

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneđi

**Financial statements for the year ended
December 31, 2017 together with the
independent auditor's report**

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Independent Auditor's Report

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

Opinion

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 December 31, 2017, 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.

In our opinion, the accompanying financial statements of the Association for the year ended December 31, 2017 are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with the in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). 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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The accounting policies applied by the Association differ from the accounting principles generally accepted in other countries and International Financial Reporting Standards (IFRS) and the effects of such differences have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations, and changes in financial position of the Association in accordance with the accounting principles generally accepted in such countries of the users of these financial statements or with IFRS and may not be suitable for another purpose. Our report is intended solely for the Association and its partners and should not be used by parties other than the Association and its partners. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of these financial statements in accordance with the accounting policies described in Note 2 to the accompanying financial statements, 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 relating 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.

Auditor's Responsibilities for the Audit of the Financial Statements

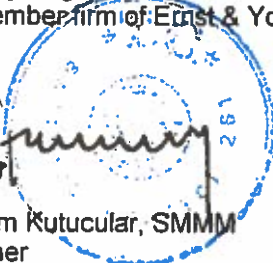
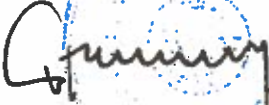
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 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 auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Ethem Kutucular, SMMM
Partner

14 November 2018
Istanbul, Turkey

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Statements of financial position at December 31, 2017

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

		Audited December 31, 2017	Audited December 31, 2016
	Notes		
I- Current assets			
A- Cash and cash equivalents			
1- Cash on hand	7	48.793	409.278
2- Cash at banks	7	535	9
B- Marketable securities	7	48.258	409.269
C- Trade receivables		-	-
D- Other receivables		-	-
E- Inventories		-	-
F- Prepaid expenses and income accruals		-	-
G- Other current assets		-	-
Total current assets		48.793	409.278
II- Non-current assets			
A- Trade receivables	8	2.067	2.067
1-Deposits and guarantees given	8	2.067	2.067
B- Other receivables		-	-
C- Financial assets		-	-
D- Property, plant and equipment			
1- Buildings	21	253.064	260.955
2- Furniture and fixtures	21	270.000	270.000
3- Accumulated depreciation (-)	21	21.039	20.819
		(37.975)	(29.864)
E- Intangible assets		-	-
F- Prepaid expenses and income accruals		-	-
G- Other non-current assets		-	-
Total non-current assets		255.131	263.022
Total assets		303.923	672.300

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

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Statements of financial position

at December 31, 2017

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

		Audited December 31, 2017	Audited December 31, 2016
	Notes		
I- Short-term liabilities			
A. Financial liabilities		-	-
B. Trade payables	34	5.453	8.107
1- Trade payables	34	1.853	4.507
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	64.155	53.078
1- Taxes and funds payable	36	31.889	25.672
2- Social security withholdings payable	36	32.267	27.406
F. Provisions for liabilities and charges		-	-
G. Deferred income and expense accruals		-	-
H. Other short-term liabilities		-	-
Total short-term liabilities		69.608	91.716
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			
D. Retained earnings	39	580.584	603.175
E. Prior years' losses (-)		-	-
F. Net profit/(loss) for the period		(346.269)	(22.591)
Total shareholders' equity		234.315	580.584
Total liabilities and shareholders' equity		303.923	672.300

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 year ended December 31, 2017****(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)**

		Audited	Audited
	Notes	December 31, 2017	December 31, 2016
A- Gross sales			
1- Donations and grants	15	1.814.389	1.963.619
2- Other Revenues	15	10.000	2.500
B- Sales discounts (-)		-	-
C- Net sales		1.824.389	1.966.119
D- Cost of sales (-)		-	-
Gross profit		1.824.389	1.966.119
E- Operating expenses (-)			
1- General administrative expenses (-)	15	(367.755)	(507.941)
2- Purpose-oriented operating expenses (-)	15	(1.862.454)	(1.546.458)
Operating profit/(loss) from main operations		(405.820)	(88.280)
F- Income and gains from other operating activities			
1- Interest and dividend income	16	33.811	42.110
2- Income from other operations	16	25.740	23.579
G- Expenses and losses from other operating activities (-)			
H- Finance income/(expenses)		-	-
Operating profit/(loss)		(346.269)	(22.591)
I- Extraordinary income and gains			-
J- Extraordinary expenses and losses (-)			-
Profit before tax		(346.269)	(22.591)
K- Provisions for current income tax and other legal liabilities (-)		-	-
Net profit/(loss) for the period		(346.269)	(22.591)

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 year ended December 31, 2017

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

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

	Retained earnings	Net profit/(loss) for the period	Total
Balances at January 1, 2017	603.175	(22.591)	580.584
Transfers	(22.591)	22.591	-
Net profit/(loss) for the period	-	(346.269)	(22.591)
Balances at December 31, 2017	580.584	(346.269)	234.315

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 year ended December 31, 2017

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

	Audited December 31, 2017	Audited December 31, 2016
Net profit for the year	(346.269)	(22.591)
Adjustments to reconcile net cash generated		
Depreciation and amortisation	8.111	9.015
Gain on sale of property, plant and equipment	-	-
Interest Income	(33.811)	(42.110)
Cash flows from operating activities before changes in operating assets and liabilities		
	(371.969)	(55.686)
(Increase)/decrease in trade receivables	-	-
Increase/(decrease) in trade payables	(2.654)	2.435
Increase/(decrease) in other payables	(30.531)	30.531
Increase/(decrease) in taxes and funds payable	11.078	20.006
Net cash (used in)/provided by operating activities		
	(394.076)	(2.714)
Purchase of property, plant and equipment	(220)	(3.577)
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities		
	(220)	(3.577)
Interest received	33.811	42.110
Net cash provided from financing activities		
	33.811	42.110
Net increase in cash and cash equivalents	(360.485)	35.819
Cash and cash equivalents at the beginning of the year	409.278	373.459
Cash and cash equivalents at the end of the year		
	48.793	409.278

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 December 31, 2017

(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 PlayUnifed 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 December 31, 2017, 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 December 31, 2017, the number of personnel employed by the Association is 9 (December 31, 2016: 8)

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 December 31, 2017 (continued)

(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.

In accordance with the Cabinet Decree, the Association is not obliged to apply TAS and is 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 December 31, 2017 (continued)
(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 December 31, 2017 and 2016, 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 December 31, 2017, the Association does not have any related parties (December 31, 2016: 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 (2016: None).
 - b) Balances of the advances and loans as of December 31, 2016:** None (December 31, 2016: None).
- 3. Total insurance on assets:** As of December 31, 2017, total insurance coverage on assets amounts to TL67.500 (December 31, 2016: TL67.500).

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

for the years ended December 31, 2017 (continued)

(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 December 31, 2017: None (December 31, 2016: None).
5. Total amount of guarantees, mortgages, endorsements and other collaterals given for liabilities as of December 31, 2017: None (December 31, 2016: None).
6. Total amount off-balance sheet commitments and contingencies that are not included in the balance sheet as of December 31, 2017: None (December 31, 2016: None).
7. Details of cash and cash equivalent balances:

a) Cash at banks

	December 31, 2017		December 31, 2016	
	Currency	Balance	Currency	Balance
Akbank	TL	48.258	TL	409.278
Total		48.258		409.278

b) Cash on hand

	December 31, 2017		December 31, 2016	
	Currency	Balance	Currency	Balance
Cash on hand	TL	535	TL	9
Total		535		9

- c) As of December 31, 2017, the Association has no foreign currency cash and cash equivalent balances (December 31, 2016: None).
- d) As of December 31, 2017, the Association has no foreign currency time deposit balance (December 31, 2016: None).
8. **Trade receivables:** As of December 31, 2017, the Association has non-current trade receivables amounts to TL2.067 which is comprised of deposits and guarantees given (December 31, 2016: TL2.067).
9. **Marketable securities:** The Association has no marketable securities as of December 31, 2017 (December 31, 2016: None).
10. **Short-term income accruals:** As of December 31, 2017, the Association has no short-term income accruals (December 31, 2016: None).
11. **Receivables from abroad (including advances) as of December 31, 2017:** None (December 31, 2016: None).
12. **Payables to abroad (including advances) as of December 31, 2017:** None (December 31, 2016: None).

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

for the years ended December 31, 2017 (continued)

(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 December 31, 2017: None (December 31, 2016: None).
14. Total amount of investment incentives to be utilized in the current and future periods: None (December 31, 2016: None).
15. Total of bonds in circulation that can be converted into shares as of December 31, 2017: None (December 31, 2016: None).
16. List of shares which represent share capital as of December 31, 2017: None (December 31, 2016: None).
17. Total amount of shares issued in the current period: None (December 31, 2016: None).
18. Shareholders which has 10% or more of the shares of the Association or the owner of the Association as of December 31, 2017: None (December 31, 2016: None).
19. Subsidiaries, associates and institutions in which the Association has 10% or more ownership: None (December 31, 2016: None).
20. Inventory valuation method: As of December 31, 2017 and 2016, 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 2017 and 2016 are as follows:

	January 1, 2016	Additions	Disposals	December 31, 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

	January 1, 2017	Additions	Disposals	December 31, 2017
Building	270.000	-	-	270.000
Furniture & Fixture	20.819	220	-	21.039
Total cost	290.819	220	-	291.039
Accumulated Depreciation (-)	(29.864)	(8.111)	-	(37.975)
Net book value	260.955	(7.891)	-	253.064

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

for the years ended December 31, 2017 (continued)

(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 December 31, 2017: None (December 31, 2016: None).**
- 23. Average number of personnel in the current period: 9 person (January 1 - December 31, 2016: 8 person).**
- 24. Events after statement of financial position date which requires disclosure as of December 31, 2017: None (December 31, 2016: None).**
- 25. Information on contingent losses and any contingent gains those could not be estimated but has a significance as of December 31, 2017: None (December 31, 2016: 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 December 31, 2017: None (December 31, 2016: None).**
- 27. Amount of restricted cash at banks: As of December 31, 2017, there is no blockage on cash in banks of the Association (December 31, 2016: None).**
- 28. Amount of securities issued by the related parties of the Association and held by the Association as of December 31, 2017: None (December 31, 2016: None).**
- 29. Bonus shares received as a result of the capital increase made by the subsidiaries and associates using internal sources in 2017: None (2016: None).**
- 30. Short and long term borrowings and related interest accruals as of December 31, 2017: None (December 31, 2016: None).**
- 31. The amount guarantees, pledges, collaterals, endorsements and other guarantees given to third parties on behalf of shareholders, subsidiaries and associates as of December 31, 2017: None (December 31, 2016: 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 December 31, 2017: None (December 31, 2016: 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 2019.**
- 34. Trade payables: Trade payables of the Association as of December 31, 2017 are comprised of the payables due to purchases for the operations which have not been paid to the vendors yet amounting to TL1.853 and deposits and guarantees received amounting to TL3.600 (December 31, 2016: TL4.507 vendors' balances and TL3.600 deposits and guarantees received).**
- 35. Other payables: None (December 31, 2016: Other payables of the Association as of December 31, 2016 are comprised of the payable due to duplicate donation payment made by Special Olympics International).**

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

for the years ended December 31, 2017 (continued)

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

Note 3 – Disclosures (continued)

36. Taxes and funds payable: Taxes and funds payable as at December 31, 2017 and 2016 are as follows:

	December 31, 2017	December 31, 2016
Income taxes of personnel to be paid	30.753	24.706
Social security taxes payable	32.267	27.406
Stamp taxes on income taxes of personnel	1.135	966
	64.155	53.078

37. Other provisions: As of December 31, 2017, there are no provisions booked in the statement of financial position of the Association (December 31, 2016: None).

38. Share capital: As of December 31, 2017, the Association has no share capital (December 31, 2016: 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 TL580.584 as of December 31, 2017 (December 31, 2016: TL603.175).

ii- Disclosures of statement of profit or loss

1. Current year amortization expenses: For the period January 1 - December 31, 2017, current year amortization expense of property, plant and equipment of the Association is TL8.111 (January 1 - December 31, 2016: TL9.015).

2. Current year provision expenses: None (January 1 - December 31, 2016: None).

3. Current year financial expenses: None (January 1 - December 31, 2016: None).

4. Current year financial expenses related to Parent, subsidiaries, associates and affiliates: None (January 1 - December 31, 2016: None).

5. Sales made to Parent, subsidiaries, associates and affiliates: None (January 1 - December 31, 2016: None).

6. Interest, rent and etc. received from and paid to Parent, subsidiaries, associates and affiliates: (January 1 - December 31, 2016: None).

7. Gain on sale of marketable securities in current year: None (January 1 - December 31, 2016: None).

8. 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

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

for the years ended December 31, 2017 (continued)

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

Note 3 – Disclosures (continued)

9. **Costing method of inventories in current year:** The Association does not have any inventory amounts and does not involve in commercial activities (2016: None).
10. **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 (2016: None).
11. **Sales of side or scrap products exceeding 20% of total sales in current year:** None (January 1 – December 31, 2016: None).
12. **Explanation of the amounts and sources of prior year income and profit and prior year expenses and losses in current year:** None (January 1 – December 31, 2016: None).
13. **Earnings per share disclosed separately for ordinary shares and preferred stocks in current year:** None (January 1 – December 31, 2016: None).
14. **Operating income and expenses:**

- Donations and grants and other revenues

	January 1 - December 31, 2017	e	January 1 - December 31, 2016
Donations and charities	1.814.389		1.963.619
Membership fees	10.000		2.500
	1.824.389		1.966.119

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

- Purpose - oriented operating expenses (-)

	January 1 - December 31, 2017	January 1 - December 31, 2016
Purpose - oriented operating expenses	1.296.341	1.104.397
Purpose - oriented payroll expenses	566.113	442.061
	1.862.454	1.546.458

- General administrative expenses (-)

	January 1 - December 31, 2017	January 1 - December 31, 2016
Payroll expenses	176.546	256.275
Advertising and promotions expenses	59.637	158.390
Rent expenses	42.887	39.268
Office expenses	36.291	11.531
Amortisation Expense	8.111	9.015
Other	44.283	33.462
	367.755	507.941

Türkiye Özel Sporcular Spor Eğitim ve Rehabilitasyon Derneği

Notes to the financial statements

for the years ended December 31, 2017 (continued)

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

Note 3 – Disclosures (continued)

15. Income and gains from other operating activities

	January 1 - December 31, 2017	January 1 - December 31, 2017
Interest Income	33.811	42.110
Rent Income	25.740	23.579
	59.551	65.689