

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

Financial Statements As at and  
For the Year Ended 31 December 2020  
With Independent Auditor's Report

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

## Support for Improvement in Social and Economic Living Association

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KPMG Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
İş Kuleleri Kule 3 Kat:2-9  
Levent 34330 İstanbul  
Tel +90 212 316 6000  
Fax +90 212 316 6060  
www.kpmg.com.tr

## **INDEPENDENT AUDITOR’S REPORT**

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

#### *Opinion*

We have audited the financial statements of Support for Improvement in Social and Economic Living Association (“the Association”), which comprise the statement of financial position as at 31 December 2020, the statement of income for the year then ended and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements are prepared in all material respects, in accordance with the accounting polices described in Note III to the accompanying financial statements.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (“ISA”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the *Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (“IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### *Emphasis of matter*

We draw attention to accounting policies described in Note III to the financial statements. 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 and therefore, the related auditor’s report may not be suitable for other purpose. Our opinion is not modified in respect of this matter.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation of the financial statements in accordance with the accounting policies described in Note III to the accompanying financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association’s financial reporting process.

### *Auditors’ Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of “material misstatement” of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association’s internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Merih Koçum , SMMM  
*Partner*

15 April 2021  
Istanbul, Turkey

## Support For Improvement in Social and Economic Living Association

As of 31 December 2020

### Balance Sheet (Statement of Financial Position)

(Currency - Turkish Lira ("TL"))

	<i>Notes</i>	<b>Current Period 31 December 2020</b>	<b>Prior Period 31 December 2020</b>
<b>ASSETS</b>			
Cash and cash equivalents	<i>IV</i>	831.162	495.778
Advance given	<i>V</i>	108	777
Short term receivables	<i>V</i>	298	276
<b>Current Assets</b>		<b>831.568</b>	<b>496.831</b>
<b>Non-Current Assets</b>			
Tangible Assets, net	<i>VI</i>	1.332	15.137
<b>Non-Current Assets</b>		<b>1.332</b>	<b>15.137</b>
<b>TOTAL ASSETS</b>		<b>832.900</b>	<b>511.968</b>
<b>LIABILITIES</b>			
Taxes and other liabilities		8.990	4.944
<b>Short-Term Liabilities</b>		<b>8.990</b>	<b>4.944</b>
Retained earnings		507.024	343.613
Current period net income / (expense) surplus		316.886	163.411
<b>Equity</b>		<b>823.910</b>	<b>507.024</b>
<b>TOTAL LIABILITIES</b>		<b>832.900</b>	<b>511.968</b>

The accompanying notes are an integral part of these financial statements

## Support For Improvement in Social and Economic Living Association

For the Year Ended 31 December 2020

### Income Statement

(Currency - Turkish Lira ("TL"))

		<b>Current Period</b>	<b>Prior Period</b>
		<b>1 January –</b>	<b>1 January –</b>
	<i>Notes</i>	<b>31 December 2020</b>	<b>31 December 2019</b>
Donations and grants	<i>VII</i>	1.338.366	1.928.684
Yearly membership fees	<i>VII</i>	12.650	18.550
Other income	<i>VII</i>	139.528	54.235
<b>Operating Income</b>		<b>1.490.544</b>	<b>2.001.469</b>
Expenses on purpose of establishment	<i>VIII</i>	(1.058.058)	(1.712.130)
Personnel expenses		(82.061)	(63.358)
Rent expenses		(1.431)	(1.500)
Other expenses		(32.108)	(61.070)
<b>Operating Expense</b>		<b>(1.173.658)</b>	<b>(1.838.058)</b>
<b>Other Operating Income / (Expense), net</b>		<b>--</b>	<b>--</b>
<b>Operating Profit / (Loss)</b>		<b>316.886</b>	<b>163.411</b>
<b>Net Profit / (Loss)</b>		<b>316.886</b>	<b>163.411</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 2020**

*(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 headquarter 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 economic 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; developing computer skills, welding, carpentry, 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 corporation 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 Cemiyetül 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 Construire La Paixile (COPI), in Senegal. In line with the Association purposes the agreement with Construire La Paixile (COPI), 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.

The Association signed a protocol with Sen De Gel The Gambia on 3 August 2016 to provide sustainable development, increase employment and contribute to social development. The Association is continuing its projects in Gambia and Senegal with the construction of water mill, rehabilitation of old water mill, women's agricultural gardens, mill projects, solar energy lighting projects and micro credit projects.

### **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 General Communiqué on Accounting System Application published by the Ministry of Finance.

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 2020

(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 fees, initial subscription fees, and donations are recognised as income at the time they are collected.

#### 3. Expenses

Expenses are recognised on the accrual basis.

#### 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 income - expenses chart in the related period.

#### 5. Subsequent events after the date of reporting

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 reporting 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 2020 and 31 December 2019, cash and cash equivalents are as follows:

	31 December 2020	31 December 2019
Cash at Banks	831.162	476.463
<i>Demand deposit</i>	831.162	476.463
Other cash equivalents	--	19.315
<b>Total</b>	<b>831.162</b>	<b>495.778</b>

### V. Advances given

The related account comprises advances given to volunteers in Gambia and Senegal for the project expenses and accommodation, food, travel, public accountant service and other expenses. Sen De Gel Derneği has advances given amounting to TL 108 as of 31 December 2020 (2019: TL 276).

Short-term receivables consist of payroll and wage accruals due to minimum subsistence allowance. As of 31 December 2020, there is a short-term receivable of TL 298 (31 December 2019: TL 777)

## Support For Improvement in Social and Economic Living Association

### Notes to the Financial Statements For the Year Ended 31 December 2020 (Currency - Turkish Lira ("TL"))

#### VI. Tangible Assets

For the year end 31 December 2020 and 31 December 2019, movement of tangible assets are as follows:

<b>Tangible Assets</b>	<b>1 January 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 December 2020</b>
<b>Cost</b>				
Vehicles	52.006	--	--	52.006
Fixtures and fittings	2.365	--	--	2.365
<b>Total Cost</b>	<b>54.371</b>	<b>--</b>	<b>--</b>	<b>54.371</b>
<b>Depreciation</b>				
Vehicles	(36.869)	(13.805)	--	(50.674)
Fixtures and fittings	(2.365)	--	--	(2.365)
<b>Accumulated Depreciation</b>	<b>(39.234)</b>	<b>(13.805)</b>	<b>--</b>	<b>(53.039)</b>
<b>Net Book Value</b>	<b>15.137</b>	<b>(13.805)</b>	<b>--</b>	<b>1.332</b>

<b>Tangible Assets</b>	<b>1 January 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 December 2019</b>
<b>Cost</b>				
Vehicles	52.006	--	--	52.006
Fixtures and fittings	2.365	--	--	2.365
<b>Total Cost</b>	<b>54.371</b>	<b>--</b>	<b>--</b>	<b>54.371</b>
<b>Depreciation</b>				
Vehicles	(26.200)	(10.669)	--	(36.869)
Fixtures and fittings	(1.774)	(591)	--	(2.365)
<b>Accumulated Depreciation</b>	<b>(27.974)</b>	<b>(11.260)</b>	<b>--</b>	<b>(39.234)</b>
<b>Net Book Value</b>	<b>26.397</b>	<b>(11.260)</b>	<b>--</b>	<b>15.137</b>

## Support For Improvement in Social and Economic Living Association

### Notes to the Financial Statements For the Year Ended 31 December 2020

(Currency - Turkish Lira ("TL"))

#### VII. Donations and grants

For the years ended 31 December 2020 and 2019, donations and grants are as follows:

	1 January – 31 December 2020	1 January – 31 December 2019
Cash donations	1.338.366	1.928.684
<b>Total</b>	<b>1.338.366</b>	<b>1.928.684</b>

For the year ended 31 December 2020, the Association has no grants in kind (31 December 2019: None).

For the year ended 31 December 2020, the annual membership fee is amounting to TL 12.650 (31 December 2019: TL 18.550).

Other income for the year ended 31 December 2020, amounting to TL 138.290 consists of foreign exchange income and TL 1.237 consists of SGK incentive income (31 December 2019: foreign exchange income of TL 29.420 consists of SGK incentive income of TL 24.815).

#### VIII. Expenses for the purpose of establishment

	1 January – 31 December 2020	1 January – 31 December 2019
Abroad project expenses <sup>(1)</sup>	910.012	1.598.530
Travel and accommodation expenses of volunteers <sup>(2)</sup>	148.046	113.600
<b>Total</b>	<b>1.058.058</b>	<b>1.712.130</b>

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

<sup>(1)</sup> The related expenses include payments to sustainable projects (animal breeding, grain mill, well drilling etc.) in Gambia and Senegal.

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

#### IX. Events after the reporting date

None.