

TÜRKİYE GİRİŞİMCİLİK VAKFI

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS FROM 10 APRIL 2014 (INCEPTION) TO
31 DECEMBER 2014 AND AUDITOR'S REPORT**

(ORIGINALLY ISSUED IN TURKISH)



**INDEPENDENT AUDITOR'S REPORT
(ORIGINALLY ISSUED IN TURKISH)**

To the Board of Directors of Türkiye Girişimcilik Vakfı;

1. We have audited the accompanying financial statements of Türkiye Girişimcilik Vakfı (the "Foundation") which comprise the balance sheet as of 31 December 2014 and the statement of income from 10 April 2014 (Inception of the Foundation to) 31 December 2014 and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

2. Management is responsible for the preparation and fair presentation of these financial statements based on Turkish Standard Chart of Accounts in accordance with the principles announced by General Directorate for Foundations and accounting policies stated in Note 3. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

4. In our opinion, the financial statements present fairly, in all material respects, the financial position of Türkiye Giriřimcilik Vakfı as of 31 December 2014 and its financial performance for the period from 10 April 2014 (Inception of the Foundation to) 31 December 2014 based on the Turkish Standard Chart of Accounts in accordance with the principles announced by General Directorate for Foundations and accounting policies stated in Note 3.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

(Originally signed in Turkish)

Adnan Akan, SMMM
Partner

Istanbul, 7 July 2015

TÜRKİYE GİRİŞİMCİLİK VAKFI

FINANCIAL STATEMENTS AT 31 DECEMBER 2014

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

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TÜRKİYE GİRİŞİMCİLİK VAKFI

BALANCE SHEET AT 31 DECEMBER 2014

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

ASSETS

31 December 2014

I. CURRENT ASSETS

Cash and cash equivalents	908,360
Banks	908,360
Other current assets	368
Job advances	368
Total current assets	908,728

II. NON-CURRENT ASSETS

Tangible assets	1,387
Furniture and fixtures	2,080
Accumulated depreciation (-)	(693)
Intangible assets	708
Leasehold improvements	885
Accumulated amortization (-)	(177)
Prepaid expenses and income accruals	1,730
Prepaid expenses	1,730
Total non-current assets	3,825
TOTAL ASSETS	912,553

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

TÜRKİYE GİRİŞİMCİLİK VAKFI

BALANCE SHEET AT 31 DECEMBER 2014

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

LIABILITIES

31 December 2014

I. CURRENT LIABILITIES

Trade payables	5,014
Suppliers	3,783
Other financial liabilities	1,231
Other payables	8,079
Due to personnel	79
Other payables	8,000
Taxes and other liabilities	12,928
Taxes and funds payable	9,216
Social security premiums payable	3,712

Total current liabilities	26,021
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TOTAL LIABILITIES	26,021
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II. EQUITY

Endowment	479,000
Income surplus for the current period	407,532

Total equity	886,532
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TOTAL LIABILITIES AND EQUITY	912,553
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The accompanying notes form an integral part of these financial statements.

TÜRKİYE GİRİŞİMCİLİK VAKFI

STATEMENT OF INCOME

FROM 10 APRIL 2014 (ESTABLISHMENT) TO 31 DECEMBER 2014

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	10 April - 31 December 2014
Total revenue	701,106
Membership fees	371,404
Contributions from other countries	99,937
Other contributions and donations	202,000
Financial income	25,155
Other income	2,610
Total expenses	(263,574)
Total expenses with regards to the purpose of the Foundation	(71,642)
General expenses	(22,962)
Payroll	(48,680)
Other expenses	(191,932)
Payroll	(97,185)
Scholarship	(60,000)
Notary fees	(9,114)
Other	(25,633)
INCOME SURPLUS	407,532

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

TÜRKİYE GİRİŞİMCİLİK VAKFI

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD FROM 10 APRIL 2014 (INCEPTION) TO 31 DECEMBER 2014

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

I. ORGANIZATION AND NATURE OF OPERATIONS

Türkiye Girişimcilik Vakfı (“Girişimcilik Vakfı” or “Foundation”) was established on 10 April 2014. The statute was published in the official gazette and the official status of the foundation was declared on 10 April 2014. Türkiye Girişimcilik Vakfı was established to support the people who have higher level of entrepreneurship potential and leadership capacity. In addition to that; the foundation was established in order to contribute improvement of culture of the entrepreneurship in Turkey. The foundation has 2 personnel, 33 trustee member and 5 board member as at 31 December 2014.

Türkiye Girişimcilik Vakfı is exempt from corporation income tax.

The registered address of the Türkiye Girişimcilik Vakfı is:

İstanbul Beşiktaş Levent
Levent Mah. Eylül Sok. No:6

II. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The Foundation keeps its accounting record and prepares the statutory financial statement in Turkish Lira. The financial statement is prepared in accordance with the uniform chart of accounts announced by Ministry of Finance and the principles announced by General Directorate for Foundations.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies used in the preparation of the financial statements are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks. Cash and cash equivalents are highly liquid short-term assets easily convertible into cash. Interest income are accounted on a cash basis at the end of the interest term.

Tangible and intangible assets and depreciation

Tangible and intangible assets consists of physical and non -physical assets are acquired to be used in the Foundation operations of which estimated useful lives are more than one year.

Amortization and depreciation is charged on a straight-line basis over the useful lives announced by Tax Procedure Law.

Useful lives of tangible assets are as follows:

Furniture and fixtures	3 years
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Useful lives of intangible assets are as follows:

Leasehold improvements	5 years
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TÜRKİYE GİRİŞİMCİLİK VAKFI

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD FROM 10 APRIL 2014 (ESTABLISHMENT) TO 31 DECEMBER 2014

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid expenses and income accruals

Prepaid expenses and income accruals represents the cash amounts paid in advance for the insurance services that are going to be benefited in next period.

Account payable

Trade payables are carried at their original invoice value.

Taxes and other liabilities

Taxes and other liabilities represent the cash amount that will be paid in 2015 for the liability of the tax and social security in relation to 2014.

Other balance sheet items

Other balance sheet items are recognized in the financial statements at cost.

Endowment

This amount is consists of TRY 479,000 donated by the founders.

Revenue recognition

Membership fees represent the amounts that are received from the board of trustees. Other donations and grants represent the amounts that are received in accordance with sponsorship agreements. Revenue is recognized when the amounts are received.

Expenses related to the foundation’s activities

Operation expenses comprise of expenses related to the purpose of the foundation’s operations.

TÜRKİYE GİRİŞİMCİLİK VAKFI

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD FROM 10 APRIL 2014 (ESTABLISHMENT) TO 31 DECEMBER 2014

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

IV. OPERATIONS OF THE FOUNDATION

Fellow programme

The young people who are selected for the Turkish Entrepreneurship Foundation's Fellow Programme through a six-step scientific elimination process participate in “FellowUP” inspiration gatherings, network events, internships, and experience events once every two months.

The fellow programme is composed of five core components:

1. Network;
2. Role model;
3. Scholarship;
4. Start-up ambassadors; and,
5. Giveback.

Network

The program participants are part of a national and an international network and attend trainings and gatherings.

Role model

Once every two months, the participants come together with successful entrepreneurs and have the chance to be inspired by them. This way, they develop themselves in the most effective manner.

Scholarship

The foundation grants scholarships to university students. A total of 40 students qualified for a monthly scholarship of 500TRY in the period between 10 April 2014 and 31 December 2014. There is a plan to increase this number by 40 students each year.

Startup ambassadors

The program participants act as “startup ambassadors” in their own universities in order to propagate the culture of entrepreneurship by creating a multiplier effect.

Giveback

The Entrepreneurship Foundation operates with the understanding that success can only be scaled and multiplied with practice of a “giveback” philosophy in which success, attained with the support of the public, is then progressively shared with the public itself.

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