

for Improvement in Social and Economic Living Association

As at and for the Year Ended

31 December 2014

With Independent Auditors' Report

*(Convenience Translation of Financial Statements
and Related Disclosures and Footnotes
Originally Issued in Turkish)*

**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik Anonim Şirketi**

3 March 2015

*This report contains 2 pages of independent
auditors' report and 5 pages of financial
statements and explanatory notes.*

Support for Improvement in Social and Economic Living Association

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**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.**

Kavacık Rüzgarlı Bahçe Mah.
Kavak Sok. No: 29
Beykoz 34805 İstanbul

Telephone +90 (216) 681 90 00
Fax +90 (216) 681 90 90
Internet www.kpmg.com.tr

INDEPENDENT AUDITORS' REPORT

Support for Improvement in Social and Economic Living Association Board of Trustees:

Introduction

We have audited the accompanying balance sheet of Support for Improvement in Social and Economic Living Association (the "Association") as at 31 December 2014, and the related statement of income for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of the Management of the Association for the Financial Statements

The management of the Association is responsible for the preparation of the financial statements in accordance with the accounting policies indicated in the footnote III, as well as fair representation of the statements. This responsibility contains designing and implementing the required internal control system, making appropriate accounting estimations in accordance with the existing conditions, determining and implementing the appropriate accounting policies for the purpose of reflecting the financial position honestly and appropriately by preparing the financial statements without any material misstatements based on error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit has been conducted in accordance with the International Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are presented fairly and free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independent Auditors' Opinion

In our opinion, the financial statements present fairly, in all material aspects, the financial position of Support for Improvement in Social and Economic Living Association as at 31 December 2014, and of its results of activities for the year then ended in accordance with the accounting policies described in Note III to the accompanying financial statements.

Other matter

The financial statements of the Association as at and for the year ended 31 December 2013 were audited by another auditor who expressed a qualified opinion in their report dated 8 April 2014.

Emphasis of matter

Without qualifying our opinion we would like to draw your attention to the following matter:

Accounting policies applied by the Association differ from the accounting principles generally accepted in other countries and International Financial Reporting Standards ("IFRS") and the effects of such differences have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations, and changes in financial position of the Association in accordance with the accounting principles generally accepted in such countries of the users of these financial statements or with IFRS.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member of KPMG International Cooperative

Murat Alsan, SMMM
Partner

3 March 2015
Istanbul, Turkey

Support For Improvement in Social and Economic Living Association

Balance Sheet (Statement of Financial Position)

For the Year Ended 31 December 2014

(Currency - Turkish Lira ("TL"))

	<i>Notes</i>	Current Period 31 December 2014	Prior Period 31December 2013
ASSETS			
Cash and cash equivalents	<i>IV</i>	26,156	139,701
Advance given	<i>V</i>	69,694	1,988
Current Assets		95,850	141,689
TOTAL ASSETS			
		95,850	141,689
LIABILITIES			
Taxes and other liabilities		75	287
Short-term Liabilities		75	287
EQUITY			
Current period net income surplus		141,402	11,798
Retained earnings		(45,627)	129,604
Equity		95,775	141,402
TOTAL LIABILITIES AND EQUITY			
		95,850	141,689

The accompanying notes are an integral part of these financial statements.

Support For Improvement in Social and Economic Living Association

Statement of Income For the Year Ended 31 December 2014

(Currency - Turkish Lira ("TL"))

	<i>Notes</i>	Current Period 31 December 2014	Prior Period 31 December 2013
Donations and grants	<i>VI</i>	319,618	330,468
Yearly membership fees		20,113	22,445
Other Income		8,613	4,195
Operating Income		348,344	357,108
Expenses on purpose of establishment	<i>VII</i>	(388,799)	(224,683)
Rent expenses		(1,500)	(1,500)
Other expenses		(3,672)	(1,321)
Operating Expense		(393,971)	(227,504)
Other comprehensive income and expense		--	--
Operating Profit/(Loss)		(45,627)	129,604
Net Profit/(Loss)		(45,627)	129,604

The accompanying notes are an integral part of these financial statements.

Support For Improvement in Social and Economic Living Association

Notes to the Financial Statements For the Year Ended 31 December 2014 (Currency - Turkish Lira ("TL"))

I. Organization and the nature of the Association

Support for Improvement in Social and Economic Living Association was founded on February 6, 2012 in İstanbul Turkey. The headquarters of the Association is located at the address: "Otağtepe Caddesi, Taman Sokak No. 19, Kavacık, Beykoz, İstanbul".

Association has been founded in order to realize the projects it will organize by struggling with poverty, creating employment, creating projects towards the development of women and youth, making collaborations with the entities in national and international area which have civil and other similar targets, keeping its loyalty to United Nations Millennium Targets and in particular observing the problems of the least developed countries in order to ensure a qualified and sustainable development in social and economical aspects without boundaries in national or international areas.

In line with the above objective, the Association has concluded a collaboration agreement in 2012 with the non governmental organization called Women Advancement and Child Care ("WACC") which was established in Gambia. The objective of this agreement was to support a sustainable feeding and development in various regions and villages in Gambia. To this end, the Association and WACC made a collaboration with regard to providing source and training in order to realize fishing, animal breeding and similar activities; develop computer, welding, carpentership, sewing and similar skills; and providing micro loans to housewives who currently undertake the activities of small sized entities. As at 1 September 2014 this cooperation was terminated. After this date, the Association maintains its activities by a member of the Association who is assigned to Gambia.

The Association, in order to provide support for the projects it has targeted to realize in Gambia, has got in some contacts with Turkish Republic Prime Ministry Turkish Cooperation and Coordination Agency Presidency ("TİKA"). At the end of these contacts, TİKA ensured that, under the scope of the mentioned projects, 5 pieces of fishing boats have been directly sent to Gambia. In 2014, the Association has made cooperation agreements with Cemiyetul Hayr Relief Organization, Action Aid and UNISANA – Bologna in the scope of Gambia project.

II. Basis of presentation of the financial statements

Basis of presentation

The Association keeps its financial records in Turkish Lira ("TL") in line with the Turkey's current trade laws. In 1994, Ministry of Finance published Standard financial statement forms prepared by the foundations and General Directorate of Foundations has published an uniform chart of accounts which will be effective since the year 1995 and based on the basic concepts of accounting and reporting standars regarding to the financial statements will be prepared by the tax-exempt foundations. The Association has designed the accounting plan according to the specified concepts.

The financial statements are prepared on the historical cost basis.

Support For Improvement in Social and Economic Living Association

Notes to the Financial Statements For the Year Ended 31 December 2014 (Currency - Turkish Lira ("TL"))

III. Summary of accounting policies

1. Grants in kind

Grants in kind are recognised with the estimated obtaining costs.

2. Annual subscription fee, initial subscription fee and donations

Annual subscription fee initial subscription fee and donations are recorded as incomes at the time they are collected.

3. Expenses

Expenses are recognised on the basis of the principle of accrual.

4. Foreign currency transactions

The Association, while converting the transactions carried out in foreign currencies into Turkish Liras, takes into consideration the foreign currency rates as applicable as of the date of transaction. Monetary assets and obligations in the form of foreign currencies in the balance sheet are converted into Turkish Liras by use of the foreign currency rates at the date of balance sheet. The foreign currency difference incomes or expenses which arise as a result of conversion of the transactions in foreign currencies or monetary balance sheet items into Turkish Liras are reflected in the comprehensive income - expenses chart in the related period.

5. Incidents after the date of balance sheet

The Association, in case some incidents occur after the date of balance sheet which requires a correction, corrects the amounts which are included in the financial charts, in accordance with new circumstance. Any aspects after the date of balance sheet which do not require any correction are explained in the footnotes of the financial charts, if they are important.

IV. Cash and cash equivalents

As at 31 December 2014 cash and cash equivalents comprise cash at banks.

	31 December 2014	31 December 2013
Cash at Banks	25,390	139,701
<i>Demand deposit</i>	25,390	139,701
Other cash equivalents	766	--
Total	26,156	139,701

V. Advances given

As at 31 December 2014 and 2013 the balance comprise advances which is given to volunteers in Gambia for expenses concern with the projects and accommodation, food, travel and other expenses.

Support For Improvement in Social and Economic Living Association

Notes to the Financial Statements For the Year Ended 31 December 2014 (Currency - Turkish Lira ("TL"))

VI. Donations and Grants

As at 31 December 2013 the details of the donations and the grants are as follows:

	31 December 2014	31 December 2013
Cash donations	319,618	330,468
Total	319,618	330,468

As at 31 December 2014 and 2013, the Association has no grants in kind.

VII. Expenses on Purpose of Establishment

	31 December 2014	31 December 2013
Payments to Gambia concern with the projects ⁽¹⁾	167,614	164,662
Subsistence and Salary of WACC Coordinators ⁽²⁾	191,485	17,396
Expenses of volunteers in Gambia ⁽³⁾	28,641	23,770
Scholarship expenses	950	--
Travel expenses of volunteers	109	12,066
Beginning and opening expenses of the projects	--	3,896
Grants in kind	--	2,650
Duty expenses concern with grants in kind	--	243
Total	388,799	224,683

All of the above mentioned expenses have been incurred for the projects which are currently being realized in Gambia.

⁽¹⁾ Payments to volunteers in Gambia include activities such as animal breeding, carpentry and well drilling.

⁽²⁾ Coca Cola Company donated to Association amounting to TL 151,249 in year 2013. These donation is transfered to cooperating WACC Association in Gambia in 2014. As at 1 September 2014 this cooperation was terminated. After this date, the Association maintains its activities by a member of the Association who is assigned to Gambia.

⁽³⁾ Expenses include personal necessities of volunteers in Gambia such as accomodation and food.