

PKF

AHF Financial Audit Report External Audit 2019 by PKF International



İNSANİ ŞAM DERNEĞİ

**FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR
ENDED 31 DECEMBER 2019
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**

(CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the Board of İnsani Şam Derneği

Audit of the Financial Statements

1) Opinion

We have audited the accompanying financial statements of İnsani Şam Derneği, ("Association") which comprise the statement of financial position as at 31 December 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

2) 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 the International Ethics Standards Board for Accountants' of Ethics for Professional Accountants (IESBA) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Association management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

4) Key Control Subjects

It was decided that we did not have a key audit issue to report in our report

5) Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is 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 independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with IFRS is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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.

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As part of an independent audit conducted in accordance with IFRS, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.
- Assess the 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 auditor's 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 independent auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

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.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner who supervised and concluded on this independent auditor's report is ABDULKADİR SAYICI.

İstanbul, 09 March 2021

Aday Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
(A Member Firm of PKF International)



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İNSANİ ŞAM DERNEĞİ
STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2019
(Convenience Translation Into English Of Independent Auditor's Report Originally Issued In Turkish)

ASSETS	Note	<i>Audited</i> 31 December 2019	<i>Audited</i> 31 December 2018
Current Assets			
Cash And Cash Equivalents	5	2.669.150	1.789.218
Receivables	4	--	22.100
TOTAL CURRENT ASSETS		2.669.150	1.811.318
Non-Current Assets			
Tangible Fixed Assets	8	5.359.052	5.719.894
Intangible Fixed Assets	9	304	1.520
Right of Use Assets	10	600.184	--
TOTAL NON-CURRENT ASSETS		5.959.540	5.721.414
TOTAL ASSETS		8.628.690	7.532.732
LIABILITIES			
Current Liabilities			
Lease Payables	17	119.911	--
Payables	4	5.866	21.950
Employee Benefit Obligations	11	98.431	79.515
TOTAL CURRENT LIABILITIES		224.208	101.465
Non-Current Liabilities			
Lease Payables	17	542.003	--
Provisions		77.748	39.263
<i>Provision For Employee Benefits</i>	11	77.748	39.263
TOTAL NON-CURRENT LIABILITIES		619.751	39.263
NET ASSETS			
Difference of Previous Year Income and Expense		7.392.004	13.606.487
Difference of Current Period Income and Expense		392.727	(6.214.483)
TOTAL NET ASSETS		7.784.731	7.392.004
TOTAL LIABILITIES		8.628.690	7.532.732

The accompanying notes form an integral part of these financial statements



İNSANİ ŞAM DERNEĞİ

STATEMENT OF INCOME OR EXPENSE FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2019

(Convenience Translation Into English Of Independent Auditor's Report Originally Issued In Turkish)

		<i>Audited</i>	<i>Audited</i>
	Note	1 January - 31 December 2019	1 January - 31 December 2018
Donation and Grants	12	16.699.587	11.234.540
Purposive Expenses (-)	12	(15.391.218)	(17.821.238)
MAIN OPERATING INCOME / EXPENSE		1.308.369	(6.586.698)
General Administrative Expenses (-)	13	(1.238.678)	(1.172.016)
Other Income From Operating Activities	14	457.179	1.612.414
Other Expenses From Operating Activities (-)	14	(47.794)	(68.183)
Operating Income / Expense		479.076	(6.214.483)
Financial Expenses (-)	15	(86.349)	--
DIFFERENCE OF CURRENT PERIOD INCOME AND EXPENSE		392.727	(6.214.483)
Difference of Previous Year Income and Expense		7.392.004	13.606.487
TOTAL NET ASSETS		7.784.731	7.392.004

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



İNSANİ ŞAM DERNEĞİ
STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2019
(Convenience Translation Into English Of Independent Auditor's Report Originally Issued In Turkish)

	Note	Audited 1 January - 31 December 2019	Audited 1 January - 31 December 2018
A. Cash Flows From Operating Activities			
Difference of Previous Year Income and Expense		392.727	(6.214.483)
Adjustments to reconcile profit for the period to net cash provided by operating activities:			
Adjustments For Depreciation And Amortization Expenses	10	487.885	313.200
Adjustments For Retirement Pay Provision Expenses	11	38.485	13.272
Adjustments For Interest Expenses From Leases	15	86.349	--
		1.005.446	(5.888.011)
Change in working capital			
Changes In Receivables	4	22.100	--
Changes In Prepaid Expenses	6	--	72.961
Changes In Payables	4	(16.084)	(466.611)
Changes In Employee Benefit Liabilities	11	18.916	25.406
Total Adjustment		1.030.378	(6.256.255)
B. Cash Flow From Investing Activities			
Cash Inflows and Outflows From Sales and Purchases Of Tangible And Intangible Assets	8-9	66.137	28.500
Total		66.137	28.500
C. Cash Flow From Financial Activities			
Cash Inflows / (Outflows) From Leasing Payments	17	(216.583)	--
Total		(216.583)	--
Foreign Currency Translation Differences of Cash and Cash Equivalents Before Effect of Net Increase / Decrease (A + B + C)			
		879.932	(6.227.755)
D. The Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents			
		--	--
Net Increase In Cash And Cash Equivalents in / Decrease (A + B + C + D)			
		879.932	(6.227.755)
E. Beginning Of The Period Cash And Cash Equivalents			
		1.789.218	8.016.973
Cash And Cash Equivalents At The End Of The Period (A+B+C+D+E)			
	5	2.669.150	1.789.218

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



**İNSANİ ŞAM DERNEĞİ NOTES TO
THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019**

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(Currency - Turkish Lira unless expressed otherwise.)*

1. THE ORGANISATION AND ACTIVITIES

Information on the Association, and its purpose of founding

İnsani Şam Derneği was founded in October 2011 year and was registered in 2013 in Turkey. It provides humanitarian aid programs, projects and humanitarian aid services to the Syrian community in international principles and standards. Registered Association of the Republic of Turkey, register No. 34-195-143.

İnsani Şam Derneği is an independent non-profit foundation. Since its establishment, Syria Development has been working on the delivery of humanitarian aid. For this purpose, the administration of Alsham Foundation Aid Organization has received the certificate of conformity of the ISO 9001: 2015 Quality Management System.

In addition to providing targeted and transparent assistance to highly vulnerable populations in under-served areas of Syria, including besieged and hard-to-reach areas, it also implements projects targeting refugees in neighboring countries. İnsani Şam Derneği also offers various job opportunities such as Assistant Doctor, nurse, intensive care technician, Program and Grants department.

Foundations, as well as several regional organizations, the Türk Kızılayı, AFAD Provincial Directorate, Kuwait Organization, World Health Organization, UNICEF, the World Food Program, Hand in Hand Association for kindness and fellowship with international organizations such as humanitarian Affairs Coordination Office in Turkey.

The organisation's headquarters is located at Göztepe Mahallesi İnönü Caddesi No:122 Başkule Plaza Kat:10 Bağcılar / İstanbul

The branches and representation offices of İnsani Şam Derneği are located in the following addresses.

- ✓ Gaziantep Representation office; Değirmiş Mah. 14. Sok. Efes İş Merkezi No: 8 Kat:7 D:23 Şehitkamil - Gaziantep
- ✓ Adana Representation office; Toros Mah. 78004 Sok. No:3 Cevdet Karcı Apt. Çukurova - Adana
- ✓ Hatay Representation office; Alsancak Mah. 20 Temmuz Cad. 31440 Kırkhan - Hatay
- ✓ Hatay Representation office; Gültepe Mah. 403. Sok. Reyhanlı - Hatay

Objectives of the Association:

- To promote the ethical and humanitarian principles of the El Şam İnsani Yardım Vakfı, which they try to strengthen among staff and volunteers in order to serve the humanitarian aid sector and achieve its goals.
- Helping the Syrian society to improve and produce,
- Contributing to development and community security,
- Contributing to the development of relief efforts and strengthening Syrian civil society
- To meet the expectations of donors and to provide the needs of those in need in the best way.



**İNSANİ ŞAM DERNEĞİ NOTES TO
THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019**

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2. BASIS OF PRESENTATION

Financial Reporting Standards Applied

The Association keeps its financial records in Turkish Liras (TL), and in line with the code of commerce and applicable legislation that is in force in Turkey. In late 1992 the Ministry of Finance published a communique that covered all corporations (other than financial corporations) that keep their accounting records on a balance sheet basis. This communique requires that, as from 1994, these corporations prepare their financial statements in a standard manner through the use of a uniform chart of accounts and certain fundamental accounting and reporting concepts. This communique also stated that the referred fundamental accounting concepts would later be complemented with accounting standards to be published in the future.

Financial statements have been prepared in keeping with the International Financial Reporting Standards ("IFRS") published by the International Accounting Standards Board ("IASB"). The financial statements the Association publishes comply with the provisions of the Law on Associations and the requirements of the Uniform Chart of Accounts published by the Ministry of Finance, and its financial statements are prepared in accord with the following accounting policies. The financial statements have been prepared by reflecting on the statutory records prepared according to the historical cost principle the necessary correction and classification records required by the IFRS.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Association currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Comparative Information and Previous Periods Adjustments

For the purpose of conducting a comparison of financial position and performance trend, Association's current financial statements are prepared comparative with previous periods. Comparative information is reclassified to be compatible with the presentation of current financial statements, when necessary.

Going concern

The Association prepared financial statements in accordance with the going concern assumption.

Currency

The functional and reporting currency is TL in comparison with previous periods.

Changes in Accounting Policies

Association may change its accounting policy only in the following situation;

- If it is required by a Standard or Exercise or
- If it assures to present financial status, performance of The Association or transaction effects on the cash flow and effects of events on the financial statements more reliable and consistent.

The user of financial statements should be able to compare financial statements of a Association within the time period to determine the financial status, performance of The Association or transaction effects on the cash flow. Due to this reason, unless there is a change in accounting policy as stated above, it has to apply same accounting policy in every interim and fiscal period.



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Which the Association has started to apply as of 1 January 2019, have been disclosed with the effect of application of IFRS 16 Leases standard on the Association's financial statements.

On adoption of TFRS 16, the Association recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 12,50 %.

Impacts of Financial Statement

The usage rights assets and lease obligations recorded are as follows:

	31 December 2019	1 January 2019
Buildings	600.184	792.148
Total right-of-use assets	600.184	792.148

	31 December 2019	1 January 2019
Short term lease liabilities	119.910	205.373
Long term lease liabilities	542.003	586.775
Total lease liabilities	661.913	792.148

During the period of 01 January - 31 December 2019, 191.965 TRY of rental depreciation has been calculated and reported in the profit / loss statement.

In the period of 01 January - 31 December 2019, interest amounting to 86.349 TRY has been accrued and reported in the income statement.

Important Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalent values contain cash on hand, bank deposits and high liquidity investments. Cash and cash equivalents are showed with obtaining costs and the total of accrued interests

Tangible Fixed Assets and Amortisations

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives. Land is not depreciated as it is deemed to have an indefinite useful life. Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/losses" in the current period.

Tangible fixed assets except lands, buildings are carried at cost, restated by deduction of the yearly accumulated depreciation. Land and buildings are valued with their fair values. Borrowing costs are recognized in accordance with TAS-23 as an element of the book value of assets that are manufactured by the entity. Entities may subject their tangible assets to revaluation. Depreciation is calculated on a straight-line basis over the adjusted amounts and at the rates that reflect the economic useful lives of the following assets Land is considered as limitless useful life, so it is not subject to depreciation. Expected useful life, residual value and amortization method are reviewed for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates.

The depreciation rates for property, plant and equipment, which approximate the useful economic lives of these assets, are as follows:



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	<u>Useful Life</u>
Buildings	50 years
Cars and vehicles	5 years
Furniture, fixtures and office equipment	3-50 years
Special costs	3 years

Revaluation Model

Land or buildings that are held for production or use for goods or services or for administrative purposes are expressed with their re-valued amounts. The re-valued amount is determined by deducting accumulated depreciation and accumulated deprecation in the next periods from the fair value at the revaluation date. Revaluations are carried out at regular intervals, such that the fair value to be determined at the balance sheet date does not differ materially from the carrying amount.

If the book value of an asset has increased as a result of revaluation, the increase is recognized in other comprehensive income and is directly attributable to revaluation value increase in the equity account group. However, a revaluation value increase is recognized at the scale which it reverses the revaluation value associated with the previous profit or loss of the same asset. If the book value of an asset decreases as a result of revaluation, the decrease is recognized as an expense.

Intangible Fixed Assets

Intangible fixed assets comprise of rights and they are recorded at acquisition cost. Intangible fixed assets are amortized on a straight-line method with prorated basis over period of between 3-10 years from the date of acquisition.

Receivables

Receivables are presented at their realizable value, which is derived from their net realizable value by deducting provisions for probable doubtful receivables.

Payables

Payables refer to the payments to be made for goods and services provided from suppliers within the ordinary activities. Payables are measured first at their fair value and then at their amortized cost, which is calculated by the effective interest method.

Donations and Grants

All kinds of donations and grants from natural or legal persons are recorded as income. Non-cash donations and grants are evaluated according to the relevant legislation and recorded.

Effects of Change in Currency Rate

Assets and liabilities in foreign currency and purchase and sale commitments create exchange risk. Foreign exchange risk stemming from depreciation or appreciation of Turkish Lira managed by top management by following the currency position of Association and taking position according to approved limits

Accounting Estimates

The accompanying financial statements necessitate that some predictions about income and expenses regarding possible assets and liabilities in the financial statements prepared by the Association management to be compatible with statements required by Public Oversight Accounting and Auditing Standards Authority. Realized amounts can differ from the predictions. These predictions are observed regularly and reported periodically in income statements.



**İNSANİ ŞAM DERNEĞİ NOTES TO
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The events after the balance sheet date

The events after the balance sheet date that provide additional information about the status of the association on the balance sheet date (events requiring correction) are reflected in the accompanying financial statements. Events that do not require correction are explained in footnotes if they have a certain importance.

Employee benefits

In accordance with the current labor law, the association is obliged to pay a certain amount of severance pay to personnel who have served for at least one year, who have been dismissed due to retirement or who have been dismissed for reasons other than resignation and misconduct.

The association calculated the severance pay in the financial statements using the "projection method" and based on the Association's experience in completing the staff service period and qualifying for severance pay and discounted the government bonds at the balance sheet date with the earnings ratio.

Provision for unused vacation pay liability

Short - term provisions for employee benefits" is composed of the unused vacation days accrued in the period incurred and if the impact is material, it is also discounted.

Cash Flow Statement

The Association prepares statement of cash flows to inform users of financial statements about changes in net assets and ability to direct financial structure, amounts and timing of cash flows according to changing situations. In the statement of cash flows, current period cash flows are grouped according to operating, financing, and investing activities.

Operating cash flows resulting from activities in scope of Association's main operating scope. Cash flows related to investing activities are cash flows resulting from investing activities (fixed investments and financial investments) of the Association. Cash flows related to financing activities comprise of funds used in financing activities of the Association and their repayments.

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant change in value.

3. RELATED PARTY TRANSACTIONS

None. (31 December 2018: None).

4. RECEIVABLES AND PAYABLES

Short-term receivables are as follows:

	31 December 2019	31 December 2018
Deposits and guarantees given	--	22.100
Total	--	22.100

Long-term receivables: None. (31 December 2018: None).



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The aging analysis of receivables are as follows:

	31 December 2019	31 December 2018
Up to 3 months	--	22.100
Total	--	22.100

Short-term payables are as follows:

	31 December 2019	31 December 2018
Payables	5.866	21.950
Total	5.866	21.950

Long-term payables (31 December 2018: None).

The aging analysis of payables are as follows:

	31 December 2019	31 December 2018
Up to 3 months	5.866	21.950
Total	5.866	21.950

5. CASH AND CASH EQUIVALENTS

	31 December 2019	31 December 2018
Cash	7.491	23.261
Banks	2.661.659	1.765.957
- Demand deposits	2.661.659	1.765.957
Total	2.669.150	1.789.218

6. PREPAID EXPENSES

Short-Term Prepaid Expenses and Long-Term Prepaid Expenses: None (31 December 2018: None).

7. OTHER ASSETS

Short-Term Other Assets and Long-Term Other Assets: None (31 December 2018: None).



**İNSANI ŞAM DERNEĞİ NOTES TO
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8. TANGIBLE FIXED ASSETS

	Buildings	Vehicles	Fixtures and fittings	Special Costs	Total
Cost					
31 December 2017 balance	5.759.582	181.700	458.363	329.288	6.728.933
Addition	--	--	1.500	--	1.500
Disposals	--	(45.000)	--	--	(45.000)
31 December 2018 balance	5.759.582	136.700	459.863	329.288	6.685.433
Addition	--	--	2.799	1.264	4.063
Disposals	(78.000)	--	--	--	(78.000)
31 December 2019 balance	5.681.582	136.700	462.662	330.552	6.611.496
Accumulated depreciation					--
31 December 2017 balance	(275.703)	(68.207)	(159.621)	(165.024)	(668.555)
Charge for the period	(115.192)	(31.840)	(78.220)	(86.732)	(311.984)
Disposals	--	15.000	--	--	15.000
31 December 2018 balance	(390.895)	(85.047)	(237.841)	(251.756)	(965.539)
Charge for the period	(115.192)	(27.340)	(74.395)	(77.778)	(294.705)
Disposals	7.800	--	--	--	7.800
31 December 2019 balance	(498.287)	(112.387)	(312.236)	(329.534)	(1.252.444)
Net book value 31 December 2018	5.368.687	51.653	222.022	77.532	5.719.894
Net book value 31 December 2019	5.183.295	24.313	150.426	1.018	5.359.052



**İNSANİ ŞAM DERNEĞİ NOTES TO
THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019**

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9. INTANGIBLE FIXED ASSETS

Cost	Other intangible Fixed assets
31 December 2017 balance	3.648
Addition	--
Disposals	--
31 December 2018 balance	3.648
Addition	--
Disposals	--
31 December 2019 balance	3.648
Accumulated depreciation	
31 December 2017 balance	(912)
Charge for the period	(1.216)
Disposals	--
31 December 2018 balance	(2.128)
Charge for the period	(1.216)
Disposals	--
31 December 2019 balance	(3.344)
Net book value 31 December 2018	1.520
Net book value 31 December 2019	304

10. RIGHT OF USE ASSETS

The Association has adopted the TFRS 16 "Leases" as at 1 January 2019 for the first time. Right of use assets and receivables from subleases are measured at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments for lease liabilities which had previously been classified as "operating leases" under the principles of TAS 17 in the condensed financial statements.

The movement table of the right of use assets as of 31 December 2019 is as follows:

	Buildings
1 January 2019 balance	792.148
Additions	--
Disposals	--
31 December 2019 balance	792.148
Accumulated depreciation	
1 January 2019 balance	--
Charge for the period	(191.964)
Disposals	--
31 December 2019 balance	(191.964)
Net book value of 31 December 2019	600.184



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The distribution of depreciation expenses is as follows

	31 December 2019	31 December 2018
Tangible fixed assets	(294.705)	(311.984)
Intangible fixed assets	(1.216)	(1.216)
Right of use assets	(191.964)	--
Total	(487.885)	(313.200)

11. BENEFITS PROVIDED TO EMPLOYEES

Short term benefits provided to employees

	31 December 2019	31 December 2018
Severance pay provisions	48.490	46.648
Taxes and funds payable for personnel	28.645	14.652
Social security premiums payable	21.296	18.215
Total	98.431	79.515

Short-Term Provisions Related to Employee Benefits

Short-Term Provisions Related to Employee Benefits: None.(31 December 2018: None)

Long-Term Provisions Related to Employee Benefits

	31 December 2019	31 December 2018
Severance pay provisions	77.748	39.263
Total	77.748	39.263

Severance pay movement in the period:

	1 January- 31 December 2019	1 January- 31 December 2018
1 January	39.263	25.991
Service cost	37.593	12.681
Interest expenses	892	591
End of period	77.748	39.263

Under labor laws effective in Turkey, it is a liability to make legal retirement pay to employees whose employment is terminated in such way to receive retirement pay. In addition, according to Article 60 of Social Security Law numbered 506 which was changed by the laws numbered 2422, dated 6 March 1981 and numbered 4447, dated 25 August 1999, it is also a liability to make legal retirement pay to those who entitled to leave their work by receiving retirement pay.

The amount payable is at most T.C. shall be equal to one month's salary, limited to the severance pay ceiling declared by the Ministry of Finance.

The liability for retirement pay liability is not legally subject to any funding. The termination indemnity liability is calculated based on an estimate of the present value of the future probable obligation of the Association arising from



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the retirement of its employees. In accordance with IAS 19 ("Employee Benefits"), the provision for employment termination benefits is calculated by estimating the present value of the future probable obligation of the employees arising from retirement.

The following actuarial assumptions are used in the calculation of the liability for the current and previous periods. Age of retirement: Individuals are considered as the age at which they can retire earliest. Discount rate: Weighted average capital cost. Real salary increase rate: It is estimated that each year the staff will raise the inflation rate until retirement. Severance pay ceiling: T.C. has been designated as Seniority compensation pension declared by the Ministry of Finance. The outcome of the retirement of the employees is as follows:

	31 December 2019	31 December 2018
Discount rate	12,50%	12,50%
Inflation rate	10,00%	10,00%
Net discount rate	2,3%	2,3%
Real salary increase rate	10,00%	10,00%
Probability of leaving work due to severance pay	100%	100%
Severance pay limit	6.379,86	5.434,42

12. INCOME/EXPENSE FROM OPERATING ACTIVITIES

	1 January – 31 December 2019	1 January – 31 December 2018
Donation And Grants	16.699.587	11.234.540
Incomes from operating activities	16.699.587	11.234.540
Aid expenses	(14.806.155)	(17.172.001)
Amortization and depreciation expenses	(295.920)	(313.200)
Transportation expense	(54.827)	(30.388)
Travel and accommodation expenses	(39.957)	(103.399)
Consultancy expenses	(29.967)	(27.032)
Cargo expenses	(23.440)	(6.400)
Communication expenses	(19.469)	(19.431)
Electric expenses	(18.689)	(31.871)
Food expenses	(15.677)	(5.809)
Publication and magazine expenses	(14.863)	(18.709)
Small fixture expenses	(14.512)	(10.899)
Dues expenses	(12.041)	(15.901)
Stationery expenses	(10.954)	(13.067)
Advertising promotion expense	(5.709)	(4.170)
Maintenance expense	(5.235)	(1.752)
Occupational safety and health expenses	(3.717)	(4.903)
Other	(20.086)	(42.305)
Purposive Expenses (-)	(15.391.218)	(17.821.238)
INCOME/EXPENSE FROM OPERATING ACTIVITIES)	1.308.369	(6.586.698)



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13. GENERAL ADMINISTRATIVE EXPENSES (-)

	1 January – 31 December 2019	1 January – 31 December 2018
Personnel wages and similar expenses	(855.746)	(681.733)
Lease deprecation	(191.965)	--
Consultancy expenses	(78.804)	(66.658)
Tax withholding expenses	(68.131)	(62.120)
Provision for severance pay	(38.485)	(13.272)
Rent expenses	--	(345.948)
Other	(5.547)	(2.285)
Total	(1.238.678)	(1.172.016)

14. OTHER INCOME/EXPENSE FROM OPERATING ACTIVITIES

Other Income From Operating Activities:

	1 January – 31 December 2019	1 January – 31 December 2018
Foreign exchange income	398.587	1.589.571
Other	58.592	22.843
Total	457.179	1.612.414

Other Expense From Operating Activities(-):

	1 January -- 31 December 2019	1 January – 31 December 2018
Foreign exchange expense	(46.336)	(63.307)
Other	(1.458)	(4.876)
Total	(47.794)	(68.183)

15. FINANCIAL INCOME/EXPENSE

Financial Income:

None. (31 December 2018: None).

Financial Expense:

	1 January - 31 December 2019	1 January - 31 December 2018
Lease payables interest accruals	(86.349)	--
Total	(86.349)	--



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16. FINANCIAL INVESTMENTS

None. (31 December 2018: None).

17. FINANCIAL BORROWINGS

Short Term Financial Borrowings

	31 December 2019	31 December 2018
Lease Liabilities	119.911	--
Total	119.911	--

Long Term Financial Borrowings

	31 December 2019	31 December 2018
Lease Liabilities	542.003	--
Total	542.003	--

Repayment plans for financial liabilities are as follows:

	31 December 2019	31 December 2018
Up to 3 months	28.668	--
3 to 12 months	91.245	--
1 to 5 years	542.001	--
Total	661.914	--

The payment plans according to the total cash outflow of financial liabilities are as follows:

	31 December 2019	31 December 2018
Up to 3 months	47.455	--
3 to 12 months	142.364	--
1 to 5 years	655.568	--
Total	845.387	--

18. PROVISIONS, CONTINGENT ASSETS AND PAYABLES

a-) Provisions

Short-Term Provisions

None. (31 December 2018: None).

Long-Term Provisions

None. (31 December 2018: None).



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b-) Litigations

Lawsuits and Execution Proceedings in favor of the Association

None.

Lawsuits and Execution Proceedings against the Association

None.

c-) Contingent Assets / Liabilities

Contingent asset

None (31 December 2018: None).

Contingent liabilities

None (31 December 2018: None).

d-) Collaterals/Pledges/Mortgages

None (31 December 2018: None).

19. EVENTS AFTER BALANCE SHEET DATE

None (31 December 2018: None).

20. SUMMARY INFORMATION ON THE ASSOCIATION'S 2018 AND 2019 ACTIVITIES

Cash Donations

Cash assistance to those in need is 14.806.155 TL in 2019; In 2018, it was 17.172.001 TL.

Early Improvement

The association initiated the Microfinans Kareem Fund and Kişisel Beceriler Eğitim Project in 2019 in order to provide job opportunities to families in need..

Food Security and Livelihoods

Food and Lighting Project, Fellowship Project, Bread Project, Sadaka Project, Date Palm Distribution Project, Kitchen Project within the scope of the developmental Food Security and Livelihood Project based on agriculture or livestock by creating its own food resources in 2017 in order to provide fast and periodic food aid to people in need. A total of 8 projects were carried out, including the Sacrifice Project and the Ramadan Iftar Project.

Health Project

The association initiated a three-step health project in 2017 to improve the condition of the injured and sick. Within the scope of the health project, a total of 10 projects were carried out, namely Primary Care Clinics, Medical and Laboratory Analysis Center, Medical Clinics, Hama Central Hospital, Physiotherapy Center, Artificial Limbs Center, Medical Depot, Emergency System, Shughour Hospital and Specialized Staff Support.



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Conservation Project

In 2017, the association carried out a total of 6 projects: Together Project, Damascus Nursing Home Project, Mahmud Family Nursing Home Project, Solidarity Project, Support Family Project and Rehabilitation Sessions in order to provide psychological support needs.

Shelter Project

The association carried out 4 projects in 2017, namely the Housing Project for the displaced and affected people, the Warm Winter Project, the Hygiene Baskets Project, and the Bayram Clothing Project.

Water and Sanitation Project

The association carried out 2 projects, namely Water Supply and Cleaning Materials Baskets, by opening a well and supplying pumps and treatment devices according to the needs in 2017.

Humanitarian Advocacy

The association aims to reach the humanitarian aid organizations faster and to raise the voice of humanitarian aid to the leaders and decision-makers in various forums, international forums and humanitarian aid. The Foundation has also established partnerships with a number of United Nations agencies and other international organizations, and has also attended various meetings and conferences on Syrian humanitarian action.

