

PKF

**AHF Financial Audit Report
External Audit 2020
by PKF International**



İNSANİ ŞAM DERNEĞİ

**FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR
ENDED 31 DECEMBER 2020
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**

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(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 2020 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 2020, 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.

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, 16 March 2022

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



Abdulkadir SAYICI
Partner

İNSANİ ŞAM DERNEĞİ
STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2020
(Convenience Translation Into English Of Independent Auditor's Report Originally Issued In Turkish)

ASSETS	Note	<i>Audited</i> 31 December 2020	<i>Audited</i> 31 December 2019
Current Assets			
Cash And Cash Equivalents	5	6.020.344	2.669.150
Inventories	6	179.987	--
Prepaid Expenses	7	182.139	--
TOTAL CURRENT ASSETS		6.382.470	2.669.150
Non-Current Assets			
Tangible Fixed Assets	8	5.169.604	5.359.052
Intangible Fixed Assets	9	--	304
Right of Use Assets	10	465.113	600.184
TOTAL NON-CURRENT ASSETS		5.634.717	5.959.540
TOTAL ASSETS		12.017.187	8.628.690
LIABILITIES			
Current Liabilities			
Lease Payables	17	134.901	119.911
Payables	4	74.173	5.866
Employee Benefit Obligations	11	56.779	98.431
TOTAL CURRENT LIABILITIES		265.853	224.208
Non-Current Liabilities			
Lease Payables	17	407.101	542.003
Provisions		99.638	77.748
<i>Provision For Employee Benefits</i>	11	99.638	77.748
TOTAL NON-CURRENT LIABILITIES		506.739	619.751
NET ASSETS			
Difference of Previous Year Income and Expense		7.784.731	7.392.004
Difference of Period Income and Expense		3.459.864	392.727
TOTAL NET ASSETS		11.244.595	7.784.731
TOTAL LIABILITIES		12.017.187	8.628.690

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 2020***(Convenience Translation Into English Of Independent Auditor's Report Originally Issued In Turkish)*

		<i>Audited</i>	<i>Audited</i>
	Note	1 January - 31 December 2020	1 January - 31 December 2019
Donation and Grants	12	30.369.306	16.699.587
Purposive Expenses (-)	12	(27.906.715)	(15.391.218)
MAIN OPERATING INCOME / EXPENSE		2.462.591	1.308.369
General Administrative Expenses (-)	13	(1.068.390)	(1.238.678)
Other Income From Operating Activities	14	2.366.004	457.179
Other Expenses From Operating Activities (-)	14	(230.433)	(47.794)
Operating Income / Expense		3.529.772	479.076
Financial Expenses (-)	15	(69.908)	(86.349)
DIFFERENCE OF PERIOD INCOME AND EXPENSE		3.459.864	392.727
Difference of Previous Year Income and Expense		7.784.731	7.392.004
TOTAL NET ASSETS		11.244.595	7.784.731

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 2020
(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 2019
A. Cash Flows From Operating Activities			
Difference of Previous Year Income and Expense		3.596.564	392.727
Adjustments to reconcile profit for the period to net cash provided by operating activities:			
Adjustments For Depreciation And Amortization Expenses	10	318.648	487.885
Adjustments For Retirement Pay Provision Expenses	11	21.890	38.485
Adjustments For Interest Expenses From Leases	15	69.908	86.349
		<u>4.007.010</u>	<u>1.005.446</u>
Change in working capital			
Changes In Receivables	4	--	22.100
Changes In Inventories	6	(179.987)	--
Changes In Prepaid Expenses	7	(182.139)	--
Changes In Payables	4	68.307	(16.084)
Changes In Employee Benefit Liabilities	11	(41.652)	18.916
		<u>3.671.539</u>	<u>1.030.378</u>
Total Adjustment			
B. Cash Flow From Investing Activities			
Cash Inflows and Outflows From Sales and Purchases Of Tangible And Intangible Assets	8-9	6.175	66.137
Total		<u>6.175</u>	<u>66.137</u>
C. Cash Flow From Financial Activities			
Cash Inflows / (Outflows) From Leasing Payments	17	(326.520)	(216.583)
Total		<u>(326.520)</u>	<u>(216.583)</u>
Foreign Currency Translation Differences of Cash and Cash Equivalents Before Effect of Net Increase / Decrease (A + B + C)			
		3.351.194	879.932
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)			
		3.351.194	879.932
E. Beginning Of The Period Cash And Cash Equivalents			
		2.669.150	1.789.218
Cash And Cash Equivalents At The End Of The Period (A+B+C+D+E)			
	5	6.020.344	2.669.150

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

**İNSANİ ŞAM DERNEĞİ NOTES TO
THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020 AND 31 DECEMBER 2019**

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1. THE ORGANISATION AND ACTIVITIES

Information on the Association, and its purpose of founding

İnsani Şam Derneği was founded in October 2011 year and Al Sham Foundation as the Humanitarian Association 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, undressed 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 Al Sham Humanitarian 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 Floor:10 Bağcılar / İstanbul

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

- ✓ İncilipınar quarter 36017th Street Kepkepzade Park İş Merkezi No:8 Floor:5 No:18, Şehitkamil/Gaziantep
- ✓ Adana Legation; Toros District. 78004 Str. No:3 Cevdet Karcı Apt. Çukurova - Adana
- ✓ Hatay Legation; Alsancak District. 20 Temmuz Str. 31440 Kirkhan - Hatay
- ✓ We have two offices in Syria Idlib & Halep

Objectives of the Association:

- To promote the ethical and humanitarian principles of the ALSHAM FOUNDATION, 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.

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2. BASIS OF PRESENTATION

Financial Reporting Standards Applied

The Association keeps its financial records in Turkish Liras (TRL), 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 TRL 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

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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.

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 2020	1 January 2020
Buildings	465.113	600.184
Total right-of-use assets	465.113	600.184

	31 December 2020	1 January 2020
Short term lease liabilities	134.901	119.910
Long term lease liabilities	407.101	542.003
Total lease liabilities	542.002	661.913

During the period of 01 January - 31 December 2020, 135.071 TRY of rental depreciation has been calculated and reported in the profit / loss statement.

In the period of 01 January - 31 December 2020, interest amounting to 69.908 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

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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:

	<u>Useful Life</u>
Buildings	50 years
Motor 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

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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.

Post Balance Sheet Events

In the case that events requiring a correction to be made occur subsequent, the Association makes the necessary corrections to the financial statements. In the case that events not requiring a correction to be made occur subsequent, those events are disclosed in the notes of financial statements.

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 2019: None).

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4. RECEIVABLES AND PAYABLES

Short-term receivables are as follows:

	31 December 2020	31 December 2019
Deposits and guarantees given	--	--
Total	--	--

Long-term receivables: None. (31 December 2019: None).

The aging analysis of receivables are as follows:

	31 December 2020	31 December 2019
Up to 3 months	--	--
Total	--	--

Short-term payables are as follows:

	31 December 2020	31 December 2019
Payables	74.173	5.866
Total	74.173	5.866

Long-term payables: None (31 December 2019: None).

The aging analysis of payables are as follows:

	31 December 2020	31 December 2019
Up to 3 months	74.173	5.866
Total	74.173	5.866

5. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash	89.755	7.491
Banks	5.930.589	2.661.659
- Demand deposits	5.930.589	2.661.659
Total	6.020.344	2.669.150

6. INVENTORIES

	31 December 2020	31 December 2019
Other Stocks	179.987	--
Total	179.987	--

7. PREPAID EXPENSES

	31 December 2020	31 December 2019
Other Stocks	182.139	--
Total	182.139	--

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8. TANGIBLE FIXED ASSETS	Buildings	Vehicles	Fixtures and fittings	Special Costs	Total
Cost					
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
Addition	--	--	6.625	--	6.625
Disposals	--	(136.700)	--	--	(136.700)
31 December 2020 balance	5.681.582	-	469.287	330.552	6.481.421
Accumulated depreciation					
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)
Charge for the period	(113.633)	(11.513)	(57.869)	(259)	(183.274)
Disposals	--	123.900	--	--	123.900
31 December 2020 balance	(611.920)	-	(370.105)	(329.793)	(1.311.818)
Net book value 31 December 2019	5.183.295	24.313	150.426	1.018	5.359.052
Net book value 31 December 2020	5.069.662	-	99.182	759	5.169.603

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9. INTANGIBLE FIXED ASSETS

Cost	Other intangible Fixed assets	Total
31 December 2018 balance	3.648	3.648
Addition	--	--
Disposals	--	--
31 December 2019 balance	3.648	3.648
Addition	--	--
Disposals	--	--
31 December 2020 balance	3.648	3.648
Accumulated depreciation		
31 December 2018 balance	(2.128)	(2.128)
Charge for the period	(1.216)	(1.216)
Disposals	--	--
31 December 2019 balance	(3.344)	(3.344)
Charge for the period	(304)	(304)
Disposals	--	--
31 December 2020 balance	(3.648)	(3.648)
Net book value 31 December 2019	304	304
Net book value 31 December 2020	-	-

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 2020 is as follows:

	Buildings	Total
1 January 2020 balance	792.8	792.148
Additions	--	--
Disposals	--	--
31 December 2020 balance	792.148	792.148
Accumulated depreciation		
1 January 2020 balance	(191.964)	(191.964)
Charge for the period	(135.071)	(135.071)
Disposals	--	--
31 December 2020 balance	(327.035)	(327.035)
Net book value of 31 December 2020	465.113	465.113

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The distribution of depreciation expenses is as follows

	31 December 2020	31 December 2019
Tangible fixed assets	(183.273)	(294.705)
Intangible fixed assets	(304)	(1.216)
Right of use assets	(135.071)	(191.964)
Total	(318.648)	(487.885)

11. BENEFITS PROVIDED TO EMPLOYEES

Short term benefits provided to employees

	31 December 2020	31 December 2019
Severance pay provisions	22.951	48.490
Taxes and funds payable for personnel	10.221	28.645
Social security premiums payable	23.607	21.296
Total	56.779	98.431

Short-Term Provisions Related to Employee Benefits

Short-Term Provisions Related to Employee Benefits: None.(31 December 2019: None)

Long-Term Provisions Related to Employee Benefits

	31 December 2020	31 December 2019
Severance pay provisions	99.638	77.748
Total	99.638	77.748

Severance pay movement in the period:

	1 January- 31 December 2020	1 January- 31 December 2019
1 January	77.748	39.263
Service cost	80.297	37.593
Interest expenses	4.593	892
Payments (-)	(63.000)	-
End of period	99.638	77.748

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.

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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 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 2020	31 December 2019
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	7.117,17	6.379,86

12. INCOME/EXPENSE FROM OPERATING ACTIVITIES

	1 January – 31 December 2020	1 January – 31 December 2019
Donation And Grants	30.369.306	16.699.587
Incomes from operating activities	30.369.306	16.699.587
Aid expenses	(27.369.612)	(14.806.155)
Amortization and depreciation expenses	(183.577)	(295.920)
Transportation expense	(63.713)	(54.827)
Travel and accommodation expenses	(29.239)	(39.957)
Consultancy expenses	(18.645)	(29.967)
Cargo expenses	(2.024)	(23.440)
Communication expenses	(23.367)	(19.469)
Electric expenses	(37.896)	(18.689)
Food expenses	(10.746)	(15.677)
Publication and magazine expenses	(71)	(14.863)
Small fixture expenses	(10.851)	(14.512)
Dues expenses	(29.966)	(12.041)
Stationery expenses	(24.968)	(10.954)
Advertising promotion expense	(14.423)	(5.709)
Maintenance expense	(11.177)	(5.235)
Occupational safety and health expenses	(3.540)	(3.717)
Other	(72.900)	(20.085)
Purposive Expenses (-)	(27.906.715)	(15.391.218)
INCOME/EXPENSE FROM OPERATING ACTIVITIES)	2.462.591	1.308.369

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13. GENERAL ADMINISTRATIVE EXPENSES (-)

	1 January – 31 December 2020	1 January – 31 December 2019
Personnel wages and similar expenses	(828.426)	(855.746)
Lease depreciation	(135.071)	(191.965)
Consultancy expenses	(64.785)	(78.804)
Tax withholding expenses	(3.257)	(68.131)
Provision for severance pay	(21.890)	(38.485)
Other	(14.961)	(5.547)
Total	(1.068.390)	(1.238.678)

14. OTHER INCOME/EXPENSE FROM OPERATING ACTIVITIES

Other Income From Operating Activities:

	1 January – 31 December 2020	1 January – 31 December 2019
Foreign exchange income	2.318.362	398.587
Other	47.642	58.592
Total	2.366.004	457.179

Other Expense From Operating Activities (-):

	1 January -- 31 December 2020	1 January – 31 December 2019
Foreign exchange expense	(217.051)	(46.336)
Other	(13.382)	(1.458)
Total	(230.433)	(47.794)

15. FINANCIAL INCOME/EXPENSE

Financial Income:

None. (31 December 2019: None).

Financial Expense:

	1 January - 31 December 2020	1 January - 31 December 2019
Lease payables interest accruals	(69.908)	(86.349)
Total	(69.908)	(86.349)

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16. FINANCIAL INVESTMENTS

None. (31 December 2019: None).

17. FINANCIAL BORROWINGS

Short Term Financial Borrowings

	31 December 2020	31 December 2019
Lease payables	134.901	119.911
Total	134.901	119.911

Long Term Financial Borrowings

	31 December 2020	31 December 2019
Liabilities Arising from Rental Transactions	407.101	542.003
Total	407.101	542.003

Repayment plans for financial liabilities are as follows:

	31 December 2020	31 December 2019
Up to 3 months	32.251	28.668
3 to 12 months	102.650	91.245
1 to 5 years	407.101	542.001
Total	542.002	661.914

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

	31 December 2020	31 December 2019
Up to 3 months	47.455	47.455
3 to 12 months	142.364	142.364
1 to 5 years	465.749	655.568
Total	655.568	845.387

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18. PROVISIONS, CONTINGENT ASSETS AND PAYABLES

a-) Provisions

Short-Term Provisions

None. (31 December 2019: None).

Long-Term Provisions

None. (31 December 2019: None).

b-) Litigations

Lawsuits and Execution Proceedings in favor of the Association

As of the balance sheet date, there is one lawsuit in favor of the Association amounting to TRL 3,000. (31 December 2019: None).

Lawsuits and Execution Proceedings against the Association

None.

c-) Contingent Assets / Liabilities

Contingent asset

None (31 December 2019: None).

Contingent liabilities

None (31 December 2019: None).

d-) Collaterals/Pledges/Mortgages

None (31 December 2019: None).

19. EVENTS AFTER BALANCE SHEET DATE

None (31 December 2019: None).

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20. SUMMARY INFORMATION ON THE ASSOCIATION'S 2020 AND 2019 ACTIVITIES

Cash Donations

Cash assistance to those in need is 27.369.612 TRL in 2020; In 2019, it was 14.806.155 TRL.

Early Improvement

Within the scope of the Program, the Association implements social development projects to help people move from being dependent on humanitarian aid to reaching self-sufficiency and turning the wheel of development and self-confidence that will increase resilience, rebuild capacities and increase social impact. Two projects were carried out, namely Kerim Fund Microfinance and Rehabilitation of Agricultural Roads.

Food Security and Livelihoods

The Association, within the scope of the Program, following the great destruction in northern Syria; It supports a range of bakeries and mills, as well as projects to support the wheat value chain, seasonal projects and food emergency response, supporting the resources relied on to secure food and maintain nutritional balance.

Three projects, namely the Wheat Cultivation Value Chain Support Project, the Emergency Food Response Project, and the Bakery Project, were carried out.

Health Project

Within the scope of the Program, the Association is concerned with improving the level of health and medical services in Syria by supporting primary health centers such as Lien clinics serving the IDPs camps in the west of Idlib and clinics of the Al-Sham Medical Complex in the Sucu region, north of Aleppo.

The association has carried out six projects: Damascus Children's Specialized Hospital Project, Damascus Ambulance System Project, Damascus Covid-19 Isolation Hospital Project, Life-Saving Nutrition Services Project, Al-Damascus Medical Complex Project, Covid-19 Community Treatment Centers Project.

Conservation Project

By providing quality services to the most vulnerable groups under the Program and qualifying them for appropriate integration into society, the Association supports the planning and implementation of conservation activities that will rebuild the individual's psychological health and qualify the individual for a new stage of life after difficult years of war and siege.

Reducing Child Protection Risks for Displaced Syrian Families and Host Community in Northern Syria Project, Orphan Care and Sponsorship Project, Improving Access to Protection Services for Refugee and Host Community in Turkey Project, Social Assistance Centers Project in Turkey. project was realized.

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Shelter Project

Under the Programme, as a result of the continuing war in Syria and the resulting state of emergency and instability, emergency projects provide emergency humanitarian assistance to increase the survivability of Syrian society and help those affected in times of crisis or displacement to overcome them. provides support.

Two projects were carried out, namely the Emergency Winter Response Project for Children in Idlib and the Supply of Heating Fuel to Schools.

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.