



## Audit report on the financial statements of December 31, 2014

### „Hayata Destek Derneği“

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## 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, 2014 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 policies 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, 2014, 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.*
- *The financial statements of Hayata Destek Derneği for the year ended as of December 31, 2013 have been audited by another auditor's firm and the mentioned auditor's firm has given an unqualified opinion in its report.*
- *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



September 27, 2017

**HAYATA DESTEK DERNEĞİ**
**Statements of Financial Position**  
**as of December 31, 2014 and December 31, 2013**
**Currency – Turkish Lira**

|                                     | Note | 31 December 2014 | 31 December 2013 |
|-------------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                       |      |                  |                  |
| Cash and cash equivalents           | 4    | 2.038.203        | 376.730          |
| Other receivables and assets        | 5    | 244.953          | 72.146           |
| Income Accrual                      | 6    | 657.811          | 943.231          |
| Current Assets                      |      | 2.940.967        | 1.392.107        |
| Furniture and fixture               |      | 242              | 1.300            |
| Non-Current Assets                  | 7    | 242              | 1.300            |
| <b>Total Assets</b>                 |      | <b>2.941.209</b> | <b>1.393.407</b> |
| <b>LIABILITIES</b>                  |      |                  |                  |
| Creditors and other liabilities     | 8    | 467.663          | 90.596           |
| Taxes and funds payable             | 9    | 378.356          | 145.360          |
| Unearned Revenues                   | 10   | 1.749.568        | 1.029.391        |
| Current Liabilities                 |      | 2.595.587        | 1.265.347        |
| <b>EQUITY</b>                       |      |                  |                  |
| Previous years' profit / loss       |      | 128.060          | 138.558          |
| Net (loss) / income for the year    |      | 217.562          | -10.498          |
| Equity                              |      | 345.622          | 128.060          |
| <b>Total Liabilities and Equity</b> |      | <b>2.941.209</b> | <b>1.393.407</b> |

**HAYATA DESTEK DERNEĞİ**

**Statements of Financial Performance  
for the years ended as at 31 December 2014 and 2013  
Currency -- Turkish Lira (TL)**

|   |             | <b>1 January-<br/>31 December<br/>2014</b> | <b>1 January-<br/>31<br/>December<br/>2013</b> |
|---|-------------|--|--|
|   | <b>Note</b> |  |  |
| <b>OPERATING INCOME</b>                 |             |  |  |
| Project income                          | <b>11</b>   | 21.656.418                                 | 9.958.636                                      |
| Other income                            | <b>12</b>   | 984.452                                    | 216.727  |
| <b>Total Operating Income</b>           |             | <b>22.640.869</b>                          | <b>10.175.363</b>                              |
| <b>OPERATING EXPENSES</b>               |             |  |  |
| Project expenses                        | <b>13</b>   | -21.920.454                                | -9.973.928                                     |
| Operating expenses                      | <b>14</b>   | -247.348                                   | -192.029                                       |
| Other expenses                          | <b>15</b>   | -255.506                                   | -19.904  |
| <b>Total Operating Expenses</b>         |             | <b>-22.423.308</b>                         | <b>-10.185.861</b>                             |
| <b>Net (loss) / income for the year</b> |             | <b>217.562</b>                             | <b>-10.498</b>                                 |

**HAYATA DESTEK DERNEĞİ**

**Statements of Changes in Equity  
for the years ended as at 31 December 2014 and 2013  
Currency -- Turkish Lira (TL)**

|                                       | Previous<br>years'<br>profit / loss | Net income<br>for the year | Total          |
|---------------------------------------|-------------------------------------|----------------------------|----------------|
|                                       | <u>TRY</u>                          | <u>TRY</u>                 | <u>TRY</u>     |
| Balance as of 1 January 2013          | 116.838                             | 21.720                     | 138.558        |
| Transfers                             | 21.720                              | -21.720                    | 0              |
| Net loss for the year (-)             | 0                                   | -10.498                    | -10.498        |
| <b>Balance as of 31 December 2013</b> | <b>138.558</b>                      | <b>-10.498</b>             | <b>128.060</b> |
| Transfers                             | -10.498                             | 10.498                     | 0              |
| Net loss for the year (-)             | 0                                   | 217.562                    | 217.562        |
| <b>Balance as of 31 December 2014</b> | <b>128.060</b>                      | <b>217.562</b>             | <b>345.622</b> |



**HAYATA DESTEK DERNEĞİ****Statements of Cash Flow****for the years ended as at 31 December 2014 and 2013****Currency -- Turkish Lira (TL)**

|   | 1 January-<br>31 December<br>2014 | 1 January-<br>31 December<br>2013 |
|---|-----------------------------------|-----------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |                                   |                                   |
| Net (loss) / income for the year  | 217.562                           | -10.498                           |
| Adjustments to reconcile net profit to net cash provided by operating activities: |                                   |                                   |
| Depreciation of furniture and fixture   | 1.058                             | 2.119                             |
| Project income accrual  | 285.420                           | -943.231                          |
| Operating loss before changes in working capital:                                 | 504.039                           | -951.610                          |
| Change in other receivables and current assets                                    | -172.807                          | 147.657                           |
| Change in creditor, accrued and other liabilities                                 | 377.067                           | -181.493                          |
| Change in taxes and funds payable   | 232.996                           | 111.172                           |
| Change in unearned revenues   | 720.177                           | 631.581                           |
| Net cash (used in) / provided by operating activities                             | 1.157.433                         | 708.917                           |
| <b>CHANGES IN CASH AND CASH EQUIVALENTS</b>                                       | 1.661.473                         | -242.693                          |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>                     | 376.730                           | 619.423                           |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                           | 2.038.203                         | 376.730                           |



## **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, 2014 and ending with December 31, 2014.

### **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 53 members as of December 31, 2014 (2013:20).

The total number of employees as at December, 2014 is 92 (2013:20)

## 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 used. 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, 2014 are as follows:

|           |        |
|-----------|--------|
| USD / TL  | 2,3269 |
| Euro / TL | 2,8272 |

### 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, 2014</b> | <b>Dec. 31, 2013</b> |
|-----------------|----------------------|----------------------|
| 1. Cash on hand | 28.659               | 17.856               |
| 2. Cash at bank | 2.009.544            | 358.874              |
|                 | <b>2.038.203</b>     | <b>376.730</b>       |

1. The total amount of petty cash is amounting to TL 28.659 as of December 31, 2014.
2. The cash at bank comply with the statements of the bank accounts of the Institution. As of December 31, 2014 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<br/>currency</b> | <b>in TL</b>     |
|-----------------|--------------------------------|------------------|
| Finansbank, TL  |                                | 1.826.360        |
| Finansbank, EUR | 57.164                         | 161.614          |
| Garanti Bankası |                                | 21.570           |
|                 |                                | <b>2.009.544</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. 2014.

## 5. Other receivables and current assets

As of 31 December 2014 and 2013, other receivables and current assets are as follows;

|                               | <b>Dec. 31, 2014</b> | <b>Dec. 31, 2013</b> |
|-------------------------------|----------------------|----------------------|
| Deposits and guarantees given | 14.974               | 6.785                |
| Other receivables             | 211.818              | 4.743                |
| Advances to personnel         | 0                    | 51.987               |
| Work advances                 | 13.123               | 2.051                |
| Prepaid expenses              | 5.038                | 6.580                |
|                               | <b>244.953</b>       | <b>72.146</b>        |

Other receivables amounting to TL 211.818 consist of the prepaid advances to the suppliers and the expats.

## 6. Income Accrual

The detail of income accrual on project basis as at 31 December 2014 and 2013 is as follows;

| <u>Project Description</u>  | <b>Dec. 31,<br/>2014</b> | <b>Dec. 31,<br/>2013</b> |
|---|--------------------------|--------------------------|
| Community centers in Hatay and Kilis  | -                        | 515.465                  |
| Eliminating child labor in seasonal agriculture in Turkey: Hazelnuts in the Black Sea region                          | -                        | 308.333                  |
| DKH Regional Office West & Central Asia-<br>Operational Costs 2013  | -                        | 34.069                   |
| Promoting good social practices in the hazelnut sector in Turkey  | -                        | 23.721                   |
| Distribution of relief items to Syrian refugees outside camps in Turkey   | -                        | 19.860                   |
| Assistance for Syrian refugees in Southeastern Turkey   | -                        | 19.454                   |
| Emergency assistance to conflict and displacement affected population in Turkey                                       | -                        | 17.280                   |
| Emergency assistance to displacement affected population inside Turkey  | -                        | 5.049                    |
| Eliminating Child Labor in Seasonal Agriculture in Turkey – REWE  | 145.771                  | -                        |
| Regional Multi-sector assistance to populations affected by the Syrian crisis – IOM                                   | 367.845                  | -                        |
| Emergency relief for Kurdish refugees from Kobane (Syria) and Iraq-Yezidi refugees from Northern Iraq in Turkey – DKH | 144.195                  | -                        |
|   | -                        | -                        |
|   | <b>657.811</b>           | <b>943.231</b>           |

## 7. Tangible fixed assets, net

The tangible assets of the Company cover mostly office equipment, furniture and computers.

The movement of tangible assets as of December 31, 2014 is as follows:

|  |               |
|--|---------------|
| <i>Purchase Cost</i>                             |               |
| Balance as at 1.01.2014                          | 11.490        |
| Additions  | 0             |
| Disposals  | 0             |
| <b>Purchase costs as at 31.1.2014</b>            | <b>11.490</b> |
| <i>Accumulated Depreciation</i>                  |               |
| Balance as at 01.01.2014                         | 10.190        |
| Additions  | 1.058         |
| Disposals  | 0             |
| <b>Accumulated Depreciation as at 31.12.2014</b> | <b>11.248</b> |
| <b>Net Value as at 31.12.2014</b>                | <b>242</b>    |

## 8. Creditors and Other Liabilities

|                       | <b>Dec. 31,<br/>2014</b> | <b>Dec. 31,<br/>2013</b> |
|-----------------------|--------------------------|--------------------------|
| Trade payables        | 246.043                  | 41.574                   |
| Payables to donors    | 221.620                  | 15.792                   |
| Payables to personnel | 0                        | 33.230                   |
|                       | <b>467.663</b>           | <b>90.596</b>            |



Trade payables amounting to TL 246.043 include liabilities arisen from the services and goods received from the suppliers within the scope of ongoing projects.

Payable to donors amounting to TL 221.620 consists of unspent portion of donation related to the following projects with the following amounts.

|                            |                |
|----------------------------|----------------|
| Diakonie Katastrophenhilfe | 112.623        |
| Dvv International          | 108.997        |
|                            | <b>221.620</b> |

## 9. Taxes and other legal liabilities

|                          | <b>Dec. 31, 2014</b> | <b>Dec. 31, 2013</b> |
|--------------------------|----------------------|----------------------|
| Taxes payable            | 269.269              | 86.290               |
| Social security premiums | 109.087              | 59.070               |
|                          | <b>378.356</b>       | <b>145.360</b>       |

## 10. Unearned Revenues

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

| <u>Project Description</u>  | <b>Dec. 31,<br/>2014</b> | <b>Dec. 31,<br/>2013</b> |
|---|--------------------------|--------------------------|
| Emergency Relief for Syrian refugees and host communities in Turkey – DKH   | 310.969                  | -                        |
| Capacity Building Initiative Asia II – DKH  | 405.471                  | -                        |
| Restoring Lives Through Psychosocial Care and Legal Assistance: Provision of Protection Support for the Displaced Syrian Population in Turkey – Ağık Toplum Vakfı | 12.481                   | -                        |
| Restoring Lives Through Psychosocial Support and Networking for the Displaced Syrian population in Turkey – AAR Japan   | 121.870                  | -                        |
| Civil Society Disaster Platform: A Forum for Information Sharing on Disaster Response and Disaster Risk – EU  | 235.141                  | -                        |
| Restoring Lives of Syrian Through Psychosocial Support in Turkey – MSF  | 476.466                  | -                        |
| Restoring Lives of Syrian Through Psychosocial Support in Turkey – MSF  | 139.441                  | -                        |
| Combatting Child Labor in Turkish Seasonal Agriculture by Sensitizing and Supporting Sanliurfa's Population – MSF   | 47.730                   | -                        |
| Emergency relief for Syrian refugees and host families in Jordan, Lebanon and Turkey. Here: Turkey-DKH  | -                        | 462.813                  |
| Civil Society Disaster Platform: A Forum for Information Sharing on Disaster Response and Disaster Risk Reduction in Turkey-DKH                                   | -                        | 235.141                  |

## 10. Unearned Revenues (Cont'd)

| <u>Project Description</u>  | <b>Dec. 31,<br/>2014</b> | <b>Dec. 31,<br/>2013</b> |
|---|--------------------------|--------------------------|
| Humanitarian Response to the Syrian Crisis-AECID  | -                        | 156.971                  |
| Restoring Lives Through Psychosocial Care and Adult Education: Provision of Psychosocial Support for the Syrian Crises affected population-YUVA | -                        | 78.638                   |
| Support to Displaced Syrians in Turkey-AAR Japan  | -                        | 73.703                   |
| Zooming in on the social resources of exposed communities using photography as learning tool-EU Grundtving Program                              | -                        | 10.670                   |
| Enhancing Drought resilience through innovative water management in the Gaza Strip-DKH  | -                        | 7.322                    |
| NGO Coordination-DRC  | -                        | 4.133                    |
|   |                          | -                        |
|   | <b>1.749.568</b>         | <b>1.029.391</b>         |

As at 31 December 2014, unearned revenue amounted TL 1,749.568 (31 December 2013: TRY 1.029.391) includes funds transferred from non-profit organizations in abroad and Turkey in 2014 but they have not been used in 2014.

## 11. Project Income

| Project Description   | in TL     |
|---|-----------|
| Regional Office West & Central Asia – Operational Costs 2014 - K-TUR-2014-4008 / DKH  | 925.278   |
| Emergency relief for Syrian refugees and host families in Jordan, Lebanon and Turkey – K-ASL-2013-9003 / DKH  | 1.244.105 |
| Restoring Lives Through Psychosocial Care & Adult Education: Provision of Psychosocial Support for the Syrian crises affected population in Turkey - YUVA   | 260.761   |
| Humanitarian Response to the Syrian Crisis - AECID  | 161.644   |
| Support to Displaced Syrians in Turkey – AAR Japan  | 210.857   |
| Civil Society Disaster Platform - K-TUR-2013-9005 / EU & DKH  | 320.985   |
| Zoom Project – AB Gençlik Programı  | 21.199    |
| Eliminating Child Labor in Seasonal Agriculture in Turkey – Rewe Group  | 644.494   |
| Enhancing Drought Resilience through Innovative Water Management in Gaza Strip K-PSE-2013-0012 & K-PSE-2013-5070 / DKH                                      | 73.669    |
| Emergency relief for Syrian refugees and host communities in Turkey – K-ASL-2014-4029 / DKH   | 4.323.751 |
| Restoring Lives Through Psychosocial Support and Networking for the Displaced Syrian population in Turkey – AAR Japan                                       | 813.292   |
| Promoting Good Social Practices in the Hazelnut Sector in Turkey - FERRERO  | 318.007   |
| Regional Multi-sector assistance to populations affected by the Syrian crisis IOM   | 1.419.622 |
| Enhanced Protection and Empowerment of non-camp Syrian Refugees and host Communities in Suleimaniyah, Northern Iraq –K-IRQ-2014-4041 / DKH                  | 76.195    |
| Restoring Lives Through Psychosocial Care & Legal Assistance: Provision of Protection Support for Displaced Syrian Population in Turkey – Açık Toplum Vakfı | 212.519   |
| Restoring Lives of Syrian Refugees Through Cash Assistance and Psychosocial Support in Turkey – UNHCR   | 878.118   |



## 11. Project Income (Cont'd)

| Project Description  | Income            |
|--|-------------------|
| Restoring Lives of Syrian Refugees Through Cash Assistance and Psychosocial Support in Turkey – UNHCR                                  | 3.694.596         |
| Regional Multi-sector assistance to populations affected by the Syrian crisis – IOM  | 1.227.914         |
| Mental Health and Psychosocial Care Project – MSF  | 104.659           |
| Cash Assistance for Food Security to the non-camp Syrian Refugee Population in Akçakale / Urfa, Southern Turkey – CONS                 | 936.892           |
| Emergency relief for Kurdish refugees from Kobane (Syria) and Iraq-Yezidi refugees from Northern Iraq in Turkey –K-TUR-2014-4109 / DKH | 2.366.815         |
| Distribution of Relief Supplies to Syrian Refugees Coming from Kobane Region in Syria – AAR Japan                                      | 384.413           |
| Water and Sanitation Project – MSF   | 354.473           |
| Water and Sanitation Project – MSF   | 108.407           |
| Qualification of Mediators and Set up of a Network of Mediators – DVV  | 185.970           |
| Capacity Building Initiative Asia II (CBIA II) – K-TUR-2014-4106 / DKH   | 9.407             |
| Distribution of Relief Supplies to Syrian Refugees Coming from Kobane Region in Syria (Phase 2) – AAR Japan                            | 204.771           |
| Combating Child Labor in Turkish Seasonal Agriculture by Sensitizing and Supporting Şanlıurfa's Population – Foreign Affairs Canada    | 1.183             |
| Distribution of Relief Items to Syrian Refugees and Iraqi Refugees outside the Camps in Turkey – K-TUR-2014-4097 / DKH                 | 172.422           |
|  | <b>21.656.418</b> |

## 12. Other income

| <u>Other income</u>     | <u>2014</u>    | <u>2013</u>    |
|-------------------------|----------------|----------------|
| Foreign Currency Income | 197.549        | 69.064         |
| Interest Income         | 1.480          | -              |
| Donation                | 178.899        | 147.450        |
| Discount of suppliers   | 595.937        | -              |
| Other income            | 10.587         | 213            |
|                         | <b>984.452</b> | <b>216.727</b> |

## 13. Project expenses

The detail of project expenses on expense item for the years ended December 31, 2014 and December 31, 2013 is as follows;

|  | <u>2014</u>       | <u>2013</u>      |
|--|-------------------|------------------|
| Food, hygiene and other relief materials | 13.936.802        | 5.019.390        |
| Payroll expense                          | 4.746.368         | 2.558.374        |
| Project operating expenses               | 1.435.750         |                  |
| Material and equipment expenses          | 130.843           |                  |
| Other project expenses                   | 1.670.691         | 2.396.164        |
|  | <b>21.920.454</b> | <b>9.973.928</b> |

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

The detail of project expense on project basis for the year ended December 31, 2014 is as follows;

| Project Description   | in TL     |
|---|-----------|
| Regional Office West & Central Asia – Operational Costs 2014 – K-TUR-2014-4008 – DKH  | 925.278   |
| Emergency relief for Syrian refugees and host families in Jordan, Lebanon and Turkey- K-ASL-2013-9003 - DKH   | 1.244.105 |
| Restoring Lives Through Psychosocial Care and Adult Education: Provision of Psychosocial Support for the Syrian crises affected population in Turkey – YUVA       | 260.761   |
| Humanitarian Response to the Syrian Crisis - AECID  | 161.644   |
| Support to Displaced Syrians in Turkey – AAR Japan  | 210.857   |
| Civil Society Disaster Platform – K-TUR-2013-9005 – EU & DKH  | 320.985   |
| Zoom Project – AB Gençlik Programı  | 21.199    |
| Eliminating Child Labor in Seasonal Agriculture in Turkey – Rewe Group  | 644.494   |
| Enhancing Drought Resilience through Innovative Water Management in Gaza Strip – K-PSE-2013-0012 & K-PSE-2013-5070 - DKH  | 94.740    |
| Emergency relief for Syrian refugees & host communities in Turkey – K-ASL-2014-4029 – DKH   | 4.323.751 |
| Restoring Lives Through Psychosocial Support and Networking for the Displaced Syrian population in Turkey – AAR Japan   | 813.277   |
| Promoting Good Social Practices in the Hazelnut Sector in Turkey – FERRERO  | 318.007   |
| Regional Multi-sector assistance to populations affected by the Syrian crisis – IOM   | 1.521.456 |
| Enhanced Protection and Empowerment of non-camp Syrian Refugees and host Communities in Suleymaniye, Northern Iraq K-IRQ-2014-4041 – DKH                          | 78.826    |
| Restoring Lives Through Psychosocial Care and Legal Assistance: Provision of Protection Support for the Displaced Syrian Population in Turkey – Açık Toplum Vakfı | 212.519   |



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

| <u>Project Description</u>  |                   |
|---|-------------------|
| Restoring Lives of Syrian Refugees Through Cash Assistance and Psychosocial Support in Turkey - UNHCR                                 | 878.118           |
| Restoring Lives of Syrian Refugees Through Cash Assistance and Psychosocial Support in Turkey - UNHCR                                 | 3.808.663         |
| Regional Multi-sector assistance to populations affected by the Syrian crisis - IOM   | 1.227.914         |
| Mental Health and Psychosocial Care Project - MSF   | 104.659           |
| Cash Assistance for Food Security to the non-camp Syrian Refugee Population in Akçakale / Urfa, Southern Turkey - CONS                | 961.046           |
| Emergency relief for Kurdish refugees from Kobane (Syria) and Iraq-Yezidi refugees from Northern Iraq in Turkey - K-TUR-2014-4109-DKH | 2.366.815         |
| Distribution of Relief Supplies to Syrian Refugees Coming from Kobane Region in Syria - AAR Japan                                     | 384.413           |
| Water and Sanitation Project - MSF  | 354.473           |
| Water and Sanitation Project - MSF  | 108.407           |
| Qualification of Mediators and Set up of a Network of Mediators - DVV   | 185.970           |
| Capacity Building Initiative Asia II (CBIA II) - K-TUR-2014-4106 - DKH  | 9.407             |
| Distribution of Relief Supplies to Syrian Refugees Coming from Kobane Region in Syria (Phase 2) - AAR Japan                           | 204.771           |
| Combatting Child Labor in Turkish Seasonal Agriculture by Sensitizing and Supporting Şanlıurfa's Population - Foreign Affairs Canada  | 1.183             |
| Distribution of Relief Items to Syrian Refugees and Iraqi Refugees outside the Camps in Turkey - K-TUR-2014-4097 / DKH                | 172.716           |
|   | <b>21.920.454</b> |



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

The detail of project expenses on expense item for the year ended December 31, 2014 is as follows;

#### *Regional Office West & Central Asia – Operational Costs 2014 - DKH*

|   |                |
|---|----------------|
| Material and equipment expenses             | 13.890         |
| Operating expenses                          | 102.259        |
| Project development, meeting and conference | 166.577        |
| Other services and consultancy expenses     | 41.937         |
| Payroll expense                             | 600.615        |
|   | <b>925.278</b> |

#### *Emergency relief for Syrian refugees and host families in Jordan, Lebanon and Turkey - DKH*

|                    |                  |
|--------------------|------------------|
| Food and Hygiene   | 1.126.662        |
| Operating expenses | 44.951           |
| Payroll expense    | 72.492           |
|                    | <b>1.244.105</b> |

#### *Restoring Lives through Psychosocial Care and Adult Education: Provision of Psychosocial Support for the Syrian crises affected population in Turkey - YUVA*

|                                  |                |
|----------------------------------|----------------|
| Operating expenses               | 48.880         |
| Training and consulting expenses | 97.840         |
| Payroll expense                  | 114.041        |
|                                  | <b>260.761</b> |

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

#### *Humanitarian Response to the Syrian Crisis - AECID*

|                                 |                |
|---------------------------------|----------------|
| Material and equipment expenses | 3.615          |
| Operating expenses              | 22.781         |
| Training Expenses               | 1.743          |
| Activity expenses               | 22.368         |
| Travel expenses                 | 13.565         |
| Payroll expense                 | 97.572         |
|                                 | <b>161.644</b> |

#### *Support to Displaced Syrians in Turkey – AAR Japan*

|                    |                |
|--------------------|----------------|
| Relief materials   | 127.986        |
| Operating expenses | 24.373         |
| Payroll expense    | 58.498         |
|                    | <b>210.857</b> |

#### *Civil Society Disaster Platform: A Forum for Information Sharing on Disaster Response and Disaster Risk Reduction in Turkey – EU & DKH*

|                    |                |
|--------------------|----------------|
| Operating expenses | 10.862         |
| Other services     | 54.093         |
| Payroll expense    | 256.030        |
|                    | <b>320.985</b> |

#### *Zoom Project – AB Gençlik Programı*

|                    |               |
|--------------------|---------------|
| Operating expenses | 31            |
| Travel expenses    | 21.168        |
|                    | <b>21.199</b> |

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

*Eliminating Child Labor in Seasonal Agriculture in Turkey - REWE*

|                                |                |
|--------------------------------|----------------|
| Operating expenses             | 38.988         |
| Research and meeting expenses  | 194.148        |
| Other services and consultancy | 109.261        |
| Payroll expense                | 302.097        |
|                                | <b>644.494</b> |

*Enhancing Drought Resilience through Innovative Water Management in Gaza Strip - DKH*

|                                |               |
|--------------------------------|---------------|
| Other services and consultancy | 78.789        |
| Communication                  | 2.691         |
| Travel expenses                | 3.738         |
| Other services and consultancy | 9.522         |
|                                | <b>94.740</b> |

*Emergency relief for Syrian refugees and host communities in Turkey - DKH*

|                      |                  |
|----------------------|------------------|
| Food and Hygiene     | 3.189.074        |
| Operating expenses   | 235.374          |
| Consultancy expenses | 56.283           |
| Payroll expense      | 843.020          |
|                      | <b>4.323.751</b> |

*Restoring Lives through Psychosocial Support and Networking for the Displaced Syrian population in Turkey - AAR Japan*

|                                   |                |
|-----------------------------------|----------------|
| Operating expenses                | 204.889        |
| Consultancy and activity expenses | 129.467        |
| Payroll expense                   | 478.921        |
|                                   | <b>813.277</b> |

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

*Promoting Good Social Practices in the Hazelnut Sector in Turkey -  
FERRERO*

|                              |                |
|------------------------------|----------------|
| Operating expenses           | 29.261         |
| Training and travel expenses | 118.342        |
| Other services               | 28.910         |
| Payroll expense              | 141.490        |
|                              | <b>318.007</b> |

*Regional Multi-sector assistance to populations affected by the Syrian crisis  
- IOM*

|                                 |                  |
|---------------------------------|------------------|
| Food and Hygiene                | 1.247.740        |
| Material and equipment expenses | 19.777           |
| Operating expenses              | 48.406           |
| Travel expenses                 | 17.773           |
| Payroll expense                 | 187.760          |
|                                 | <b>1.521.456</b> |

*Enhanced Protection and Empowerment of non-camp Syrian Refugees and  
host Communities in Suleymaniye, Northern Iraq - DKH*

|                      |               |
|----------------------|---------------|
| Consultancy expenses | 78.826        |
|                      | <b>78.826</b> |

*Restoring Lives Through Psychosocial Care and Legal Assistance: Provision  
of Protection Support for the Displaced Syrian Population in Turkey - Açık  
Toplum Vakfı*

|                                |                |
|--------------------------------|----------------|
| Operating expenses             | 48.910         |
| Other services and consultancy | 21.198         |
| Payroll expense                | 142.411        |
|                                | <b>212.519</b> |





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

*Cash Assistance for Food Security to the non-camp Syrian Refugee Population in Akçakale / Urfa, Southern Turkey - CONS*

|                    |                |
|--------------------|----------------|
| Food and Hygiene   | 823.135        |
| Operating expenses | 47.822         |
| Payroll expense    | 90.089         |
|                    | <b>961.046</b> |

*Emergency relief for Kurdish refugees from Kobane (Syria) and Iraq-Yezidi refugees from Northern Iraq in Turkey - DKH*

|  |                  |
|--|------------------|
| Relief materials                         | 2.077.846        |
| Transportation and distribution expenses | 56.144           |
| Operating expenses                       | 28.564           |
| Payroll expense                          | 204.261          |
|  | <b>2.366.815</b> |

*Distribution of Relief Supplies to Syrian Refugees Coming from Kobane Region in Syria - AAR Japan*

|                    |                |
|--------------------|----------------|
| Hygiene kits       | 314.724        |
| Operating expenses | 42.026         |
| Payroll expense    | 27.663         |
|                    | <b>384.413</b> |

*Water and Sanitation Project - MSF*

|                                 |                |
|---------------------------------|----------------|
| Relief materials                | 328.717        |
| Material and equipment expenses | 3.551          |
| Travel expenses                 | 5.662          |
| Payroll expense                 | 16.543         |
|                                 | <b>354.473</b> |

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

#### *Water and Sanitation Project - MSF*

|                 |                |
|-----------------|----------------|
| Hygiene         | 101.685        |
| Payroll expense | 6.722          |
|                 | <b>108.407</b> |

#### *Qualification of Mediators and Set up of a Network of Mediators - DVV*

|                                  |                |
|----------------------------------|----------------|
| Operating expenses               | 15.453         |
| Training and monitoring expenses | 124.072        |
| Payroll expense                  | 46.445         |
|                                  | <b>185.970</b> |

#### *Capacity Building Initiative Asia II (CBIA II) - DKH*

|                   |              |
|-------------------|--------------|
| Training expenses | 9.407        |
|                   | <b>9.407</b> |

#### *Distribution of Relief Supplies to Syrian Refugees Coming from Kobane Region in Syria (Phase 2) - AAR Japan*

|                    |                |
|--------------------|----------------|
| Food and Hygiene   | 156.923        |
| Operating expenses | 18.055         |
| Payroll expense    | 29.793         |
|                    | <b>204.771</b> |

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

*Combating Child Labor in Turkish Seasonal Agriculture by Sensitizing and Supporting Şanlıurfa's Population – Foreign Affairs Canada*

|                |              |
|----------------|--------------|
| Other services | 1.183        |
|                | <b>1.183</b> |

*Distribution of Relief Items to Syrian Refugees and Iraqi Refugees outside the Camps in Sanliurfa - DKH*

|                    |                |
|--------------------|----------------|
| Hygiene Kits       | 159.856        |
| Operating expenses | 12.800         |
| Payroll expense    | 60             |
|                    | <b>172.716</b> |



#### 14. Operating Expenses

Operating expenses are amounting to TL 247.348 and consist of the followings:

|                              |                |                |
|------------------------------|----------------|----------------|
| personnel expenses           | 68.882         | 81.906         |
| food allowance               | 32.715         | 0              |
| small fixtures expenses      | 31.354         | 5.000          |
| IT-Infrastructure            | 30.533         | 0              |
| travel expenses              | 28.268         | 0              |
| rental expenses              | 13.492         | 2.753          |
| taxes and duties             | 7.286          | 2.397          |
| depreciation                 | 1.058          | 2.118          |
| insurance expenses           | 6.299          | 5.122          |
| telecommunication expenses   | 5.945          | 1.721          |
| consulting expenses          | 5.900          | 7.204          |
| accommodation expenses       | 2.293          | 20.965         |
| Representation & Advertising | 1.777          | 3.081          |
| Training & recruiting        | 1.590          | 2.360          |
| bank charges                 | 1.190          | 0              |
| other expenses               | 8.263          | 48.510         |
| office supplies              | 503            | 4.355          |
| Administrative expense       | 0              | 4537           |
|                              | <b>247.348</b> | <b>192.029</b> |

**15. Other expenses**

| <b><u>Other expense</u></b> | <b><u>2014</u></b> | <b><u>2013</u></b> |
|-----------------------------|--------------------|--------------------|
| Foreign Currency Losses     | 242.236            | 19.902             |
| Other expenses              | 13.270             | 2                  |
|                             | <b>255.506</b>     | <b>19.904</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, 2014.

**17. Other**

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 3.438,22 for the year 2014,) 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.