



**Audit report on the financial statements of December 31, 2016**  
**„Hayata Destek Derneđi“**

---

## **AUDIT REPORT**

### **To the Board of Directors of Hayata Destek Derneği**

We have audited the accompanying financial statements of Hayata Destek Derneği (hereinafter will be referred to as "the Institution" or "STL"), which comprise the statement of financial position as at December 31, 2016 and the statements of financial performance, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting polices described in Note 3. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are 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 the auditor's 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, the auditor considers 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 policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 accompanying financial statements present fairly, in all material respects, the financial position of the Hayata Destek Derneği as of December 31, 2016, and its financial performance, changes in its equity, and its cash flows for the year then ended in accordance with the accounting policies described in Note 3.

### **Emphasis of matters**

Without further qualifying our opinion, we draw attention to the following matters:

- *As explained in Note 2 the statutory financial statements of STL are not in conformity with the accounting policies described in Note 3.*
- *Accounting policies applied by the Institution differ from the accounting principles generally accepted in other countries and International Financial Reporting Standards (IFRS) in material aspects 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 Institution in accordance with the accounting principles generally accepted in such countries of the users of these financial statements or with IFRS.*



Prof. Dr. Serhat Kutlan,  
Kutlan & Partners

January 11, 2018

## HAYATA DESTEK DERNEĞİ

### Statements of Financial Position as of December 31, 2016 and December 31, 2015 Currency – Turkish Lira

	Note	31 December 2016	31 December 2015
<b>ASSETS</b>			
Cash and cash equivalents	4	2.395.074	5.771.902
Other receivables and assets	5	1.370.020	445.372
Income Accrual	6	239.010	441.611
<b>Current Assets</b>		<b>4.004.104</b>	<b>6.658.885</b>
Furniture and fixture		0,00	0,00
<b>Non-Current Assets</b>	7	<b>0,00</b>	<b>0,00</b>
<b>Total Assets</b>		<b>4.004.104</b>	<b>6.658.885</b>
<b>LIABILITIES</b>			
Creditors and other liabilities	8	1.183.271	589.356
Taxes and funds payable	9	472.758	354.740
Unearned Revenues	10	2.484.897	5.330.116
<b>Current Liabilities</b>		<b>4.140.926</b>	<b>6.274.212</b>
Previous years' profit / loss		384.673	345.622
Net (loss) / income for the year		-521.495	39.052
<b>Equity</b>		<b>-136.822</b>	<b>384.674</b>
<b>Total Liabilities and Equity</b>		<b>4.004.104</b>	<b>6.658.885</b>

## HAYATA DESTEK DERNEĞİ

### Statements of Financial Performance for the years ended as at 31 December 2016 and 2015 Currency -- Turkish Lira (TL)

	Note	1 January- 31 December 2016	1 January- 31 December 2015
<b>OPERATING INCOME</b>			
Project income	<b>11</b>	55.079.544	25.595.513
Other income	<b>12</b>	2.019.406	1.182.815
<b>Total Operating Income</b>		<b>57.098.950</b>	<b>26.778.328</b>
<b>OPERATING EXPENSES</b>			
Project expenses	<b>13</b>	-55.220.944	-25.962.215
Operating expenses	<b>14</b>	-1.902.780	-312.026
Other expenses	<b>15</b>	-496.721	-465.036
<b>Total Operating Expenses</b>		<b>-57.620.445</b>	<b>-26.739.277</b>
<b>Net (loss) / income for the year</b>		<b>-521.495</b>	<b>39.051</b>

**HAYATA DESTEK DERNEĞİ**

**Statements of Changes in Equity  
for the years ended as at 31 December 2016 and 2015**

**Currency -- Turkish Lira (TL)**

	Previous years' profit / loss	Net income for the year	Total
	<u>TRY</u>	<u>TRY</u>	<u>TRY</u>
Balance as of 1 January 2015	128.060	217.562	345.622
Transfers	217.562	-217.562	0
Net loss for the year (-)	0	39.052	39.052
<b>Balance as of 31 December 2015</b>	<b>345.622</b>	<b>39.052</b>	<b>384.674</b>
Transfers	39.052	-39.052	0
Net loss for the year (-)	0	-521.495	-521.495
<b>Balance as of 31 December 2016</b>	<b>384.674</b>	<b>-521.495</b>	<b>-136.821</b>

**HAYATA DESTEK DERNEĞİ****Statements of Cash Flow****for the years ended as at 31 December 2016 and 2015****Currency -- Turkish Lira (TL)**

	1 January- 31 December 2016	1 January- 31 December 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the year	-521.495	39.052
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation of furniture and fixture	-	242
Project income accrual	202.601	216.200
Operating loss before changes in working capital:	-318.894	255.494
Change in other receivables and current assets	-924.648	-200.419
Change in creditor, accrued and other liabilities	593.916	121.692
Change in taxes and funds payable	118.018	-23.616
Change in unearned revenues	-2.845.219	3.580.547
Net cash (used in) / provided by operating activities	-3.057.933	3.478.204
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>	-3.376.827	3.733.699
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	5.771.902	2.038.203
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	2.395.075	5.771.902



## **1. General information about the Audited Institution**

### **Establishment**

Hayata Destek Derneği was established in August 25, 2009 in Turkey as a humanitarian aid agency.

### **Headquarter of the Institution**

The registered address of the Institution is as follows:

Cenap Şehabettin Sokak No: 42 Koşuyolu Mahallesi

Kadıköy / İstanbul / TURKEY

### **Fiscal year**

Fiscal year is the whole year starting with January 1, 2016 and ending with December 31, 2016.

### **Activities of the Institution**

STL is a Turkey-based humanitarian agency implementing projects from relief aid to development, promoting community participation. Emergency relief aid is provided impartially in response to humanitarian crises with a focus of laying the foundations for rehabilitation, reconstruction and participatory development. Support to life aims to strengthen human capacities, build civil society and promote intercultural understanding, assisting individuals and communities in securing a better life for themselves and society at large.

STL has 52 members as of December 31, 2016 (2015:48).

The number of employees as at 31 December, 2016 is 240 (2015:114).

## Management of the Institution

Sema Genel is the general director of the STL and responsible to administrate and represent for all kind of activities of the Institution. The board members of the Institution consist of the followings:

Sema Genel Karaosmanoğlu	President
Gonca Girit McDaniel	Member
Yunus Türkmen	Member

## 2. Basis of presentation of financial statements

Hayata Destek Derneği prepares the accompanying financial statements in accordance with the accounting standards applicable to foundations based on historical cost convention and accrual basis and in conformity with accounting policies described in Note 3.

The statutory financial statements of STL differs from the accompanying financial statements in that the statutory financial statements of STL have not been prepared due to the accrual basis. The accompanying financial statements have been prepared by making such adjustments on the statutory financial statements of Hayata Destek Derneği regarding the accounts of "income accrual", "unearned revenues" and "project income".

The Institution's measurement currency is the currency of the primary economic environment in which STL operates which is the national currency of Turkey, Turkish Lira ("TL"). All amounts in the financial statements are presented in Turkish Lira, unless otherwise stated. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies.

### **3. Summary for significant accounting policies**

The significant accounting policies used in the preparation of the accompanying financial statements are set forth below:

#### **Cash and Cash Equivalents**

Cash includes cash on hand and cash at banks.

#### **Other receivables and current assets**

Other receivables and current assets are valued at acquisition costs, i.e. at nominal value.

#### **Furniture and fixture / depreciation**

Furniture and fixtures are stated at cost less accumulated depreciation. The initial cost of these assets comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the assets to its working condition and location for its intended use. Depreciation on furniture and fixture is computed both on straight-line method and accelerated method over the useful lives declared by the Ministry of Finance. Depreciation period is 3-5 years for tangible fixed assets.

#### **Creditor and other liabilities**

Creditor and other liabilities to be paid in future for goods and services received are carried at cost.

The valuation of liabilities is principally based on the settlement amount, which as a rule equals the repayment amount.

### **Foreign currency items**

In the statutory accounts of the Institution, transactions in foreign currencies (currencies other than TL) are translated into Turkish Lira at the rates of exchange ruling at the transaction dates. Assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Exchange gains and losses arising from settlement and translation of such foreign currency items are included in the related income or expense accounts, as appropriate. Foreign currency exchange rates used by the Institution as of December 31, 2016 are as follows:

USD / TL	3,5192
Euro / TL	3,7099

### **Donation income**

Donation income includes donations of voluntary contributions from Institution members. Donation income is recognized when it was collected from Institution members and the amount of donation can be measured reliably.

### **Project income/expense**

Income comprises membership dues from members, contributions in cash from donors, and project income from partner organizations. Project income and expenditure are recorded on accrual basis.

**4. Cash and Cash Equivalents**

Cash and cash equivalents consist of the followings:

	<b>Dec. 31, 2016</b>	<b>Dec. 31, 2015</b>
1. Cash on hand	31.955	47.773
2. Cash at bank	2.363.119	5.724.129
	<b>2.395.074</b>	<b>5.771.902</b>

1. The total amount of petty cash is amounting to TL 31.955 as of December 31, 2016.
2. The cash at bank comply with the statements of the bank accounts of the Institution. As of December 31, 2016 the cash at bank in foreign currencies has been translated to Turkish Lira with the exchange rates of the balance sheet date.

	<b>in foreign currency</b>	<b>in TL</b>
Finansbank, TL		1.749.024
Halkbank		100.000
Ziraat Bankası		46.906
Finansbank, EUR	74.787	277.454
Finansbank, USD	53.914	189.735
		<b>2.363.119</b>

Due the reconciliation letters, which have been sent to the banks by us, we have been informed that STL has no bank loans or/and any financial obligations to the banks other than the balances of all above mentioned accounts as of December 31. 2016.

## 5. Other receivables and current assets

As of 31 December 2016 and 2015, other receivables and current assets are as follows;

	<b>Dec. 31, 2016</b>	<b>Dec. 31, 2015</b>
Deposits and guarantees given	108.969	75.553
Other receivables	1.196.054	257.541
Advances to personnel	32.195	20.330
Work advances	30.927	13.823
Prepaid expenses	1.875	78.125
	<b>1.370.020</b>	<b>445.372</b>

Other receivables amounting to TL 1.196.054 consist of the prepaid advances to the suppliers and the expats. Thereof the amount 1.186.773 TL comprises of the prepaid advances to the e-card company "Edenred Kurumsal Çözümler A.Ş, which is one of the main supplier of STL for the food and hygiene assistance to the refugees in 2016.

## 6. Income Accrual

The detail of income accrual on project basis as at 31 December 2016 and 2015 is as follows;

<b><u>Project Description</u></b>	<b>Dec. 31, 2016</b>	<b>Dec. 31, 2015</b>
Multi-purpose cash assistance (MPCA) and protection for urban Syrian and non-Syrian refugees in southeastern Turkey – DKH	19.939	-
Protection for Displaced Syrian Refugees in Istanbul, Turkey – IOM	36.604	-
Restoring Lives of Syrian Refugees Through Psychosocial Support in Turkey –MSF	13.438	-
Addressing Child Labor among Syrian Refugees and Host Community in Turkey – UNICEF	538	-
Facilitating the Protection of Syrian Refugees in Istanbul – SDC	89.907	
Distribution of Winterization NFI to Syrian Refugees - ACF	55.880	
Civil Society Disaster Platform	22.704	
Emergency aid and Psychosocial Support for Syrian and Iraqi Refugees in South-eastern Turkey – DKH	-	205.804
Emergency assistance for Kurdish refugees from Kobane (Syria) in Turkey – DKH	-	5.222
Facilitating the Protection of Syrian Refugees in Urban Settings in Turkey – DKH	-	34.774
Restoring Lives of Syrian Refugees Through Psychosocial Support in Turkey – MSF	-	83.420
Distribution of Relief items to Syrian refugees outside the camps in Hatay – Irish Aid	-	103.187
Facilitating the Protection of Local and Refugee Children in Turkey	-	9.204
	<b>230.010</b>	<b>444.611</b>

## 7. Creditors and Other Liabilities

	<b>Dec. 31, 2016</b>	<b>Dec. 31, 2015</b>
Trade payables	390.311	111.767
Payables to donors	781.162	452.854
Payables to personnel	11.798	24.735
	<b>1.183.271</b>	<b>589.356</b>

Trade payables amounting to TL 390.311 include liabilities arisen from the services and goods received from the suppliers within the scope of ongoing projects.

Payable to donors amounting to TL 781.162 consists of unspent portion of donation related to the completed project numbered K-TUR-2015-4042 to Diakonie Katastrophenhilfe.

## 8. Taxes and other legal liabilities

	<b>Dec. 31, 2016</b>	<b>Dec. 31, 2015</b>
Taxes payable	213.574	239.223
Social security premiums	259.184	115.517
	<b>472.758</b>	<b>354.740</b>



## 9. Unearned Revenues

The detail of unearned revenue on project basis is as follows;

<b><u>Project Description</u></b>	<b>Dec. 31, 2016</b>	<b>Dec. 31, 2015</b>
Distribution of E-vouchers to Displaced People in Mardin Province	200.247	
Production and marketing of crafts and handicrafts (Cash-for-Work)	230.335	
DKH Regional Office West & Central Asia - Operational Costs 2016	191.766	
Psychosocial Support for Yazidi Refugees	58.779	
Enhancing access to effective services and protection for people of concern in Turkey	826.049	
Facilitating the Protection of Syrian Refugees in Urban Settings in Turkey	158.958	
Humanitarian supports for Syrian refugees in Turkey	31.640	
Eliminating Child Labor in Seasonal Agriculture in Turkey	177.918	
Building and strengthening resilience of Syrian refugees	130.210	
Strengthening Child Protection Mechanisms in Turkey and Disseminating Best Practice Tools	178.170	
E-vouchers for Syrian Non-Camp Refugees in South-Eastern Turkey	116.207	
Capacity Building Initiative Asia II	184.618	231.260

## 10. Unearned Revenues (Cont'd)

Unconditional cash assistance and Protection For Out of Camp Syrian and Iraqi Refugees Settled in Southeastern Turkey	4.556.332
Improving Food Security and Enhancing Resilience through optimized rehabilitation of agricultural infrastructure	22.224
Enhanced Protection and Empowerment of non-camp Syrian Refugees and host Communities in Suleimaniyah, Northern Iraq	12.954
Civil Society Disaster Platform	45.225
Humanitarian supports for Syrian refugees in Turkey	151.747
Facilitating the Protection of Syrian Refugees in Istanbul	214.704
Addressing Child labor among the Syrian Refugees in Şanlıurfa	95.670
	<b>2.484.897</b>
	<b>5.330.116</b>

As at 31 December 2016, unearned revenue amounted TL 2.484.897 (31 December 2015: TL 5.330.116) includes the funds transferred from non-profit organizations in abroad and Turkey in 2016 but they have not been used in 2016.

## 11. Project Income

<b>Project Description</b>	<b>in TL</b>
Distribution of E-vouchers to Displaced People in Mardin Province– <i>AAR Japan</i>	74.153
Distribution of Winterization NFI to Syrian Refugees– <i>ACF</i>	266.441
Capacity Building Initiative Asia II – <i>DKH-K-ASL-2014-4106</i>	46.643
Rehabilitating the Agriculture Sector in Gaza Strip – <i>DKH-K-PSE-2013-0012</i>	122.638
Enhanced protection and empowerment of non-camp Syrian refugees, Iraqi IDPs and the host community in Suleimaniyah, Northern Iraq, <i>DKH - K-TUR-2015-4034</i>	44.080
Emergency aid and Psychosocial Support for Syrian and Iraqi Refugees in South-eastern Turkey – <i>DKH – K-TUR-2015-4043</i>	635.600
Unconditional cash assistance and Protection For Out of Camp Syrian and Iraqi Refugees Settled in Southeastern Turkey – <i>DKH – K-TUR-2015-4042</i>	30.885.703
Facilitating the Protection of Syrian Refugees in Urban Settings in Turkey – <i>DKH – K-TUR-2015-4033</i>	1.012.145
<i>DKH Regional Office West &amp; Central Asia 2016 – DKH – K-TUR-2016-4016</i>	1.251.687
Psychosocial Support for Yazidi Refugees – <i>DKH – K-TUR-2016-8001</i>	1.218.155
Multi-purpose cash assistance and protection for urban Syrian and non-Syrian refugees in southeastern Turkey – <i>DKH - K-TUR-2016-9009</i>	3.129.026

## 11. Project Income (Cont'd)

<b>Project Description</b>	<b>in TL</b>
Enhancing access to effective services and protection for people of concern in Turkey – <i>DKH</i> - K-TUR-2016-9013	3.740.565
Production and marketing of crafts and handicrafts - <i>GIZ</i>	571.008
Distribution of relief items to Syrian refugees outside the camps in Hatay - <i>Irish Aid</i>	373.007
E-vouchers for Syrian non-camp refugees in southeastern Turkey - <i>HEKS</i>	905.597
Protection for displaced Syrian population in Şanlıurfa, Turkey - <i>IOM</i>	139.752
Protection for displaced Syrian population in Istanbul, Turkey - <i>IOM</i>	382.277
Restoring Lives of Syrian Refugees Through Psychosocial Support in Turkey – <i>MSF</i>	146.979
Restoring Lives of Syrian Refugees Through Psychosocial Support in Turkey – <i>MSF</i>	927.160
Humanitarian supports for Syrian refugees in Turkey - <i>Parcic</i>	763.438
Humanitarian supports for Syrian refugees in Turkey - <i>Parcic</i>	768.015
Humanitarian supports for Syrian refugees in Turkey - <i>Parcic</i>	943.377

## 11. Project Income (Cont'd)

<b>Project Description</b>	<b>in TL</b>
Eliminating child labor in seasonal agriculture in Turkey – <i>Rewe Group</i>	598.098
Facilitating the protection of Syrian refugees in Istanbul - <i>SDC</i>	651.585
Civil Society Disaster Platform – <i>European Commission</i>	33.928
Facilitating the Protection of Local and Refugee Children in Turkey – <i>TDH</i>	148.790
Strengthening child protection mechanisms in Turkey and disseminating best practice tools - <i>TDH</i>	16.381
Building and strengthening resilience of Syrian refugees - <i>UNHCR</i>	3.844.790
Addressing child labor among the Syrian refugees in Şanlıurfa - <i>UNICEF</i>	86.726
Addressing child labor among Syrian refugees and host community in Turkey - <i>UNICEF</i>	1.351.900
	<b>55.079.544</b>

## 12. Other income

<u>Other income</u>	<u>2016</u>	<u>2015</u>
Foreign Currency Income	293.387	243.917
Interest Income	1.251	1.292
Donation	418.495	422.571
Discount of suppliers	1.197.245	479.955
Other income	109.029,31	35.080
	<b>2.019.406</b>	<b>1.182.815</b>

## 13. Project expenses

The detail of project expenses on expense item for the years ended December 31, 2016 and December 31, 2015 is as follows;

	<b>2016</b>	<b>2015</b>
Food, hygiene and other relief materials	37.096.530	11.182.891
Payroll expense	10.676.023	7.596.735
Project operating expenses	3.401.836	2.626.299
Expenses for special Needs	321.759	2.613.973
Material and equipment expenses	1.042.869	509.210
Other project expenses	2.681.927	1.433.107
	<b>55.220.944</b>	<b>25.962.215</b>

### 13. Project expenses (Cont'd)

The detail of project expense on project basis for the year ended December 31, 2016 is as follows;

<b>Project Description</b>	<b>in TL</b>
Distribution of E-vouchers to Displaced People in Mardin Province – <i>AAR Japan</i>	74.153
Distribution of Winterization NFI to Syrian Refugees – <i>ACF</i>	266.441
Capacity Building Initiative Asia II – <i>DKH-K-ASL-2014-4106</i>	46.643
Rehabilitating the Agricultural Sector in Gaza Strip – <i>DKH-K-PSE-2013-0012</i>	122.638
Enhanced protection and empowerment of non-camp Syrian refugees, Iraqi IDPs and the host community in Suleimaniyah, Northern Iraq, <i>DKH - K-TUR-2015-4034</i>	44.080
Emergency aid and Psychosocial Support for Syrian and Iraqi Refugees in South-eastern Turkey <i>DKH – K-TUR-2015-4043</i>	790.411
Unconditional cash assistance and Protection for Out of Camp Syrian and Iraqi Refugees Settled in South-eastern Turkey– <i>DKH – K-TUR-2015-4042</i>	30.885.703
Facilitating the Protection of Syrian Refugees in Urban Settings in Turkey – <i>DKH – K-TUR-2015-4033</i>	1.012.045
DKH Regional Office West & Central Asia – Operational Costs 2016 <i>DKH –K-TUR-2016-4016</i>	1.251.687
Psychosocial Support for Yazidi Refugees – <i>DKH – K-TUR-2016-8001</i>	1.218.155
Multi-purpose Cash Assistance (MPCA) and Protection for Urban Syrian and non-Syrian Refugees in South-eastern Turkey – <i>DKH - K-TUR-2016-9009</i>	3.129.026

### 13. Project expenses (Cont'd)

<b>Project Description</b>	<b>in TL</b>
Enhancing Access to Effective Services and Protection for People of Concern in Turkey - <i>DKH</i> - K-TUR-2016-9013	3.740.565
Production and Marketing of Crafts and Handicrafts (Cash-for-Work) – <i>GIZ</i>	571.008
Distribution of Relief Items to Syrian Refugees Outside the Camps in Hatay – <i>Irish Aid</i>	373.007
E-vouchers for Syrian Non-Camp Refugees in South-Eastern Turkey – <i>HEKS</i>	905.597
Protection for Displaced Syrian Population in Sanliurfa, Turkey – <i>IOM</i>	139.752
Protection for Displaced Syrian Refugees in İstanbul, Turkey – <i>IOM</i>	382.277
Restoring Lives of Syrian Refugees Through Psychosocial Support in Turkey – <i>MSF</i>	146.979
Restoring Lives of Syrian Refugees Through Psychosocial Support in Turkey – <i>MSF</i>	927.160
Humanitarian Supports for Syrian Refugees in Turkey – <i>Parcic</i>	763.438
Humanitarian Supports for Syrian Refugees in Turkey – <i>Parcic</i>	768.015
Humanitarian Supports for Syrian Refugees in Turkey – <i>Parcic</i>	943.377



### 13. Project expenses (Cont'd)

<b>Project Description</b>	<b>in TL</b>
Eliminating Child Labor in Seasonal Agriculture in Turkey – <i>Rewe Group</i>	598.098
Facilitating the Protection of Syrian Refugees in İstanbul – <i>SDC</i>	651.585
Civil Society Disaster Platform – <i>European Commission</i>	33.928
Facilitating the Protection of Local and Refugee Children in Turkey – <i>TDH</i>	135.380
Strengthening Child Protection Mechanisms in Turkey and Disseminating Best Practice Tools – <i>TDH</i>	16.381
Building and Strengthening Resilience of Syrian Refugees – <i>UNHCR</i>	3.844.790
Addressing Child Labour Among the Syrian Refugees in Sanliurfa - <i>UNICEF</i>	86.726
Addressing Child Labour Among Syrian Refugees and Host Community in Turkey- <i>UNICEF</i>	1.351.901
	<b>55.220.944</b>

### 13. Project expenses (Cont'd)

The detail of project expenses on expense item for the year ended December 31, 2016 is as follows;

*Distribution of E-vouchers to Displaced People in Mardin Province-  
AAR Japan*

Payroll expense	55.940
Operating expenses	17.435
Other project expenses	779
	<b>74.154</b>

*Distribution of Winterization NFI to Syrian Refugees – ACF*

Payroll expense	45.840
Operating expenses	1.601
Other relief materials	219.000
	<b>266.441</b>

*Capacity Building Initiative Asia II – DKH- K-ASL-2014-4106*

Training expenses	45.955
Operating expenses	688
	<b>46.643</b>

*Rehabilitating the Agricultural Sector in Gaza Strip – DKH –  
K-PSE-2013-0012*

Payroll expenses	84.831
Operating expenses	37.807
	<b>122.638</b>

Enhanced protection and empowerment of non-camp Syrian refugees, Iraqi IDPs and the host community in Suleimaniyah, Northern Iraq, *DKH - K-TUR-2015-4034*

Training expenses	20.276
Operating expenses	23.803
	<b>44.079</b>

*Emergency aid and Psychosocial Support for Syrian and Iraqi Refugees in South-eastern Turkey – DKH- K-TUR-2015-4043*

Payroll expense	350.354
Operating expenses	117.942
Other relief expenses	322.115
	<b>790.411</b>

*Unconditional cash assistance and Protection for Out of Camp Syrian and Iraqi Refugees Settled in South-eastern Turkey– DKH- K-TUR-2015-4042*

Operating expenses	269.836
Travel expenses	581.913
Payroll expense	2.239.875
Material & Equipment Expense	161.135
Food & Hygiene	27.311.185
Expenses for Special Needs	321.759
	<b>30.885.703</b>

*Facilitating the Protection of Syrian Refugees in Urban Settings in Turkey – DKH- K-TUR-2015-4033*

Training expense	338.516
Payroll expense	497.183
Operating expenses	176.345
	<b>1.012.044</b>

### 13. Project expenses (Cont'd)

*Regional Office West & Central Asia – Operational Costs 2016 – DKH- K-TUR-2016-4016*

Payroll expense	868.013
Operating expenses	86.258
Meeting & Conference expenses	245.456
Material & Equipment expense	51.960
	<b>1.251.687</b>

*Psychosocial Support for Yazidi Refugees – DKH- K-TUR-2016-8001*

Other relief materials	155.946
Payroll expense	744.202
Operating expenses	134.506
Travel expenses	100.191
Other relief materials	155.946
Project activities	43.648
Material & Equipment expense	39.662
	<b>1.374.101</b>

*Multi-purpose Cash Assistance (MPCA) and Protection for Urban Syrian and non-Syrian Refugees in South-eastern Turkey – DKH- K-TUR-2016-9009*

Travel expenses	86.745
Operating expenses	204.300
Payroll expense	380.304
Other relief materials	2.457.677
	<b>3.129.026</b>

### 13. Project expenses (Cont'd)

*Enhancing Access to Effective Services and Protection for People of Concern in Turkey – DKH- K-TUR-2016-9013*

Payroll expense	71.103
Other relief materials	3.657.313
Operating expenses	10.024
Material & Equipment expense	2.124
	<b>3.740.564</b>

*Production and Marketing of Crafts and Handicrafts (Cash-for-Work) – GIZ*

Operating expenses	43.100
Payroll expense	131.503
Training expenses	372.991
Other project expenses	23.413
	<b>571.007</b>

*Distribution of Relief Items to Syrian Refugees outside the Camps in Hatay – Irish Aid*

Operating expenses	15.222
Payroll expense	61.745
Other project expenses	8.650
Food & Hygiene	287.390
	<b>373.007</b>

*E-vouchers for Syrian Non-Camp Refugees in South-Eastern Turkey – HEKS*

Food and Hygiene	648.104
Payroll expense	191.088
Operating expenses	66.405
	<b>905.597</b>

*Protection for Displaced Syrian Population in Sanliurfa, Turkey – IOM*

Payroll expense	114.398
Social & Psychosocial expenses	25.314
Operating expenses	40
	<b>139.752</b>

### 13. Project expenses (Cont'd)

*Protection for Displaced Syrian Refugees in İstanbul, Turkey – IOM*

Payroll expense	220.219
Operating expenses	40.158
Travel expenses	37.243
Project activities	60.791
Material & Equipment expense	23.865
	<b>382.276</b>

*Restoring Lives of Syrian Refugees through Psychosocial Support in Turkey  
– MSF*

Payroll expense	114.220
Operating expenses	31.851
Other project expenses	909
	<b>146.980</b>

*Restoring Lives of Syrian Refugees through Psychosocial Support in Turkey  
– MSF*

Payroll expense	628.833
Operating expenses	191.827
Other project expenses	76.606
Social & Psychosocial support	29.893
	<b>927.159</b>

*Humanitarian Supports for Syrian Refugees in Turkey – Parcic*

Payroll expense	62.427
Operating expenses	24.700
Food & Hygiene	676.311
	<b>763.438</b>

*Humanitarian Supports for Syrian Refugees in Turkey – Parcic*

Payroll expense	133.599
Operating expenses	86.079
Food & Hygiene	548.338
	<b>768.016</b>

### 13. Project expenses (Cont'd)

#### *Humanitarian Supports for Syrian Refugees in Turkey – Parcic*

Payroll expense	56.631
Operating expenses	22.962
Other project expenses	50.635
Food & Hygiene	813.150
	<b>943.378</b>

#### *Eliminating Child Labor in Seasonal Agriculture in Turkey – Rewe Group*

Training expenses	108.257
Payroll expense	396.584
Travel expenses	9.022
Material & Equipment expense	7.699
Operating expenses	76.535
	<b>598.097</b>

#### *Facilitating the Protection of Syrian Refugees in İstanbul – SDC*

Travel expenses	2.397
Payroll expense	362.770
Operating expenses	111.122
Project activities	97.445
Other project expenses	60.536
Material & Equipment expense	17.316
	<b>651.586</b>

#### *Civil Society Disaster Platform – European Commission*

Travel expenses	11.187
Training expenses	21.987
Other project expenses	754
	<b>33.928</b>

#### *Facilitating the Protection of Local and Refugee Children in Turkey – TDH*

Operating expenses	36.648
Payroll expense	65.875
Other project expenses	32.856
	<b>135.379</b>

### 13. Project expenses (Cont'd)

*Strengthening Child Protection Mechanisms in Turkey and Disseminating Best Practice Tools – TDH*

Operating expenses	4.040
Material & Equipment expense	12.341
	<b>16.381</b>

*Building and Strengthening Resilience of Syrian Refugees – UNHCR*

Payroll expense	1.903.603
Training expenses	52.945
Operating expenses	582.255
Social & Psychosocial support	648.775
Material & Equipment expenses	657.211
	<b>3.844.789</b>

*Addressing Child Labor among the Syrian Refugees in Sanliurfa - UNICEF*

Social & Psychosocial support	86.726
	<b>86.726</b>

*Addressing Child Labor among Syrian Refugees and Host Community in Turkey- UNICEF*

Payroll expenses	894.884
Operating expense	92.511
Travel expenses	67.136
Project activities	227.815
Material & Equipment expenses	69.556
	<b>1.351.902</b>



## 14. Operating Expenses

Operating expenses are amounting to TL 1.902.780 and consist of the followings:

	<b><u>2016</u></b>	<b><u>2015</u></b>
personnel expenses	587.067	92.737
food allowance	40.910	-
IT-Infrastructure	14.565	10.204
travel expenses	9.897	14.837
rental expenses	180.737	42.003
taxes and duties	81.303	2.142
depreciation	-	242
translation expenses	5.397	-
telecommunication expenses	17.722	-
consulting expenses	138.584	-
accommodation expenses	7.448	-
Representation & Advertising	116.524	1 17.100
Training & recruiting	80.945	3.184
bank charges	62.398	3.911
other expenses	292.160	11.920
office supplies	202.051	-
repair and maintenance	65.070	12.413
	<b>1.902.778</b>	<b>310.693</b>

## 15. Other expenses

	<b><u>2016</u></b>	<b><u>2015</u></b>
Foreign Currency Losses	352.945	465.036
Other expenses	143.776	-
	<b>496.721</b>	<b>465.036</b>

## 16. Post balance sheet events

There have been no events subsequent to the balance sheet date, which require adjustments in the financial statements as of December 31, 2016.

## 17. Termination indemnities

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service within the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

Such payments are calculated on the basis of 30 days' pay (limited to a maximum of TL 4.297,21 for the year 2016,) per year of employment at the rate of pay applicable at the date of retirement or termination.

Due to the general accepted accounting principles it is an obligation to set up provision for the termination indemnities for the employees. But the company has not made a provision in the accompanying financial statements for the termination indemnities.

## 18. Other

STL carried out projects about relief aid and social rehabilitation for the refugees settled in Turkey in cooperation with the following of non-governmental organizations:

- Diakonie Katastrophenhilfe (DKH)
- Association for Aid and Relief, Japan (AAR Japan)
- Açık Toplum Vakfı
- Medicos Sin Fronteras Holland
- Her Majesty the Queen in Right of Canada
- Rewe Group
- The Office Of The United Nations High Commissioner For Refugees (UNHCR)
- The International Organization for Migration (IOM)
- European Commission
- GOAL International (Irish Aid)
- United Nations Children's Fund (UNICEF)
- Swiss Agency for Development and Cooperation
- PARC Inter Peoples' Cooperation (Parcic)
- Terre Des Hommes

The most supporting organization of STL in 2016 is DKH with the following listed projects and funds of amounting totally EUR 11.538.818.

	<b>Amount in EUR</b>
K-TUR-2016-9013	1.350.000
K-TUR-2016-9009	873.876
K-TUR-2016-8001	373.240
K-TUR-2016-4062	250.000
K-TUR-2016-4016	504.993
K-TUR-2015-4033	349.666
K-TUR-2015-4042	7.576.070
K-TUR-2015-4043	260.973
	<b>11.538.818</b>

## 18. Other (Cont'd)

DKH has a regional office in Istanbul for the management of the projects carried out both in Turkey and in West & Central Asia. In order to meet the operation expenditures done by the regional office in Istanbul, DKH has totally transferred the amount of EUR 460.000 to STL's bank accounts within the Project named "*DKH Regional Office West and Central Asia*" and numbered K-TUR-2016-4016. The financial information of the project is as follows:

	<b>Amount in EUR</b>
Funds transferred from DKH	460.000
Balance of the project 2015	16.121
<b>I. Total Income</b>	<b>476.121</b>
Payroll expense	270.440
Direct Project Expenses	76.478
Operating expenses	5.118
Assets/ Capital equipment	16.181
Specialized/ External services	21.738
<b>II. Total Expenditures</b>	<b>389.955</b>
<b>III. Balance of the Project numbered</b>	<b>86.166</b>

Furthermore DKH has provided the fund of EUR 250.000 to the STL's management for the overhead expenditures in 2016. The fund is transferred to the STL bank accounts within the Project numbered K-TUR-2016-4062. The financial information of the project is as follows:

	<b>Amount in Euro</b>
Funds transferred from DKH	250.000
<b>I. I. Total Income</b>	<b>250.000</b>
Personnel (Gross Salaries)	155.136
Fringe Benefits	5.934
External Services	85.908
Office Running Costs	163.664
Team Building / Meeting / Capacity Costs	23.976
Assets	30.553
Other Costs	45.442
Travel / Transportation Costs	6.387
<b>II. II. Total Expenditures</b>	<b>517.000</b>
<b>III. Balance of the Project numbered</b>	<b>-267.000</b>