

HRANT DINK VAKFI

SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2017
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Hrant Dink Vakfi,

Report on the Audit of the Special Purpose Financial Statements**Opinion**

We have audited the special purpose financial statements of Hrant Dink Vakfi (the "Foundation") which comprise the balance sheet as at December 31, 2017 and the statement of income for the year then ended.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2017, and its financial performance for the year then ended in accordance with the Appendix of Foundations' General Chart of Accounts published by Turkish Republic Prime Ministry - General Directorate of Foundations in the Official Gazette dated September 27, 2008 and numbered 27010.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"s). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The accompanying special purpose financial statements of the Foundation are prepared solely to meet the requirements of the Appendix of Foundations General Chart of Account published by Turkish Republic Prime Ministry - General Directorate of Foundations in the Official Gazette dated September 27, 2008 and numbered 27010. In that regard, there is only balance sheet and statement of income, but no statement of changes in equity, statement of cash flows and explanatory notes. Our report is not modified in respect of that matter.

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

The Foundation management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with the appendix of Foundations General Chart of Account published by T.R. Prime Ministry General Directorate of Foundations in the Official Gazette dated September 27, 2008 and numbered 27010, and for such internal controls as management determines is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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 the regulations on the principles on auditing as set out in the insurance legislation and ISA is a high level of assurance but does not guarantee that a material misstatement will always be detected in case it exists. Misstatements can arise from fraud or error. Misstatements are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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 auditor's report. However, future events or conditions may cause the Foundation 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.

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 with 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.

DENGE BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of MAZARS



Nesli Erdem, SMMM
Partner

İstanbul, March 30, 2018

HRANT DİNK VAKFI
SPECIAL PURPOSE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017
(DETAILED BALANCE SHEET)

(All amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated)

	Note	Audited Current Year December 31, 2017	Audited Prior Year December 31, 2016
ASSETS			
I. CURRENT ASSETS			
CASH AND CASH EQUIVALENTS		2.947.299	1.878.758
- Cash		889	10.047
- Banks	6	2.946.139	1.868.711
- Other Liquid Assets		271	-
OTHER RECEIVABLES		256.289	215.665
- Receivables from Commercial Enterprise	7	256.289	215.665
SHORT-TERM PREPAID EXPENSES AND INCOME ACCRUALS		5.771	5.722
- Prepaid Expenses		5.771	4.888
- Income Accruals		-	834
OTHER CURRENT ASSETS		316	-
- Job Advances	8	316	-
Total Current Assets		3.209.675	2.100.145
II. NON-CURRENT ASSETS			
OTHER RECEIVABLES		162	162
- Deposits and Guarantees Given		162	162
FINANCIAL ASSETS		5.000	5.000
- Commercial Enterprise	10	5.000	5.000
TANGIBLE ASSETS		784.083	1.014.554
- Furniture and Fixture	11	401.065	343.691
- Leasehold Improvements	11	1.191.260	1.181.820
- Accumulated Depreciation (-)	11	(808.242)	(510.957)
INTANGIBLE ASSETS		7.762	8.392
- Rights	12	10.560	10.560
- Accumulated Amortization (-)	12	(2.798)	(2.168)
Total Non-Current Assets		797.007	1.028.108
TOTAL ASSETS		4.006.682	3.128.253

HRANT DİNK VAKFI
SPECIAL PURPOSE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017
(DETAILED BALANCE SHEET)

(All amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated)

	Note	Audited Current Year December 31, 2017	Audited Prior Year December 31, 2016
LIABILITIES			
I. SHORT TERM LIABILITIES			
BORROWINGS		-	300
- Due to Banks	14	-	300
PAYABLES FROM OPERATIONS		74.959	176.507
- Due to Suppliers	15	74.959	176.507
TAXES AND OTHER LIABILITIES		73.259	62.713
- Taxes and Funds Payable	16	38.473	35.938
- Social Security Premiums Payable	16	34.786	26.775
SHORT TERM DEFERRED INCOME AND ACCRUED EXPENSES			327
- Deferred income and Accrued Expenses		1.076	327
		1.076	
OTHER SHORT TERM LIABILITIES		40	40
- Count Surplus		40	40
Short Term Liabilities		149.334	239.887
SHAREHOLDERS' EQUITY			
CAPITAL	13	100.000	100.000
- Initial Wealth		100.000	100.000
RETAINED EARNINGS	13	3.648.064	2.756.640
RETAINED LOSSES (-)	13	(859.698)	(859.698)
PERIOD SURPLUS		968.982	891.424
- Period Surplus	13	968.982	891.424
Total Shareholders' Equity		3.857.348	2.888.366
TOTAL LIABILITIES		4.006.682	3.128.253

HRANT DİNK VAKFI
SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD
JANUARY 1 - DECEMBER 31, 2017
(DETAILED STATEMENT OF INCOME)
(All amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated)

	Note	Audited Current Year January 1 – December 31, 2017	Audited Prior Year January 1 – December 31, 2016
A- GROSS SALES		4.109.683	3.251.013
- Donations and Charities	21	4.109.683	3.251.013
NET SALES		4.109.683	3.251.013
C- COST OF SALES (-)		(625.761)	(550.901)
- Cost of Services Rendered (-)	22	(625.761)	(550.901)
GROSS INCOME		3.483.922	2.700.112
D- OPERATING EXPENSES (-)		(2.870.037)	(2.096.182)
- Expenses (-)	23	(2.870.037)	(2.096.182)
E- INCOME AND PROFIT FROM OTHER OPERATIONS		436.489	297.263
- Interest income	24	51.993	41.553
- Foreign currency gain	24	287.211	245.577
- Other Ordinary Income	24	11.230	-
- Prior Period's Income and Profit	24	86.055	-
- Other Extraordinary Income and Profit	24	-	10.133
F- ORDINARY EXPENSES AND LOSSES FROM OTHER OPERATIONS (-)		(80.873)	(9.240)
- Foreign Currency Losses (-)		(37.742)	(9.240)
- Prior Period's Expenses and Losses (-)		(43.131)	-
G- FINANCE EXPENSES (-)		(519)	(529)
- Expenses from Short-term Borrowings (-)		(519)	(529)
PERIOD SURPLUS		968.982	891.424