



**Support for Improvement in  
Social and Economic Living Association**

As at and for the Year Ended  
31 December 2015

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

4 March 2016

*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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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheet of Support for Improvement in Social and Economic Living Association (the "Association") as at 31 December 2015, and the related statement of income for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management of the Association's Responsibility 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.

*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 2015, and of its results of activities for the year then ended in accordance with the accounting polices described in Note III to the accompanying financial statements.

*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 Aisan, SMMM  
*Partner*

4 March 2016  
Istanbul, Turkey

## Support For Improvement in Social and Economic Living Association

### Balance Sheet (Statement of Financial Position)

As At 31 December 2015

(Currency - Turkish Lira ("TL"))

	<i>Notes</i>	Current Period 31 December 2015	Prior Period 31December 2014
<b>ASSETS</b>			
Cash and cash equivalents	<i>IV</i>	132,146	26,156
Advance given	<i>V</i>	10,225	69,694
Short term receivables		270	–
<b>Current Assets</b>		<b>142,641</b>	<b>95,850</b>
<b>TOTAL ASSETS</b>			
		<b>142,641</b>	<b>95,850</b>
<b>LIABILITIES</b>			
Taxes and other liabilities		1,686	75
<b>Short-term Liabilities</b>		<b>1,686</b>	<b>75</b>
<b>EQUITY</b>			
Retained earnings		95,775	141,402
Current period net income / (loss) surplus		45,180	(45,627)
<b>Equity</b>		<b>140,955</b>	<b>95,775</b>
<b>TOTAL LIABILITIES AND EQUITY</b>			
		<b>142,641</b>	<b>95,850</b>

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

## Support For Improvement in Social and Economic Living Association

### Income Statement For the Year Ended 31 December 2015 (Currency - Turkish Lira ("TL"))

	<i>Notes</i>	Current Period 1 January – 31 December 2015	Prior Period 1 January – 31 December 2014
Donations and grants	<i>VI</i>	404,868	319,618
Yearly membership fees		21,400	20,113
Other Income		27,048	8,613
<b>Operating Income</b>		<b>453,316</b>	<b>348,344</b>
Expenses on purpose of establishment	<i>VII</i>	(391,873)	(388,799)
Personnel expenses		(6,188)	–
Rent expenses		(1,500)	(1,500)
Other expenses		(8,575)	(3,672)
<b>Operating Expense</b>		<b>(408,136)</b>	<b>(393,971)</b>
<b>Other Operating Income / (Expense)</b>		<b>–</b>	<b>–</b>
<b>Operating Profit / (Loss)</b>		<b>45,180</b>	<b>(45,627)</b>
<b>Net Profit / (Loss)</b>		<b>45,180</b>	<b>(45,627)</b>

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 2015 (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.

Association started new projects to support sustainable development and nutrition in another least developed country, Senegal. In direction of the goals of the projects, the Association has signed a collaboration agreement with the non-governmental organization Cemiyetul Hayr Relief Organization in Senegal. In line with the Association purposes the agreement with COFI, Association has started draw well, sheep&goat farming, solar panel systems, mill, bakery education, seeding, solar cookers, micro credits and suchlike projects in March 2015.

#### 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 standards 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 2015 (Currency - Turkish Lira ("TL"))

#### III. Summary of accounting policies

The significant accounting policies applied in accompanying financial statements are as follows:

##### 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 income 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. Subsequent events

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 2015 cash and cash equivalents comprise cash at banks.

	31 December 2015	31 December 2014
Cash at Banks	132,120	25,390
<i>Demand deposit</i>	<i>132,120</i>	<i>25,390</i>
Other cash equivalents	26	766
<b>Total</b>	<b>132,146</b>	<b>26,156</b>

#### V. Advances given

As at 31 December 2015 and 2014 the balance comprise advances which is given to volunteers in Gambia and Senegal for expenses concern with the projects and accommodation, food, travel and other expenses.



## Support For Improvement in Social and Economic Living Association

### Income Statement For the Year Ended 31 December 2015 (Currency - Turkish Lira ("TL"))

#### VI. Donations and grants

For the years ended 31 December 2015 and 2014, donations and grants are as follows:

	1 January – 31 December 2015	1 January – 31 December 2014
Cash donations	404,868	319,618
<b>Total</b>	<b>404,868</b>	<b>319,618</b>

As at 31 December 2015 and 2014, the Association has no grants in kind.

#### VII. Expenses on purpose of establishment

	1 January – 31 December 2015	1 January – 31 December 2014
Payments to Gambia and Senegal concern with the projects <sup>(1)</sup>	324,933	167,614
Expenses of volunteers in Gambia <sup>(2)</sup>	51,389	28,641
Expenses of local coordinators	6,776	–
Travel expenses of volunteers	4,424	109
Scholarship expenses	4,351	950
Subsistence and Salary of WACC Coordinators <sup>(3)</sup>	–	191,485
<b>Total</b>	<b>391,873</b>	<b>388,799</b>

All of the above mentioned expenses have been incurred for the projects which are currently being realized in Gambia and Senegal (Association operated in Gambia in 2014).

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

<sup>(2)</sup> Expenses include personal necessities of volunteers in Gambia such as accommodation and food.

<sup>(3)</sup> Association collaborated with 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 and Senegal.

For the years ended 31 December 2015 and 2014, the details of expenses are as follows:

	1 January – 31 December 2015	1 January – 31 December 2014
Gambia project expenses	332,323	387,740
Senegal project expenses	50,775	–
Travel expenses of volunteers	4,424	109
Scholarship expenses	4,351	950
<b>Total</b>	<b>391,873</b>	<b>388,799</b>