	12,228.51
General Assembly and Management Com.	15,530.74	19,480.10
Stationary Expenses	1,813.50	3,458.27
Auditing and Accounting Expenses	15,897.08	15,823.29
Computer Expenses	3,430.21	4,384.88
Insurance Expenses	3,296.40	3,442.96
Bank and Notary Expenses	414.55	780.32
Office Expenses and Other Sundry Expenses	13,241.57	14,374.42
<b>Total</b>	<b>373,193.79</b>	<b>784,402.95</b>





### **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 332.41 and TL 14,185.15 respectively. (December 31, 2010; income and foreign exchange gains amounting TL 364.18 and TL 9,289.70 respectively)

### **OTHER OPERATING EXPENSES:**

Other operating expenses consist of foreign exchange losses amounting TL 3,979.58. Opening exchange rates of USD and Euro 1.5460 and 2.0491 are changed to 1.8889 and 2.4438 respectively, as of December 31, 2011. 1 Euro was equal to USD 1.325 at the beginning of the period and decreased to 1.294 at the end of the period. (December 31, 2010; foreign exchange losses amounting TL 10,181.17)

### **EXTRAORDINARY INCOMES AND PROFITS:**

None. (December 31, 2010: None)

### **EXTRAORDINARY EXPENSES AND LOSSES:**

None. (December 31, 2010: consists of fixed asset sale losses amounting TL 2,372.00 TL)

