

TÜRKİYE ÖZEL SPORCULAR SPOR EĞİTİM VE REHABİLİTASYON DERNEĞİ

**Financial statements for the year ended 31 December 2016 and 2015
together with the independent auditor's report**

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Independent auditors' report on the financial statements

To the Board of Directors of Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği;

We have audited the accompanying financial statements of Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği ("the Association"), which comprise the statements of financial position as at 31 December 2016 and 2015, and the statements of profit or loss, the statements of cash flows and the statements of changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Association management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles outlined in Note 2 and for such internal controls as management determines are necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was conducted in accordance with Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA"), which is a part of Auditing Standards of Turkey. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Independent audit involves performing independent audit procedures to obtain independent audit evidence about the amounts and disclosures in the financial statements. The independent audit procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and/or error. In making those risk assessments; the Association's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design independent audit procedures that are appropriate for the circumstances in order to identify the relation between the financial statements prepared by the Association and its internal control system. Our independent audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Association's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained during our independent audit is sufficient and appropriate to provide a basis for our audit.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği as at 31 December 2016 and 2015 and their financial performance and cash flows for the years then ended in accordance with the accounting policies described in Note 2.



Emphasis of matter

Our opinion is not qualified with respect to this matter:

Income from membership fees of the Association is accounted on cash basis rather than accrual basis.

Other matter

The effect of differences between the accounting policies and reporting standards applied by the Association and the Generally Accepted Accounting Principles in countries in which the accompanying financial statements are to be distributed and international Financial Reporting Standards (IFRS) have not been quantified in the financial statements. Accordingly, the financial statements are not intended to present the financial position and financial performance of the Association in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst & Young Global Limited

Ethem Kutucular, SMMM
Partner

8 February 2017
İstanbul, Turkey

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Statements of financial position

As at 31 December 2016, 2015 and 1 January 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

		Audited	Audited	Audited
	Notes	31 December	31 December	1 January
		2016	2015	2015
I- Current assets				
A- Cash and cash equivalents	7	409.278	373.459	64.748
1- Cash on hand	7	9	-	47
2- Cash at banks	7	409.269	373.459	64.701
B- Marketable securities		-	-	-
C- Trade receivables		-	-	-
D- Other receivables		-	-	-
E- Inventories		-	-	-
F- Prepaid expenses and income accruals		-	-	-
G- Other current assets		-	-	-
Total current assets		409.278	373.459	64.748
II- Non-current assets				
A- Trade receivables	8	2.067	2.067	1.982
1-Deposits and guarantees given	8	2.067	2.067	1.982
B- Other receivables		-	-	-
C- Financial assets		-	-	-
D- Property, plant and equipment	21	260.955	266.393	271.554
1- Buildings	21	270.000	270.000	270.000
2- Furniture and fixtures	21	20.819	17.242	20.661
3- Accumulated depreciation (-)	21	(29.864)	(20.849)	(19.107)
E- Intangible assets		-	-	-
F- Prepaid expenses and income accruals		-	-	-
G- Other non-current assets		-	-	-
Total non-current assets		263.022	268.460	273.536
Total assets		672.300	641.919	338.284

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

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Statements of financial position

As at 31 December 2016, 2015 and 1 January 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

		Audited	Audited	Audited
	Notes	31 December 2016	31 December 2015	1 January 2015
I- Short-term liabilities				
A. Financial liabilities		-	-	-
B. Trade payables	34	8.107	5.672	858
1- Trade payables	34	4.507	2.072	858
2- Deposits and guarantees received	34	3.600	3.600	-
C. Other payables	35	30.531	-	-
2- Other payables		30.531	-	-
D. Advances received		-	-	-
E. Taxes and funds payable	36	53.078	33.072	28.628
1- Taxes and funds payable	36	25.672	21.991	19.246
2- Social security withholdings payable	36	27.406	11.081	9.382
F. Provisions for liabilities and charges		-	-	-
G. Deferred income and expense accruals		-	-	-
H. Other short-term liabilities		-	-	-
Total short-term liabilities		91.716	38.744	29.486
II- Long term liabilities				
A. Financial payables		-	-	-
B. Trade payables		-	-	-
C. Other payables		-	-	-
D. Advances received		-	-	-
E. Accrued liabilities and expenses		-	-	-
F. Deferred income and expense accruals		-	-	-
G. Other long-term liabilities		-	-	-
Total long-term liabilities		-	-	-
III- Shareholders' equity				
A. Share capital		-	-	-
B. Capital reserves		-	-	-
C. Profit reserves		-	-	-
2- Special Funds		-	-	-
D. Retained earnings	39	603.175	308.798	266.595
E. Prior years' losses (-)		-	-	-
F. Net profit/(loss) for the period		(22.591)	294.377	42.203
Total shareholders' equity		580.584	603.175	308.798
Total liabilities and shareholders' equity		672.300	641.919	338.284

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

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Statements of profit or loss

For the years ended 31 December 2016 and 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

		Audited	Audited
	Notes	31 December 2016	31 December 2015
A- Gross sales			
1- Donations and grants	15	1.963.619	2.057.301
2- Other Revenues	15	2.500	18.750
B- Sales discounts (-)		-	-
C- Net sales		1.966.119	2.076.051
D- Cost of sales (-)		-	-
Gross profit		1.966.119	2.076.051
E- Operating expenses (-)			
1- General administrative expenses (-)	15	(507.941)	(812.792)
2- Purpose-oriented operating expenses (-)	15	(1.546.458)	(1.006.502)
Operating profit/(loss) from main operations		(88.280)	256.757
F- Income and gains from other operating activities			
1- Interest and dividend income	16	42.110	17.720
2- Income from other operations	16	23.579	19.800
G- Expenses and losses from other operating activities (-)			
H- Finance income/(expenses)		-	-
Operating profit/(loss)		(22.591)	294.277
I- Extraordinary income and gains		-	100
J- Extraordinary expenses and losses (-)		-	-
Profit before tax		(22.591)	294.377
K- Provisions for current income tax and other legal liabilities (-)		-	-
Net profit/(loss) for the period		(22.591)	294.377

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

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Statements of changes in equity

For the years ended 31 December 2016 and 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

	Retained earnings	Net profit/(loss) for the period	Total
Balances at 1 January 2015	266.595	42.203	308.798
Transfers	42.203	(42.203)	-
Net profit/(loss) for the period	-	294.377	294.377
Balances at 31 December 2015	308.798	294.377	603.175

	Retained earnings	Net profit/(loss) for the period	Total
Balances at 1 January 2016	308.798	294.377	603.175
Transfers	294.377	(294.377)	-
Net profit/(loss) for the period	-	(22.591)	(22.591)
Balances at 31 December 2016	603.175	(22.591)	580.584

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

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Statements of cash flow

For the years ended 31 December 2016 and 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

	Audited	Audited
	31 December	31 December
	2016	2015
Net profit for the year	(22.591)	294.377
Adjustments to reconcile net cash generated		
Depreciation and amortisation	9.015	8.299
Gain on sale of property, plant and equipment	-	(100)
Interest Income	(42.110)	(17.720)
Cash flows from operating activities before changes in operating assets and liabilities		
	(55.686)	284.856
(Increase)/decrease in trade receivables	-	(85)
Increase/(decrease) in trade payables	2.435	4.814
Increase/(decrease) in other payables	30.531	-
Increase/(decrease) in taxes and funds payable	20.006	4.444
Net cash (used in)/provided by operating activities		
	(2.714)	294.029
Purchase of property, plant and equipment	(3.577)	(3.138)
Proceeds from sale of property, plant and equipment	-	100
Net cash used in investing activities		
	(3.577)	(3.038)
Interest received	42.110	17.720
Net cash provided from financing activities		
	42.110	17.720
Net increase in cash and cash equivalents	35.819	308.711
Cash and cash equivalents at the beginning of the year	373.459	64.748
Cash and cash equivalents at the end of the year		
	409.278	373.459

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

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

For the years ended 31 December 2016 and 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

Note 1 - Organization and nature of operations of the Association

Türkiye Özel Sporcular Özel Eğitim ve Rehabilitasyon Derneği ("TÖSSED" or "the Association") was established by Sakıp Sabancı and Prof. Dr. Hıfzı Özcan in 1982. TÖSSED is registered to Provincial Directorate of Associations of Turkey and providing services under the name of Special Olympics Turkey. Special Olympics Turkey is a formal representative of Special Olympics International which is world's largest sports organization for children and adults with intellectual disabilities, providing year-round training and competitions to more than 4.4 million athletes in 170 countries. Through the power of sports, people with intellectual disabilities discover new strengths and abilities, skills and success.

Aims of the Special Olympics Turkey are to encourage people with intellectual disabilities for the physical activity and also by bringing together athletes with and without intellectual disabilities as teammates, to gain many emotional and psychological benefits, including self-confidence, social competence, building greater athletic skills and higher self-esteem to them. Special Olympics Turkey's athletes find joy, confidence and fulfilment on the playing field and in life. They also inspire people in their communities and elsewhere to open their hearts to a wider world of human talents and potential. Also PlayUnified motto of Special Olympics is breaking down stereotypes about people with intellectual disabilities in a really fun way by joining people with and without intellectual disabilities on the same team.

As of 31 December 2016, General Assembly of the Association has 45 members. Board of Directors has been represented by 9 full members, 5 substitute members and 6 auditing members (3 full & 3 substitute members). As of 31 December 2016, the number of personnel employed by the Association is 8 (31 December 2015: 7)

Registered address of the Association is as follows;
Prof. Dr. Hıfzı Özcan Caddesi, Avukatlar Sitesi
A Blok D:1 Küçükbakkalköy-Ataşehir /İstanbul.

Note 2 - Basis of presentation and summary of significant accounting policies

i- Basis of presentation

The Association maintains its books of account in accordance with commercial practices in Turkey and regulations on accounting principles and reporting framework and tax legislation and prepares its statutory financial statements in accordance with the Uniform Chart of Accounts issued by the Ministry of Finance.

At the end of 1992, the Ministry of Finance issued a uniform chart of accounts, prescribed financial statement formats and certain fundamental accounting concepts to be used by all the companies other than financial institutions. Pursuant to the new Turkish Commercial Code, which was enacted in February 2011 and revised in June 2012 including fundamental amendments, financial statements shall be prepared in line with Turkish Accounting Standards (TAS) to be published. As per law no. 6102, real and legal persons subject to this Law shall conform to the provisions of the Tax Procedures Law no. 213 dated 4/1/1961 which relate to bookkeeping and registration times as well as the arrangements made on the basis of the authorization stated in Article 175 and repeated Article 257 of the same Law. Provisions of the law no. 6102 related to bookkeeping, inventories, preparation of financial statements, capitalization, provisions, accounts, valuation, preservation and submission shall not prevent the application of the provisions of the Law no. 213 and other laws which regulate the same issues, the assessment of tax base in accordance with tax laws and the preparation of relevant financial statements.

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

For the years ended 31 December 2016 and 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

Note 2 - Basis of presentation and summary of significant accounting policies (continued)

In addition to its other authorities and duties, the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA"), established as per the Decree Law published in the Official Gazette dated November 2, 2011, is authorized to create and publish Turkish Accounting Standards compatible with international standards, to introduce secondary regulations for the application of TAS and to take necessary decisions, confirm the arrangements made by organizations and institutions authorized to regulate their own jurisdiction, in order to ensure that the financial statements belonging to those liable to keep books as per relevant laws meet the needs and that these statements are transparent, reliable, comprehensible, comparable and consistent.

Criteria, used for the determination of companies which shall be subject to independent audit for 2014, have been rearranged with the Cabinet Decree promulgated on Official Gazette on 14 March 2014. Pursuant to the Decree regarding "Determination of the Scope of Implementation of TAS" which is promulgated by POA on 26 August 2014, it is decided that institutions concerning public interest stated in the Public Service Commission numbered 660 shall be subject to independent audit within the framework of Article 397 of the Code 6102, based on the decree of Council of Ministers and entities mentioned in Paragraph 2 of Article 1534 of the same Code shall apply TAS in the preparation of their separate and consolidated financial statements while institutions which are not covered with the aforementioned scope shall continue to implement legislation in force until a determination is made by the Institution. In accordance with the aforementioned Cabinet Decree, the Association is not obliged to apply TAS and not subject to independent audit.

Accordingly, the Association has prepared its financial statements in line with accounting principles that it has selected in accordance with the arrangements of Uniform Chart of Accounts and provisions of Turkish Tax Legislation.

Items included in the financial statements of the Association are measured, accounted and presented in Turkish Lira (TL).

ii- Summary of significant accounting policies

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with original maturity of three months or less and that are not subject to change in value.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Property, plant and equipment are initially accounted by adding all costs necessary to bring the asset to working condition for its intended use such as purchase price, import taxes, non-refundable purchase taxes and etc.

Trade payables

Trade payables are arising from the purchases for operations of the Association and deposits and guarantees received. Trade payables related to goods and services received are accounted with the invoiced amounts and the average payment term of such trade payables is 2 days.

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

For the years ended 31 December 2016 and 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

Note 2 - Basis of presentation and summary of significant accounting policies (continued)

Other payables

Other payables are the payables that have occurred without any commercial transaction and could be with or without notes. Other payables are accounted with the invoiced amounts.

Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies have been translated into TRY at the exchange rates prevailing at the balance sheet dates. As of 31 December 2016, 2015 and 1 January 2015, assets and liabilities denominated in foreign currencies have been translated to Turkish Lira at the official EUR and USD bid rates announced by the Central Bank of the Republic of Turkey. Exchange gain or losses arising from the settlement and translation of foreign currency items have been included in the statements of profit or loss.

Related parties

As of 31 December 2016, the Association does not have any related parties (31 December 2015: None, 1 January 2015: None)

Donations and Charities

The Association finance its projects with conditional and unconditional donations from domestic and foreign charities and business community. Donations are recognized as income when it is collected. Expenses related to the projects are recognized when they are realized.

Tax

The Association is exempt from corporate taxation pursuant to the Law No. 5520 on Corporate Income Tax, which was enacted and published in the Official Gazette dated June 21, 2006 and numbered 26205.

Other statement of financial position items

Other balance sheet items are presented by registered values.

Note 3 - Disclosures

i- Disclosures of statement of financial position

- 1. Registered share capital ceiling of the Company:** The Association is not subject to registered capital system.
- 2. Advances and loans given to the Association management and members of the Board of Directors:**
 - a) Total amount of all kind of advances and loans given in the current period:** None (2015: None).
 - b) Balances of the advances and loans as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
- 3. Total insurance on assets:** As of 31 December 2016, total insurance coverage on assets amounts to TL67.500 (31 December 2015: TL63.000, 1 January 2015: TL63.000)

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

For the years ended 31 December 2016 and 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

Note 3 – Disclosures (continued)

4. **Total amount of guarantees, mortgages, endorsements and other collaterals obtained for receivables as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
5. **Total amount of guarantees, mortgages, endorsements and other collaterals given for liabilities as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None)
6. **Total amount off-balance sheet commitments and contingencies that are not included in the balance sheet as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
7. **Details of cash and cash equivalent balances:**

a) Cash at banks

	31 December 2016		31 December 2015		1 January 2015	
	Currency	Balance	Currency	Balance	Currency	Balance
Akbank	TL	409.278	TL	373.310	TL	64.412
Yapi ve Kredi	TL	-	TL	149	TL	289
Total		409.278		373.459		64.701

b) Cash on hand

	31 December 2016		31 December 2015		1 January 2015	
	Currency	Balance	Currency	Balance	Currency	Balance
Cash on hand	TL	9	-	-	TL	47
Total		9		-		47

- c) As of 31 December 2016, the Association has no foreign currency cash and cash equivalent balances (31 December 2015: USD8.676 bank balance, 1 January 2015: None).
- d) As of 31 December 2016, the Association has no foreign currency time deposit balance (31 December 2015: None, 1 January 2015: None).
8. **Trade receivables:** As of 31 December 2016, the Association has non-current trade receivables amounts to TL2.067 which is comprised of deposits and guarantees given (31 December 2015: TL2.067, 1 January 2015: TL1.982).
9. **Marketable securities:** The Association has no marketable securities as of 31 December 2016 (31 December 2015: None, 1 January 2015: None).
10. **Short-term income accruals:** As of 31 December 2016, the Association has no short-term income accruals (31 December 2015: None, 1 January 2015: None).
11. **Receivables from abroad (including advances) as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
12. **Payables to abroad (including advances) as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

For the years ended 31 December 2016 and 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

Note 3 – Disclosures (continued)

13. The amount of bonds and financing bonds in circulation which are guaranteed by the bank as of 31 December 2016: None (31 December 2015: None, 1 January 2015: None).
14. Total amount of investment incentives to be utilized in the current and future periods: None (31 December 2015: None, 1 January 2015: None).
15. Total of bonds in circulation that can be converted into shares as of 31 December 2016: None (31 December 2015: None, 1 January 2015: None).
16. List of shares which represent share capital as of 31 December 2016: None (31 December 2015: None, 1 January 2015: None).
17. Total amount of shares issued in the current period: None (31 December 2015: None, 1 January 2015: None).
18. Shareholders which has 10% or more of the shares of the Association or the owner of the Association as of 31 December 2016: None (31 December 2015: None, 1 January 2015: None).
19. Subsidiaries, associates and institutions in which the Association has 10% or more ownership: None (31 December 2015: None, 1 January 2015: None).
20. Inventory valuation method: As of 31 December 2016, 2015 and 1 January 2015, the Association has no inventory balances and does not involve in commercial activities.

21. Movements of property, plant and equipment:

The movements of property, plant and equipment for the years 2016 and 2015 are as follows:

	1 January 2015	Additions	Disposals	31 December 2015
Building	270.000	-	-	270.000
Furniture & Fixture	20.661	3.138	(6.557)	17.242
Total cost	290.661	3.138	(6.557)	287.242
Accumulated Depreciation (-)	(19.107)	(8.299)	6.557	(20.849)
Net book value	271.554	(5.161)	-	266.393

	1 January 2016	Additions	Disposals	31 December 2016
Building	270.000	-	-	270.000
Furniture & Fixture	17.242	3.577	-	20.819
Total cost	287.242	3.577	-	290.819
Accumulated Depreciation (-)	(20.849)	(9.015)	-	(29.864)
Net book value	266.393	(5.438)	-	260.955

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

For the years ended 31 December 2016 and 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

Note 3 – Disclosures (continued)

22. **The shares of Parent, subsidiaries and associates in trade receivables and trade payables as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
23. **Average number of personnel in the current period:** 8 person (1 January - 31 December 2015: 7 person, 1 January - 31 December 2015: 6 person).
24. **Events after statement of financial position date which requires disclosure as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
25. **Information on contingent losses and any contingent gains those could not be estimated but has a significance as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
26. **Information and monetary impacts of the changes in accounting estimates that have significant effect on the gross profit ratios of the Associate as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
27. **Amount of restricted cash at banks:** As of 31 December 2016, there is no blockage on cash in banks of the Association (31 December 2015: None, 1 January 2015: None).
28. **Amount of securities issued by the related parties of the Association and held by the Association as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
29. **Bonus shares received as a result of the capital increase made by the subsidiaries and associates using internal sources in 2016:** None (2015: None).
30. **Short and long term borrowings and related interest accruals as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
31. **The amount guarantees, pledges, collaterals, endorsements and other guarantees given to third parties on behalf of shareholders, subsidiaries and associates as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
32. **Other matters those have material impact on the financial statements or are required to be disclosed to make financial statements clear, interpretable and understandable as of 31 December 2016:** None (31 December 2015: None, 1 January 2015: None).
33. **The approval date of statement of financial statements:** Statutory financial statements of the Association is planned to be approved on the General Meeting which will be held on 22 March 2017.
34. **Trade payables:** Trade payables of the Association as of 31 December 2016 are comprised of the payables due to purchases for the operations which have not been paid to the vendors yet amounting to TL4.507 and deposits and guarantees received amounting to TL3.600 (31 December 2015: TL2.072 vendors' balances and TL3.600 deposits and guarantees received, 1 January 2015: TL858 vendors' balances).
35. **Other payables:** Other payables of the Association as of 31 December 2016 are comprised of the payable due to duplicate donation payment made by Special Olympics International (31 December 2015: None, 1 January 2015: None).

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

For the years ended 31 December 2016 and 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

Note 3 – Disclosures (continued)

- 36. Taxes and funds payable:** Taxes and funds payable as at 31 December 2016, 2015 and 1 January 2015 are as follows:

	31 December 2016	31 December 2015	1 January 2015
Income taxes of personnel to be paid	24.706	20.398	18.552
Social security taxes payable	27.406	11.081	9.382
Stamp taxes on income taxes of personnel	966	1.593	694
	53.078	33.072	28.628

- 37. Other provisions:** As of 31 December 2016, there are no provisions booked in the statement of financial position of the Association (31 December 2015: None, 1 January 2015: None).
- 38. Share capital:** As of 31 December 2016, the Association has no share capital (31 December 2015: None, 1 January 2015: None).
- 39. Special funds and retained earnings:** Special funds and retained earnings of the association comprised of the net profit of the association realized in previous periods is TL603.175 as of 31 December 2016 (31 December 2015: TL308.798 and 1 January 2015: TL266.595).

ii- Disclosures of statement of profit or loss

- 1. Current year amortization expenses:** For the period 1 January - 31 December 2016, current year amortization expense of property, plant and equipment of the Association is TL9.015 (1 January - 31 December 2015: TL8.299).
- 2. Current year provision expenses:** None (1 January - 31 December 2015: None).
- 3. Current year financial expenses:** None (1 January - 31 December 2015: None).
- 4. Current year financial expenses related to Parent, subsidiaries, associates and affiliates:** None (1 January - 31 December 2015: None).
- 5. Sales made to Parent, subsidiaries, associates and affiliates:** None (1 January - 31 December 2015: None).
- 6. Interest, rent and etc. received from and paid to Parent, subsidiaries, associates and affiliates:** (1 January - 31 December 2015: None).
- 7. Salaries and benefits paid to the BOD members and Association management in the current year:** TL158.625 (1 January - 31 December 2015: TL115.620).
- 8. Gain on sale of marketable securities in current year:** None (1 January - 31 December 2015: None).
- 9. Depreciation methods and the impact of the change in depreciation method in current year depreciation charge as increase (+) or decrease (-):** The Association uses straight-line depreciation method for its property, plant and equipment and there is no change in the depreciation method in current year (2015: None).

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

For the years ended 31 December 2016 and 2015

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

Note 3 – Disclosures (continued)

10. **Costing method of inventories in current year:** The Association does not have any inventory amounts and does not involve in commercial activities (2015: None).
11. **Reasons for the non-performing physical stock counts in current year:** Since the Association does not have any inventory amounts and does not involve any commercial activities, it is not applicable to perform stock counts (2015: None).
12. **Sales of side or scrap products exceeding 20% of total sales in current year:** None (1 January – 31 December 2015: None).
13. **Explanation of the amounts and sources of prior year income and profit and prior year expenses and losses in current year:** None (1 January – 31 December 2015: None).
14. **Earnings per share disclosed separately for ordinary shares and preferred stocks in current year:** None (1 January – 31 December 2015: None).

15. **Operating income and expenses:**

- **Donations and grants and other revenues**

	1 January - 31 December 2016	1 January - 31 December 2015
Donations and charities	1.963.619	2.057.301
Membership fees	2.500	18.750
	1.966.119	2.076.051

Donations consist of conditional and unconditional cash contributions made by domestic and foreign charities and the business community.

- **Purpose - oriented operating expenses (-)**

	1 January - 31 December 2016	1 January - 31 December 2015
Purpose - oriented operating expenses	1.104.397	938.154
Purpose - oriented payroll expenses	442.061	68.348
	1.546.458	1.006.502

- **General administrative expenses**

	1 January - 31 December 2016	1 January - 31 December 2015
Payroll expenses	256.275	476.719
Advertising and promotions expenses	158.390	270.804
Rent expenses	39.268	34.327
Office expenses	11.531	9.048
Amortisation Expense	9.015	8.299
Other	33.462	13.595
	507.941	812.792

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For the years ended 31 December 2016 and 2015

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Note 3 – Disclosures (continued)

16. Income and gains from other operating activities

	1 January - 31 December 2016	1 January - 31 December 2015
Interest Income	42.110	17.720
Rent Income	23.579	19.800
	65.689	37.520