

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, 2012

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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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, 2012. 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, 2012**

Kadioğlu Yeminli Mali Müşavirlik ve  
Uluslararası Denetim Limited Şirketi

Member firm of Integra International  
March 30, 2013

ADFİMİ  
BALANCE SHEET AS OF DECEMBER 31, 2012 AND 2011  
(CURRENCY –TURKISH LIRA (TL))

	December 31, 2012	December 31, 2011
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	47,742.60	5,057.37
Receivables from related parties	-	-
<b>Total Current Assets</b>	<b>47,742.60</b>	<b>5,057.37</b>
<b>Non-Current Assets</b>		
Fixed Assets	91,435.35	88,605.07
<b>Total Non-Current Assets</b>	<b>91,435.35</b>	<b>88,605.07</b>
<b>Total assets</b>	<b>139,177.95</b>	<b>93,662.44</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Payables	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>Equity</b>		
Retained earnings	93,662.44	125,592.54
Net income for the period	45,515.51	(31,930.10)
<b>Total Equity</b>	<b>45,515.51</b>	<b>93,662.44</b>
<b>Total Equity and Liabilities</b>	<b>139,177.95</b>	<b>93,662.44</b>

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



ADFIMI  
INCOME STATEMENT  
FOR THE PERIODS ENDED DECEMBER 31, 2012 AND 2011  
(CURRENCY – TURKISH LIRA (TL))

	December 31, 2012	December 31, 2011
Revenues	555,598.41	330,725.71
<b>Gross Profit</b>	<b>555,598.41</b>	<b>330,725.71</b>
General administrative expenses	(507,097.48)	(373,193.79)
Other operating income	3,585.35	14,517.56
Other operating expenses	(6,570.77)	(3,979.58)
<b>Profit from operations</b>	<b>45,515.51</b>	<b>(31,930.10)</b>
Extraordinary incomes and profits	-	-
Extraordinary expenses and losses	-	-
<b>Net income / (loss)</b>	<b>45,515.51</b>	<b>(31,930.10)</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 46 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 2012 until 31 December 2012 (the Period)
- Review the income of "ADFIMI" derived from 1 January 2012 until 31 December 2012
- Examine and confirm the bank accounts for the period
- Review the assets and liabilities of ADFIMI as of December 31, 2012.

**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	27.12.2011	7815
Ledger	27.12.2011	7814
Inventory Book	27.12.2011	7813

**CASH AND CASH EQUIVALENTS:**

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

	December 31, 2012	December 31, 2011
<b>Cash on Hand</b>	<b>2,513.27</b>	<b>4,514.42</b>
TL	197.45	3,419.00
USD	2,315.82	1,095.42
EUR		
<b>Banks –Demand Deposits</b>	<b>45,229.33</b>	<b>542.95</b>
TL	248.81	511.04
USD	44,958.02	31.88
EUR	22.50	0.02
<b>Banks –Time Deposits</b>	-	-
USD	-	-
<b>Total</b>	<b>47,742.60</b>	<b>5,057.37</b>



**ADFIMI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2012**  
**(Currency - In Turkish Lira (TL))**

The bank accounts comprised of USD 25,237.46 and EUR 9.55 as of December 31, 2012. (December 31, 2011: USD 16.88 and EUR 0.01) 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, 2012 there were no outstanding balances with the related parties. (December 31, 2011; 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, 2011</b>	<b>Entries</b>	<b>Disposals</b>	<b>December 31, 2012</b>
Motor Vehicles:	45,000.00	-	-	45,000.00
Fixtures and Furniture	42,173.81	2,830.28	-	45,004.09
Software licenses	1,431.26	-	-	1,431.26
<b>Total</b>	<b>88,605.07</b>	<b>2,830.28</b>	<b>-</b>	<b>91,435.35</b>

**TRADE PAYABLES:**

None. (December 31, 2011; none)

**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.



ADFIMI  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2012  
(Currency - In Turkish Lira (TL))

Revenue comprise of membership fees, grants, contribution amounts to seminars and workshops, which ADFIMI organizes.

Revenues	December 31, 2012	December 31, 2011
<b>Membership Fees</b>		
- Membership fees for 2011	-	259,799.43
- Membership fees for 2012	335,681.83	35,730.48
- Membership fees for 2013	99,487.95	
<b>Revenue from Seminars</b>	24,094.46	24,118.24
<b>Revenue from Workshops</b>	-	-
<b>Donations</b>	96,334.17	11,077.56
<b>Other Revenues</b>	-	
<b>Total</b>	<b>555,598.41</b>	<b>330,725.71</b>

**GENERAL ADMINISTRATIVE EXPENSES:**

	December 31, 2012	December 31, 2011
Payroll Expenses (including Social security premiums, benefits and housing allowances)	241,443.02	185,451.93
Seminar and Workshop Expenses	150,344.75	80,842.42
Promotion Expenses	21,806.96	17,464.08
Health Insurance and Expenses	14,011.98	12,398.27
Vehicle Expenses	14,326.53	13,673.35
Communication Expenses	8,040.99	9,739.69
General Assembly and Management Com.	16,463.62	15,530.74
Stationary Expenses	804.37	1,813.50
Auditing and Accounting Expenses	20,609.29	15,897.08
Computer Expenses	3,459.34	3,430.21
Insurance Expenses	2,625.27	3,296.40
Bank and Notary Expenses	1,111.58	414.55
Office Expenses and Other Sundry Expenses	12,049.78	13,241.57
<b>Total</b>	<b>507,097.48</b>	<b>373,193.79</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 3,585.35. (December 31, 2011; income and foreign exchange gains amounting TL 332.41 and TL 14,185.15 respectively)

### **OTHER OPERATING EXPENSES:**

Other operating expenses consist of foreign exchange losses amounting TL 6,570.77. Opening exchange rates of USD and Euro 1.8889 and 2.4438 are changed to 1.7826 and 2.3517 respectively, as of December 31, 2012. 1 Euro was equal to USD 1.294 at the beginning of the period and decreased to 1.319 at the end of the period. (December 31, 2011; foreign exchange losses amounting TL 3,979.58)

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

None. (December 31, 2012: None)

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

None. (December 31, 2012: None)

