

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

**FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014
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, 2014

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, 2014. 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, 2014.

Kadioğlu Yeminli Mali Müşavirlik ve
Uluslararası Denetim Limited Şirketi

Member firm of Integra International
April 8, 2015

ADFIMI
BALANCE SHEET AS OF DECEMBER 31, 2014 AND 2013
(CURRENCY –TURKISH LIRA (TL))

	December 31, 2014	December 31, 2013
ASSETS		
Current Assets		
Cash and cash equivalents	189,128.30	94,654.04
Receivables from related parties	-	-
Total Current Assets	189,128.30	94,654.04
Non-Current Assets		
Fixed Assets	65,883.94	61,335.85
Total Non-Current Assets	65,883.94	61,335.85
Total assets	255,012.24	155,989.89
LIABILITIES AND EQUITY		
Current Liabilities		
Trade Payables	-	1,644.90
Total Current Liabilities	-	1,644.90
Equity		
Retained earnings	154,344.99	139,177.95
Net income for the period	100,667.25	15,167.04
Total Equity	255,012.24	154,344.99
Total Equity and Liabilities	255,012.24	155,989.89



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

ADFIMI
INCOME STATEMENT
FOR THE PERIODS ENDED DECEMBER 31, 2014 AND 2013
(CURRENCY – TURKISH LIRA (TL))

	December 31, 2014	December 31, 2013
Revenues	741,931.07	607,548.68
Gross Profit	741,931.07	607,548.68
General administrative expenses	(654,838.63)	(587,880.20)
Other operating income	35,010.22	31,460.64
Other operating expenses	(21,435.42)	(2,489.18)
Profit from operations	100,667.25	48,639.94
Extraordinary incomes and profits	-	-
Extraordinary expenses and losses	-	(33,472.90)
Net income / (loss)	100,667.25	15,167.04



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 2014 until 31 December 2014 (the Period)
- Review the income of "ADFIMI" derived from 1 January 2014 until 31 December 2014
- Examine and confirm the bank accounts for the period
- Review the assets and liabilities of ADFIMI as of December 31, 2014.

THE PROCEDURE EXAMINATIONS:

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

Legal Book	Certification Date	Certification Number
Journal	27.12.2013	51841
Ledger	27.12.2013	51842
Inventory Book	27.12.2013	51840

CASH AND CASH EQUIVALENTS:

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

	December 31, 2014	December 31, 2013
Cash on Hand	3,904.02	1,600.63
TL	1,934.31	1,600.63
USD	1,969.71	-
EUR	-	-
Banks –Demand Deposits	45,638.46	81,229.20
TL	3,144.71	77.67
USD	42,493.05	81,151.53
EUR	0.70	-
Banks –Time Deposits	139,585.81	11,824.21
USD	139,585.81	11,824.21
Total	189,128.29	94,654.04



ADFIMI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014
(Currency - In Turkish Lira (TL))

The bank accounts comprised of USD 78,573.64 as of December 31, 2014. The association used 31.12.2014 effective rates to value its bank accounts. (December 31, 2013: USD 43,562.64) 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, 2014 there were no outstanding balances with the related parties. (December 31, 2013; 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, 2013	Entries	Disposals	December 31, 2014
Motor Vehicles:	45,000.00	-	-	45,000.00
Fixtures and Furniture	14,904.59	3,694.40	-	18,598.99
Software licenses	1,431.26	-	-	1,431.26
Rights	-	853.69	-	853.69
Total	61,335.85	4,548.09	-	65,883.94

TRADE PAYABLES:

Trade payables as of December 31, 2014 comprised of the non-paid portion of disputed IT support services.

	December 31, 2014	December 31, 2013
Trade payables	-	1,644.90
Total Current Liabilities	-	1,644.90



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, 2014	December 31, 2013
Membership Fees		
- Membership fees for 2013	-	324,533.12
- Membership fees for 2014	409,406.51	107,770.05
- Membership fees for 2015	161,665.84	-
Revenue from Seminars	47,367.38	28,267.82
WFDFI Fees	8,767.74	27,080.85
Donations	105,839.00	116,607.55
Other Revenues	8,884.60	3,289.29
Total	741,931.07	607,548.68

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:

	December 31, 2014	December 31, 2013
Payroll Expenses (including Social security premiums, benefits and housing allowances)	298,271.97	253,325.08
Seminar and Workshop Expenses	231,231.22	194,254.30
Promotion Expenses	7,523.60	4,813.13
Conference Expenses	-	26,759.10
Health Insurance and Expenses	10,742.78	12,284.29
Vehicle Expenses	18,696.83	14,891.80
Communication Expenses	8,000.79	7,328.83
General Assembly and Management Com.	17,849.59	15,962.38
Stationary Expenses	1,457.06	1,713.04
Auditing and Accounting Expenses	24,698.04	21,094.86
Computer Expenses	9,418.12	12,744.49
Insurance Expenses	2,556.50	3,174.58
Bank and Notary Expenses	799.23	926.53
Office Expenses and Other Sundry Expenses	23,592.84	18,607.49
Total	654,838.63	587,880.20

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 2,494.40 and 32,515.82 respectively. (December 31, 2013; interest income and foreign exchange gains amounting TL 1,070.16 and 30,390.48 respectively)

OTHER OPERATING EXPENSES:

Other operating expenses consist of foreign exchange losses amounting TL 21,435.42. Opening exchange rates of USD and Euro 2.1343 and 2.9365 are changed to 2.3189 and 2.8207 respectively, as of December 31, 2014. 1 Euro was equal to USD 1.3758 at the beginning of the period and decreased to 1.2159 at the end of the period. (December 31, 2013; foreign exchange losses amounting TL 2,489.18)



EXTRAORDINARY INCOMES AND PROFITS:

None. (December 31, 2013: None)

EXTRAORDINARY EXPENSES AND LOSSES:

None. (December 31, 2013: 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.)

