

**İHSAN İNSANI YARDIM VE
DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)**

**Financial Statements
December 31, 2021**

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)
Istanbul – Turkey

Unqualified Opinion

We have audited the accompanying financial statement of İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ (IHSAN RELIEF AND DEVELOPMENT) (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, and functional expenses, for the year then ended and the related notes of the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ (IHSAN RELIEF AND DEVELOPMENT), as of December 31, 2021, and the changes in net assets for the year then ended in conformity with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) ISA 800/805. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the statement of expenditures section of our report. We are independent of the Partner in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the statement of expenditures in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the statements

Management is responsible for the preparation and fair presentation of statement of activities in accordance with the regulations, that gives a true and fair view; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the audit of the statement of expenditures

Our objectives are to obtain reasonable assurance about whether the statement of expenditures as a whole is 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 this statement of expenditures.

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

- 1- Identify and assess the risks of material misstatement of the statement of activities, 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.
- 2- 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 Partner's internal control.
- 3- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- 4- Evaluate the overall presentation, structure and content of the statement of expenditures, including the disclosures, and whether the statement of activities represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control related to the organization that we identify during our audit.

 *Abdallah Ziade*

Dr. Abdallah Ziade
On April 26, 2024
Beirut Lebanon

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Statement of Activities

For the year ended December 31, 2021

Presented in USD	NOTES	2021
REVENUE		
Donations	3	38,986,695
TOTAL REVENUE		38,986,695
EXPENDITURE:		
Salaries and Wages	4	8,323,232
General & Administrative Expenses	5	6,366,694
Activities Expenses	6	23,572,077
Total Expenditure		38,262,003
surplus of income over expenditure		<u>724,692</u>

Note: This statement should be read in conjunction with the notes to the financial statements.

Mr. Mustafa Sabbagh
Chairman of the Board of Directors

Date: _____

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Statements of Financial Position
For the year ended December 31, 2021

Presented in USD	NOTES	2021
ASSETS		
Current Assets:		
Cash & bank Equivalent	7	2,381,842
Receivable from the donor	8	727,627
Different Debtors		530
IHSAN Cash in Transit		600,000
Prepaid Expenses		5,830
Other Insurances and Arrests		10,580
Current Accounts	9	729,269
Other Accounts	10	25,796
Total Current Assets		4,481,474
Non-Current Assets		
Property and Equipment	11	96
Total Non-Current Assets		96
TOTAL ASSETS		4,481,570
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Advance From Donor	12	2,519,513
SYRIAN FORUM Current Account		2,072,995
Current Liabilities	13	1,411,392
Total liabilities		6,003,900
Net Assets		
Net Income		724,692
Surplus/ deficit of previous years		(2,247,022)
Total Net Assets		(1,522,330)
TOTAL LIABILITIES AND NET ASSETS		4,481,570

Note: This statement should be read in conjunction with the notes to the financial statements.

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Notes to the Financial Statements
December 31, 2021

1 BACKGROUND

1.1 Organization Background

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ (IHSAN RELIEF AND DEVELOPMENT) was formed in response to Turkey law. IHSAN RELIEF AND DEVELOPMENT is officially registered in Istanbul – Turkey on 14/04/2014 under the number 34-202/198.

Ihsan Relief and Development is a service-oriented organization with developmental goals. Ihsan seeks to support basic development and service projects that address the needs of daily life while looking to have long-lasting impacts. Ihsan looks to support Syrians inside Syria and outside of Syria and does so by coordinating with local councils. Ihsan is working to recruit necessary grants funding provided by the international community organizations for the development projects inside Syria.

1.2 Organization Vision, Values and Mission

IHSAN vision: To become the most efficient, transparent, and responsive Syrian humanitarian organization, improving the lives of Syrians through relief, recovery, and development.

IHSAN mission: To provide Syrians with critical services to alleviate suffering, foster economic and social development, support a vibrant civil society, and build the capacity of local administrative councils.

2 NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements should be read in conjunction with statements and it is considered a part of it.

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Notes to the Financial Statements
December 31, 2021

2.1 Basis of Accounting

These financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

2.2 Administrative expenses

Administrative expenses are recognized in the period in which they are incurred.

2.3 Liabilities

Liabilities are recognized as soon as there is a legal or constructive obligation committing the organization to pay out resource.

2.4 Foreign currency transaction

These financial statements are presented in US dollars, which is the Organization's functional and presentation currency. Foreign currency transactions are initially recorded by the organization using the functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Expenditure

We have selected a sample of expenditure transactions for testing under the agreement. The selection was based on a predetermined amount and a judgmental selection of additional transactions based upon potential risk.

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Notes to the Financial Statements
December 31, 2021

2.6 Sample selection criteria

We have selected a sample of expenditure transactions for testing under the agreement. The selection was based on a predetermined amount and a judgmental selection of additional transactions based upon potential risk.

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ (IHSAN RELIEF AND DEVELOPMENT) management is responsible for maintaining all original supporting documentation for expenditure at its headquarter at Istanbul Turkey.

Our methodology included, based on sampling, the selection of revenue and expenditure transactions for audit testing.

2.7 Fixed Assets

Fixed assets are recorded as expenses on the date of purchase.

2.8 Personnel

General rules regarding the employment of foreigners in Turkey are regulated in the International Labor Law No. 6735. According to this law, the employment of foreigners in Turkey is conditional upon obtaining a work permit from the competent authority. Persons who have obtained a work permit or are exempted from a work permit by law can work in Turkey and benefit from social security rights related to the right to work.

As the priority according to Turkish law is to employ Turkish citizens, foreign employees can constitute at most 20% of the total number of employees in a Turkish workplace. Employees (Turkish citizens and foreigners) are subject to SGK (Social security fund) & income tax.

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Notes to the Financial Statements
December 31, 2021

3 Donations

	2021 <u>USD</u>
ACTED Funds	4,500
GOAL Funds	4,883,251
World Vision Fund	263,141
GIZ Funds	337,021
SCI Funds	1,571,796
WHH Funds	3,311,125
CARE Funds	12,106,802
Muslim Aid Funds	449,634
IRC Funds	1,121,060
NRC Funds	47,155
HF Funds	3,200,788
Unicef Funds	8,270,946
UNFPA Funds	2,753,645
FAO Funds	168,829
IOM Funds	349,950
SAMS Funds	99,998
SF Funds	11,692
Relief International Funds	3,939
Other Funds	31,306
IHSAN Funds	117
Total	38,986,695

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Notes to the Financial Statements
December 31, 2021

4 Salaries and Wages

	2021
	<u>USD</u>
Bonuses and Incentives	28,573
Social Security	339
Allowances	5,041
Executive Director Salaries	74,731
Internal Audit Salaries	37,832
HR and Admin Department Salaries	334,230
Communication Department Salaries	176,328
Supply Chain Department Salaries	387,315
Finance Department Salaries	544,754
Program Department Salaries	935,516
MEAL Department Salaries	304,746
Syria Officer Salaries	5,493,827
Total	8,323,232

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
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Notes to the Financial Statements
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5 General & Administrative Expenses

	2021
	<u>USD</u>
Admin Services	128,043
Advertising & Printing	62,923
Agricultural & Live Stock products	166,022
Common Used Materials Sets	1,250,087
Contractual Services	2,986,501
Electronic & IT Materials	204,402
Facility Expenses	451,247
Fuel	1,117,469
Total	<u>6,366,694</u>

6 Activities Expenses

	2021
	<u>USD</u>
Furniture	46,566
Infrastructure Services	2,820,281
Kits	454,663
Maintenance	316,048
Mechanical & Electric Equipment	426,792
Transportation	993,386
Other Finance Expences	18,514,341
Total	<u>23,572,077</u>

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Notes to the Financial Statements

December 31, 2021

7 Cash and bank Equivalent

	2021 USD
IHSAN Gaziantep Cash - USD	1,000
IHSAN Gaziantep Cash - TL	361
Ihsan Head Office Cash - USD	1,300
Ihsan Head Office Cash - TL	18
IHSAN Azaz Cash - USD	1,783
IHSAN Azaz Cash - TL	930
IHSAN Transfers Azaz - USD	25,000
IHSAN Sarmada Cash - USD	98
IHSAN Sarmada Cash - TL	1,293
IHSAN Transfers Sarmada - USD	3,800
IHSAN Idlib Cash - USD	242
IHSAN Idlib Cash - TL	771
IHSAN Transfers Idlib - USD	15,000
IHSAN Transfers Idlib - TL	2,996
IHSAN Corresponding Cash - USD	116,171
IHSAN Corresponding Cash - TL	7,067
Ihsan Albaraka Bank 01 - TL	51
Ihsan Albaraka Bank 03 - USD	33
Ihsan Albaraka Bank 10 - USD	295,003
Total Cash and Banks-A	472,917

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
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Notes to the Financial Statements
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Cash and Banks (Cont...)

	2021 <u>USD</u>
Ihsan Albaraka Bank 11 - EUR	35,230
Ihsan Albaraka Bank 12 - TL	380
Ihsan Albaraka Bank 15 - USD	37,693
Ihsan Albaraka Bank 16 - EUR	19,242
Ihsan Albaraka Bank 19 - TL	233
Ihsan Albaraka Bank 20 - QAR	245
Ihsan Albaraka Bank 23 - EUR	16
Ihsan Albaraka Bank 30 - TL	4,467
Ihsan Ziraat Bank 01 - TL	7,523
Ihsan Ziraat Bank 02 - USD	132,212
Ihsan Ziraat Bank 08 - USD	90
Ihsan Ziraat Bank 09 - USD	120,000
Ihsan Vakif Katilim Bank 001 - TL	8
Ihsan Vakif Katilim Bank 101 - USD	122,814
Ihsan Vakif Katilim Bank 103 - USD	47,000
Ihsan PTT Bank 001 - TL	2
Ihsan PTT Bank 002 - USD	1,381,470
Ihsan Admin Advance	300
Total Cash and Banks-B	<u>1,908,925</u>
Total A+B	<u>2,381,842</u>

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
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Notes to the Financial Statements
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8 Receivable from the donor

	2021
	<u>USD</u>
SCI	137,621
CARE	334,768
IRC	105,448
FAO	34,797
IOM	111,054
Relief International	3,939
Total	<u>727,627</u>

9 Current Accounts

	2021
	<u>USD</u>
Omran Current Account	8,367
Bousla Current Account	160,567
ALSOURIA.NET Current Account	8,367
RIZK Current Account	10,914
Advance for SF Projects	539,054
RIZK.CO Current Account	2,000
Total	<u>729,269</u>

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
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Notes to the Financial Statements
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10 Other Accounts

	2021 USD
ZAD Co.	756
Alfakher Co. - TL	7,489
Garbis Evyapan and Ayse Sibel Ozkul	16,850
Woman Support Association	181
Staff advance	520
Total	25,796

11 Property and Equipment

Presented in USD	Historical Value 2021	Accumulated Depreciation	Net Book Value
Furniture's	90,048	89,952	96
Total	90,048	89,952	96

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12 Advance From Donor

	2021
	<u>USD</u>
GOAL	1,181,255
GIZ	20,433
Muslim Aid	271,736
HF	288,771
Unicef	696,291
UNFPA	61,027
Total	<u>2,519,513</u>

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
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Notes to the Financial Statements
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13 Current Liabilities

	2021 <u>USD</u>
Samer Sayed Hussien	1,150
Mohammed Juma Altaha	499
Ali Ibrahim	320
Mustafa Hussein	9,000
Abdel Hamid Baradei	400
Murhaf Awad Almuhammad	400
Alfakher Co.	1,197,685
Masrrat Organization	20,000
Zakaria Alshebli	610
Ahmad Almustafa	8,200
Bilal Jalool	250
Ahmad Alrahmon	1,000
Musab Ismail	3,600
Hope Revivel Organization	5,287
Accrual Expenses Inside Turkey	88,092
Severances	74,899
Total	<u>1,411,392</u>