

**Association of Development Finance  
Institutions in the Member Countries of  
Islamic Development Bank (ADFIMI)**

**Audit Report as of 31 December 2013**

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, 2013

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
Telephone Number	:	+90 216 546 11 46 (pbx)
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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, 2013. 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, 2013.**

Kadioğlu Yeminli Mali Müşavirlik ve  
Uluslararası Denetim Limited Şirketi

Member firm of Integra International  
April 1, 2014

ADFIMI  
BALANCE SHEET AS OF DECEMBER 31, 2013 AND 2012  
(CURRENCY –TURKISH LIRA (TL))

	December 31, 2013	December 31, 2012
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	94,654.04	47,742.60
Receivables from related parties	-	-
<b>Total Current Assets</b>	<b>94,654.04</b>	<b>47,742.60</b>
<b>Non-Current Assets</b>		
Fixed Assets	61,335.85	91,435.35
<b>Total Non-Current Assets</b>	<b>61,335.85</b>	<b>91,435.35</b>
<b>Total assets</b>	<b>155,989.89</b>	<b>139,177.95</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade Payables	1,644.90	-
<b>Total Current Liabilities</b>	<b>1,644.90</b>	<b>-</b>
<b>Equity</b>		
Retained earnings	139,177.95	93,662.44
Net income for the period	15,167.04	45,515.51
<b>Total Equity</b>	<b>154,344.99</b>	<b>45,515.51</b>
<b>Total Equity and Liabilities</b>	<b>155,989.89</b>	<b>139,177.95</b>



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

ADFIMI  
INCOME STATEMENT  
FOR THE PERIODS ENDED DECEMBER 31, 2013 AND 2012  
(CURRENCY – TURKISH LIRA (TL))

	December 31, 2013	December 31, 2012
Revenues	607,548.68	555,598.41
<b>Gross Profit</b>	<b>607,548.68</b>	<b>555,598.41</b>
General administrative expenses	(587,880.20)	(507,097.48)
Other operating income	31,460.64	3,585.35
Other operating expenses	(2,489.18)	(6,570.77)
<b>Profit from operations</b>	<b>48,639.94</b>	<b>45,515.51</b>
Extraordinary incomes and profits	-	-
Extraordinary expenses and losses	(33,472.90)	-
<b>Net income / (loss)</b>	<b>15,167.04</b>	<b>45,515.51</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 50 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 2013 until 31 December 2013 (the Period)
- Review the income of “ADFIMI” derived from 1 January 2013 until 31 December 2013
- Examine and confirm the bank accounts for the period
- Review the assets and liabilities of ADFIMI as of December 31, 2013.

### **THE PROCEDURE EXAMINATIONS:**

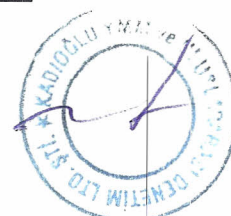
The Association’s legal books certified by İstanbul 17. Notary Office in Sirkeci stated as below:

<b>Legal Book</b>	<b>Certification Date</b>	<b>Certification Number</b>
Journal	26.12.2012	54347
Ledger	26.12.2012	54349
Inventory Book	26.12.2012	54348

### **CASH AND CASH EQUIVALENTS:**

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

	<b>December 31, 2013</b>	<b>December 31, 2012</b>
<b>Cash on Hand</b>	<b>1,600.63</b>	<b>2,513.27</b>
TL	1,600.63	197.45
USD	-	2,315.82
EUR	-	-
<b>Banks –Demand Deposits</b>	<b>81,229.20</b>	<b>45,229.33</b>
TL	77.67	248.81
USD	81,151.53	44,958.02
EUR	-	22.50
<b>Banks –Time Deposits</b>	<b>11,824.21</b>	<b>-</b>
USD	11,824.21	-
<b>Total</b>	<b>94,654.04</b>	<b>47,742.60</b>



The bank accounts comprised of USD 43,562.64 as of December 31, 2013. (December 31, 2012: USD 25,237.46 and EUR 9.55) 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, 2013 there were no outstanding balances with the related parties. (December 31, 2012; 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.

<b>Fixed Assets</b>	<b>December 31, 2012</b>	<b>Entries</b>	<b>Disposals</b>	<b>December 31, 2013</b>
Motor Vehicles:	45,000.00	-	-	45,000.00
Fixtures and Furniture	45,004.09	3,523.40	33,622.90	14,904.59
Software licenses	1,431.26	-	-	1,431.26
<b>Total</b>	<b>91,435.35</b>	<b>3,523.04</b>	<b>33,622.90</b>	<b>61,335.85</b>

#### **TRADE PAYABLES:**

Trade payables as of December 31, 2013 comprised of the non-paid portion of disputed IT support services.

	<b>December 31, 2013</b>	<b>December 31, 2012</b>
Trade payables	1,644.90	-
<b>Total Current Liabilities</b>	<b>1,644.90</b>	<b>-</b>



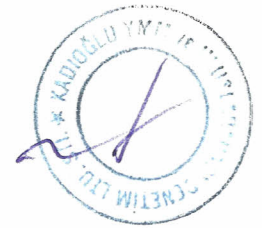
**REVENUES:**

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.

<b>Revenues</b>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
<b>Membership Fees</b>		
- Membership fees for 2012	-	335,681.83
- Membership fees for 2013	324,533.12	99,487.95
- Membership fees for 2014	107,770.05	-
<b>Revenue from Seminars</b>	<b>28,267.82</b>	<b>24,094.46</b>
<b>WFDFI Fees</b>	27,080.85	-
<b>Donations</b>	116,607.55	96,334.17
<b>Other Revenues</b>	3,289.29	-
<b>Total</b>	<b>607,548.68</b>	<b>555,598.41</b>

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:**

	<b>December 31, 2013</b>	<b>December 31, 2012</b>
Payroll Expenses (including Social security premiums, benefits and housing allowances)	253.325,08	241,443.02
Seminar and Workshop Expenses	194.254,30	150,344.75
Promotion Expenses	4.813,13	21,806.96
Conference Expenses	26.759,10	-
Health Insurance and Expenses	12.284,29	14,011.98
Vehicle Expenses	14.891,80	14,326.53
Communication Expenses	7.328,83	8,040.99
General Assembly and Management Com.	15.962,38	16,463.62
Stationary Expenses	1.713,04	804.37
Auditing and Accounting Expenses	21.094,86	20,609.29
Computer Expenses	12.744,49	3,459.34
Insurance Expenses	3.174,58	2,625.27
Bank and Notary Expenses	926,83	1,111.58
Office Expenses and Other Sundry Expenses	18.607,49	12,049.78
<b>Total</b>	<b>587,880.20</b>	<b>507,097.48</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:**

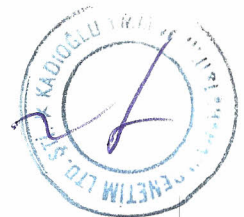
Other operating income consists of interest income and foreign exchange gains amounting TL 1,070.16 and 30,390.48 respectively. (December 31, 2012; foreign exchange gains amounting TL 3,585,35)

**OTHER OPERATING EXPENSES:**

Other operating expenses consist of foreign exchange losses amounting TL 2,489.18. Opening exchange rates of USD and Euro 1.7826 and 2.3517 are changed to 2.1343 and 2.9365 respectively, as of December 31, 2013. 1 Euro was equal to USD 1.319 at the beginning of the period and decreased to 1.376 at the end of the period. (December 31, 2012; foreign exchange losses amounting TL 6,570.77)

**EXTRAORDINARY INCOMES AND PROFITS:**

None. (December 31, 2012: None)



**EXTRAORDINARY EXPENSES AND LOSSES:**

Extraordinary expenses and losses amounting TL 33,472.90 comprised of loss on sale of fixed assets. The loss is an accounting loss because the Association did not depreciate its fixed assets in accordance with Associations Law. (December 31, 2012: None)

