ANNE ÇOCUK EĞİTİM VAKFI
AND IT'S SUBSIDIARY

Consolidated Financial Statements
As at and for the Year Ended
31 December 2014
With Independent Auditor's Report

28 October 2015
This report includes 2 pages of independent auditor's report and 34 pages of consolidated financial statements together with their explanatory notes and 2 pages of supplementary information.

ANNE ÇOCUK EĞİTİM VAKFI
AND IT'S SUBSIDIARY

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KPMG

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Independent Auditors' Report

To the Board of Trustees of Anne Çocuk Eğitim Vakfı

We have audited the accompanying consolidated financial statements of Anne Çocuk Eğitim Vakfı ("AÇEV" or "the Foundation") and its subsidiary, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and the cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Consolidated Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the foundation's preparation and fair presentation of the consolidated 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 foundation 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Anne Çocuk Eğitim Vakfı and its subsidiary as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as whole. The supplementary information included in Appendix is presented for the purposes of additional analysis and is not a required part of the basic consolidated financial statements. The US Dollar amounts presented in Appendix are solely for the convenience of the reader as additional analysis and have not been subjected to the audit procedures applied in the audit of the basic consolidated financial statements. Accordingly, we do not express an opinion on this supplementary information.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
A member of KPMG International Cooperative

Ruşen Fikret Selamet
Partner
28 October 2015
Istanbul, Turkey

Anne Çocuk Eğitim Vakfı And It's Subsidiary
Consolidated Statement of Financial Position
As At 31 December 2014
Amounts expressed in Turkish Lira "TL" unless otherwise indicated.

	Note	31 December 2014	31 December 2013	1 January 2013
Assets				
Property and equipment	*8*	282.156	146.789	224.343
Intangible assets	*9*	43.628	40.089	40.603
Other non-current assets		9.659	9.609	10.442
Non-current assets		**335.443**	**196.487**	**275.388**
Trade receivables	*10*	25.384	7.720	2.743
Other current assets		28.248	6.039	23.902
Inventories		25.892	3.553	1.607
Cash and cash equivalents	*11*	1.503.396	1.220.935	2.246.077
Current assets		**1.582.920**	**1.238.247**	**2.274.329**
Total assets		**1.918.363**	**1.434.734**	**2.549.717**
Equity				
Retained earnings		222.010	115.013	58.466
Total equity		**222.010**	**115.013**	**58.466**
Liabilities				
Long term employee benefits	*15*	207.735	143.870	130.474
Non-current liabilities		**207.735**	**143.870**	**130.474**
Trade payables	*12*	85.320	148.270	329.202
Other current liabilities	*13*	186.223	153.613	194.114
Other payables		--	3.772	2.493
Short term employee benefits	*15*	163.055	110.359	136.917
Unused conditional donations	*14*	1.054.020	759.837	1.698.051
Current liabilities		**1.488.618**	**1.175.851**	**2.360.777**
Total liabilities		**1.696.353**	**1.319.721**	**2.491.251**
Total equity and liabilities		**1.918.363**	**1.434.734**	**2.549.717**

The notes on pages 5 to 34 are an integral part of these consolidated financial statements.

Anne Çocuk Eğitim Vakfı And It's Subsidiary

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014

Amounts expressed in Turkish Lira "TL" unless otherwise indicated.

	Note	2014	2013
Revenue	*4*	8.463.568	8.923.831
Cost of projects	*4*	(6.940.591)	(7.672.097)
Administrative expenses	*6*	(1.467.179)	(1.299.917)
Other income		25	1
Other expense		--	(33.311)
Results from operating activities		**55.823**	**(81.493)**
Finance income	*7*	118.684	154.513
Finance cost	*7*	(58.066)	(15.259)
Net finance income	*7*	**60.618**	**139.254**
Profit before tax		**116.441**	**57.761**
Income tax expense	*16*	(9.444)	(1.214)
Profit for the year		**106.997**	**56.547**
Other comprehensive income		**--**	**--**
Total comprehensive income for the year		**106.997**	**56.547**

The notes on pages 5 to 34 are an integral part of these consolidated financial statements.

Anne Çocuk Eğitim Vakfı And It's Subsidiary
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2014
Amounts expressed in Turkish Lira "TL" unless otherwise indicated.

	Retained earnings	**Total equity**
Balance at 1 January 2013	58.466	58.466
Total comprehensive income for the year		
Profit for the year	56.547	56.547
Total comprehensive income for the year	**56.547**	**56.547**
Balance at 31 December 2013	**115.013**	**115.013**
Balance at 1 January 2014	115.013	115.013
Total comprehensive income for the year		
Profit for the year	106.997	106.997
Total comprehensive income for the year	**106.997**	**106.997**
Balance at 31 December 2014	**222.010**	**222.010**

The notes on pages 5 to 34 are an integral part of these consolidated financial statements.

Anne Çocuk Eğitim Vakfı And It's Subsidiary

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2014

Amounts expressed in Turkish Lira "TL" unless otherwise indicated.

	Note	2014	2013
Cash flows from operating activities			
Profit for the year		106.997	56.547
Adjustments for			
Depreciation expense	*8*	62.244	64.020
Amortisation expense	*9*	4.804	4.761
Provision for employee severance payments	*15*	98.452	51.172
Provision for / (release from) vacation pay liability		52.696	(26.558)
Loss on sale of property and equipment		--	33.313
Interest income	*7*	(78.245)	(92.050)
		246.948	**91.205**
Changes			
Change in trade receivables		(17.664)	(4.977)
Change in other assets		(22.259)	18.696
Change in trade payables		(62.950)	(180.932)
Change in other liabilities		32.610	(40.501)
Change in other payables		(3.772)	1.279
Change in unused conditional donations		294.183	(938.214)
Change in inventories		(22.339)	(1.946)
Severance paid	*15*	(34.587)	(37.776)
Net cash from operating activities		**410.170**	**(1.093.166)**
Cash flows from investing activities			
Acquisition of property and equipment	*8*	(197.611)	(19.779)
Acquisition of intangible assets	*9*	(8.343)	(4.247)
Change in accruals on time deposits		1.574	2.363
Interest received		78.245	92.050
Net cash (used in) / from investing activities		**(126.135)**	**70.387**
Net (increase) / decrease in cash and cash equivalents		**284.035**	**(1.022.779)**
Cash and cash equivalents at 1 January		1.219.250	2.242.029
Cash and cash equivalents at 31 December	***11***	**1.503.285**	**1.219.250**

The notes on pages 5 to 34 are an integral part of these consolidated financial statements.

1. Reporting entity

Anne Çocuk Eğitim Vakfı ("AÇEV" or "the foundation") was founded on 24 November 1993 pursuant to Law No: 743 published in the Official Gazette No: 21885 as a mother and children education foundation. As of 31 December 2014, the Foundation develops and implements early childhood and adult education programs aimed at children and families in need.

As of 31 December 2014, AÇEV has one (31 December 2013: one, 31 December 2012: one) subsidiary named as Anne Çocuk Eğitim Vakfı İktisadi İşletmesi ("the subsidiary" or "AÇEV İktisadi İşletmesi") (all together will be referred to as "the Group" or "AÇEV Group" herein and after). The consolidated financial statements of the Group as at and for the year ended 31 December 2014 comprises AÇEV and it's subsidiary.

The subsidiary of AÇEV, its city of incorporation and nature of business are as follows:

Special purpose entity	City of incorporation	Nature of the business
Anne Çocuk Eğitim Vakfı İktisadi İşletmesi	İstanbul / Turkey	Selling AÇEV products

The registered address of the AÇEV Group is:
Büyükdere Caddesi Stad Han No:85 Kat:2
34387 Mecidiyeköy-Şişli
Istanbul / Turkey

As at 31 December 2014, the number of employees of the AÇEV Group is 75 (31 December 2013: 74).

2. Basis of preparation

(a) Statement of compliance

The Group maintains their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the accounting principles per Turkish Uniform Chart of Accounts, Turkish Uniform Chart of Accounts of Foundation and Turkish Commercial Code.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). These are the Group's first consolidated financial statements prepared in accordance with IFRSs and IFRS 1 "First-time Adoption of International Financial Reporting Standards" has been applied.

An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Group is provided in Note 20.

The consolidated financial statements were authorized for issue by the Group management on 28 October 2015.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These consolidated financial statements are presented in TL which is the Group's functional currency. All financial information presented in TL and other currencies are stated in full amounts, unless otherwise indicated.

2. Basis of preparation *(Continued)*

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of assumptions and estimation uncertainties in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements is included in the following notes:

Note 8 and 9 – useful lives of tangible and intangible assets

Note 15 – employee benefits

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group.

(a) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the Foundation and its subsidiary on the basis set out in sections below. The financial statements of the entity included in the consolidation have been prepared as at the date of the consolidated financial statements.

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls a business when exposure, or rights, to variable returns due to its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiary have been changed when necessary to align them with the policies adopted by the Group.

ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. Significant accounting policies *(Continued)*

(b) Foreign currency transactions

Transactions in foreign currencies are translated to TL at the foreign exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to TL at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) Financial instruments

(i) Non-derivative financial instruments

Non derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses.

Non-derivative financial instruments comprise loans and receivables which include trade receivables, due from related parties, cash and cash equivalents, and other financial liabilities which include trade and other payables.

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when, only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Cash and cash equivalents comprise cash balances, bank deposits, other liquid assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and credit card receivables.

Trade receivables, which generally have 60-90 days terms and are carried at amortized cost less an allowance for any uncollectible amounts.

Trade payables are settled on terms from between 0-30 days, and are carried at amortized cost.

3. Significant accounting policies *(Continued)*

(d) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

An item of property and equipment is recognized upon disposal or when no future economic benefits are expected from its use or disposal.

Any gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized at "other income" or "other expenses" in profit or loss.

(ii) Subsequent expenditures

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

(iii) Depreciation

Items of property and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component.

Items of property and equipment are depreciated from the date that they are available for use. From the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

Leasehold improvement	5 years
Furniture and fixtures	5-15 years

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives, also on a straight-line basis. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3. Significant accounting policies *(Continued)*

(e) Intangible assets

(i) Recognition and measurement

Intangible assets of the Group which consist of tenure of the donated property and equipment and computer license have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Rights	15 years
Software licences	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of trading goods is based on the weighted average method, and includes expenditure and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3. Significant accounting policies *(continued)*

(g) Impairment

(i) Non-derivative financial assets

The Group's financial asset are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Foundation on terms that the Foundation would not consider otherwise, indications that a debtor or issuer will enter bankruptcy.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. In respect of non financial assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

3. Significant accounting policies *(Continued)*

(h) Employee benefits

Employee severance pay liability

In accordance with existing labour law in Turkey, the Foundation is required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The Foundation calculated the severance pay liability by estimating the present value of future probable obligation of the Foundation arising from the retirement of the employees. The Foundation does not have any post-employment benefit plan.

Employee severance pay liability is calculated according to the ceiling rate announced by the Government. As at 31 December 2014, the ceiling rate is TL 3.438,22 (31 December 2013: TL 3.254,44)

IFRSs require actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. The total liability for employee severance benefit was calculated by an independent actuary based on past service cost methodology using the observable statistical market data such as mortality, inflation and interest rates or retirement pay ceilings applicable to the relevant periods and assumptions derived from the specific historic date of the Group such as retention and employee turnover rates or salary increase rates.

The principle assumptions used in the calculation of the total liability in the accompanying financial statements at 31 December were as follows:

	31 December 2014	*31 December 2013*	*31 December 2012*
Expected rate of interest rate increase %	9.00	8.60	8.15
Expected rate of salary/limit increase %	5.50	5.00	5.10

Actuarial gains/losses are comprised of adjustment of difference between actuarial assumptions and realised and change in actuarial assumptions. In accordance with IAS 19 (2011), all actuarial differences have to be recognised in other comprehensive income. However due to insignificance of the balances, the Group have not recognised any actuarial differences on reserve for employee severance indemnity in other comprehensive income both in the current and prior years.

Vacation pay liability

Short-term employee benefit obligations are consisting of reserve for the vacation pay liability due to the earned and unused vacation rights of its employees and measured on an undiscounted basis and are recognised in profit or loss as the related service is provided.

3. Significant accounting policies *(Continued)*

(i) Revenue and cost of revenue

Donations

The Foundation recognizes donations as "Revenue" in the year of receipt, irrespective of based on these donations have been expended in the same reporting period. Donations, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are recognized as "unused conditional donations" until they become unconditional; that is, when the conditions on which they depend are substantially met.

Sales of goods

Revenue from the sale of preschool books, toys and playing cards is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer (i.e. upon delivery of goods), recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Cost of projects mainly consists of the personnel expenses of the projects staff and academicians and other consultants, depreciation expenses, costs of consultancy and training projects, other costs related to design and develop the Foundation's educational activities.

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract

(m) Finance income and cost

Finance income comprises interest income on time deposits and foreign currency gains on cash and cash equivalent and trade receivables. Interest income is recognised as it accrues, using the effective interest method.

Finance cost mainly comprises foreign exchange losses.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position by each entity of the Group.

3. Significant accounting policies *(Continued)*

(n) Income tax

Income tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

According to 1st article of the Corporation Tax Law numbered 5520, foundations are not specified as corporate tax payer for its operations. In addition to Corporation Tax Law, according to the article 20th of the Amendments in some Laws and recognizing Tax Exemption to Foundations numbered 4962, the Foundation is exempted from corporate tax liability for its operations in Turkey.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its own assessment of many factors, including interpretations of tax law and prior year experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact profit or loss in the period that such a determination is made.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(o) Statement of cash flows

The Group presents statement of cash flows as an integral part of other consolidated financial statements to inform the users of consolidated financial statements about the changes in its net assets, its financial structure and its ability to manage the amount and timing of its cash flows under new conditions.

In statement of cash flows, cash flows are classified according to operating, investment and financing activities. Cash flows from operating activities reflect cash flows mainly generated from main operations of the Group, if any. Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group. Cash flows relating to financing activities express sources of financial activities and payment schedules of the Group. Cash and cash equivalents comprise cash on hand and demand deposits, investment funds, reverse repo receivables and other bank deposits which their maturities are three months or less from date of acquisition. Any restricted cash and cash equivalents that are not ready for the Group's use as at the reporting date, are excluded from the sum of the cash and cash equivalent in the consolidated statement of cash flows.

3. Significant accounting policies *(Continued)*

(p) Related parties

Parties are considered related to the Group if:

(a) directly, or indirectly through one or more intermediaries, the party:

(i) controls, is controlled by, or is under common control with the Group (this includes parent, subsidiaries and fellow subsidiaries);

(ii) has an interest in the Group that gives it significant influence over the Group; or

(iii) has joint control over the Group;

(b) the party is an associate of the Group;

(c) the party is a joint venture in which the Group is a venturer;

(d) the party is member of the key management personnel of the Group and its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or (e);

(g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. A number of transactions are entered into with related parties in the normal course of business.

(q) Lease

Payments made under operating lease are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(r) Subsequent events

Subsequent events represents the events after reporting date comprising any event between the reporting date and the date of authorisation for the consolidated financial statements' issue to the benefit or loss of the entity. Conditions of subsequent events are as follows:

- to have new evidences of subsequent events as of reporting date (adjusting events); and

- to have evidences of related subsequent events occurred after reporting date (non adjusting).

The Group adjusts its consolidated financial statements according to the new condition if adjusting subsequent events arise subsequent to the reporting date. If it is not necessary to adjust the consolidated financial statements according to subsequent events, these subsequent events must be disclosed in the notes to the consolidated financial statements.

3. Significant accounting policies *(Continued)*

(s) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2014, and have not been applied in preparing these consolidated financial statements. These are as follows:

IFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2018. Phase 1 of this new IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option ("FVO") liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. (The Group is in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.)

IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation

The amendments to IAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments to IAS 38 Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendments are effective for annual periods beginning on after 1 January 2016, and are to be applied prospectively. Early adoption is permitted. (The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group.)

IFRS 11 – Accounting for acquisition of interests in joint operations

The amendments clarify whether IFRS 3 Business Combinations applies when an entity acquires an interest in a joint operation that meets that standard's definition of a business. The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. (The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group.)

IFRS 14 Regulatory Deferral Accounts

IASB has started a comprehensive project for Rate Regulated Activities in 2012. As part of the project, IASB published an interim standard to ease the transition to IFRS for rate regulated entities. The standard permits first time adopters of IFRS to continue using previous GAAP to account for regulatory deferral account balances. The interim standard is effective for financial reporting periods beginning on or after 1 January 2016, although early adoption is permitted. (The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group.)

Disclosure Initiative (Amendments to TAS 1)

The narrow-focus amendments to IAS 1 *Presentation of Financial Statements* clarify, rather than significantly change, existing IAS 1 requirements. In most cases the amendments respond to overly prescriptive interpretations of the wording in IAS 1. The amendments relate to the following: materiality, order of the notes, subtotals, accounting policies and disaggregation. The amendments apply for annual periods beginning on or after 1 January 2016. Early adoption is permitted. (The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group.)

3. Significant accounting policies *(continued)*

(s) New standards and interpretations not yet adopted *(continued)*

IFRS 9 Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 - (2013)

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging transactions. Further, the new standard removes the 1 January 2015 effective date of IFRS 9. The new version of IFRS 9 issued after IFRS 9 (2014) introduces the mandatory effective date of 1 January 2018 for IFRS 9, with early adoption permitted. (The Group is in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.)

IFRS 9 Financial Instruments (2014)

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 "Financial Instruments Recognition and Measurement". IFRS 9 includes revised guidance on the classification and measurement of financial instruments including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. (The Group is in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.)

IFRS 15 Revenue from Contracts with customers

The standard replaces existing IFRS and US GAAP guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the Group expects to be entitled, rather than fair value and new guidance have been introduced on separating goods and services in a contract and recognising revenue over time. The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted under IFRS. (The Group is in the process of assessing the impact of the amendment on the consolidated financial position or performance of the Group.)

Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)

The amendments address the conflict between the existing guidance on consolidation and equity accounting. The amendments require the full gain to be recognized when the assets transferred meet the definition of a "business" under IFRS 3 *Business Combinations*. The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. (The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group.)

Equity method in separate financial statements (Amendments to IAS 27)

The amendments allow the use of the equity method in separate financial statements, and apply to the accounting not only for associates and joint ventures, but also for subsidiaries. The amendments apply retrospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. (The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group.)

3. Significant accounting policies *(Continued)*

(s) New standards and interpretations not yet adopted *(Continued)*

IFRS 9 Financial Instruments – Hedge Accounting and amendments

Improvements to IFRSs

The IASB issued Annual Improvements to IFRSs - 2012–2014 Cycle. The amendments are effective as of 1 January 2016. Earlier application is permitted. The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group.

Annual Improvements to IFRSs – 2012–2014 Cycle

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

The amendments clarify the requirements of IFRS 5 when an entity changes the method of disposal of an asset (or disposal group) and no longer meets the criteria to be classified as held-for-distribution.

IFRS 7 *Financial Instruments: Disclosures*

IFRS 7 is amended to clarify when servicing arrangement are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that the additional disclosures required by *Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7).*

IAS 19 *Employee Benefits*

IAS 19 has been amended to clarify that high-quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

IAS 34 *Interim Financial Reporting*

IAS 34 has been amended to clarify that certain disclosure, if they are not included in the notes to interim financial statements, may be disclosed "elsewhere in the interim financial report" – i.e. incorporated by cross-reference from the interim financial statements to another part of the interim financial report (e.g. management commentary or risk report).

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

4. Revenue and cost of projects

Revenue

For the years ended 31 December, revenue comprised of the following items:

	2014	2013
Conditional donations	6.722.282	7.191.860
Unconditional donations	1.668.000	1.713.646
Sales of AÇEV products	73.286	18.325
Total revenue	**8.463.568**	**8.923.831**

Cost of projects

For the years ended 31 December, cost of projects are as follows:

	2014	2013
Early childhood education program expenses	5.395.049	5.912.787
Adult literacy and woman's empowerment program expenses	1.516.039	1.727.046
Depreciation and amortization expenses	15.982	28.956
Cost of AÇEV products sold	13.521	3.308
Total cost of projects	**6.940.591**	**7.672.097**

5. Personnel expenses

For the years ended 31 December, personnel expenses were as follows:

	2014	2013
Cost of projects (Note 4)	4.075.600	3.960.134
Administrative expenses (Note 6)	831.550	706.497
Total personnel expenses	**4.907.150**	**4.666.631**

For the years ended 31 December, personnel expenses in cost of projects and administrative expenses, comprised of the following:

	2014	2013
Wage and salaries	3.950.158	3.955.243
Compulsory social security contributions	591.107	479.281
Other	365.885	232.107
Total personnel expense	**4.907.150**	**4.666.631**

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

6. Administrative expenses

For the years ended 31 December, administrative expenses were as follows:

	2014	**2013**
Personnel expense (Note 5)	831.550	706.497
Rent expense	356.096	312.136
Office expenses	91.190	91.435
Depreciation and amortization expense	51.066	39.825
Travel expense	44.385	36.911
Communication expense	21.681	21.991
Clean-up expense	21.314	15.086
Consultancy expense	11.667	8.939
Insurance expense	1.545	1.569
Others	36.685	65.528
Total administrative expense	**1.467.179**	**1.299.917**

7. Finance income and costs

For the years ended 31 December, the finance income and costs were as follows:

	2014	**2013**
Interest income on time deposits	78.245	92.050
Foreign exchange gains	40.439	62.463
Total finance income	**118.684**	**154.513**
Foreign exchange loss	(58.066)	(15.259)
Total finance costs	**(58.066)**	**(15.259)**
Net finance income	**60.618**	**139.254**

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

8. Property and equipment

For the year ended 31 December 2014, movements in the Group's property and equipment were as follows:

Cost	1 January 2014	Additions	Disposals	31 December 2014
Furniture and fixtures	367.666	67.190	--	434.856
Leasehold improvement	243.537	130.421	--	373.958
Total	**611.203**	**197.611**	**--**	**808.814**

Accumulated depreciation	1 January 2014	Depreciation charge	Disposals	31 December 2014
Furniture and fixtures	(281.108)	(39.018)	--	(320.126)
Leasehold improvement	(183.306)	(23.226)	--	(206.532)
Total	**(464.414)**	**(62.244)**	**--**	**(526.658)**
Net carrying amount	**146.789**			**282.156**

For the year ended 31 December 2013, movements in the Group's property and equipment were as follows:

Cost	1 January 2013	Additions	Disposals	31 December 2013
Furniture and fixtures	407.423	19.779	(59.536)	367.666
Leasehold improvement	243.537	--	--	243.537
Total	**650.960**	**19.779**	**(59.536)**	**611.203**

Accumulated depreciation	1 January 2013	Depreciation charge	Disposals	31 December 2013
Furniture and fixtures	(260.741)	(46.590)	26.223	(281.108)
Leasehold improvement	(165.876)	(17.430)	--	(183.306)
Total	**(426.617)**	**(64.020)**	**26.223**	**(464.414)**
Net carrying amount	**224.343**			**146.789**

Depreciation expense for the year ended 31 December 2014 amounting to TL 15.982 (2013: TL 28.956) are recognised in cost of revenue and TL 46.262 (2013: TL 35.064) and in general and administrative expense, respectively.

As at 31 December 2014 and 2013, there is no pledge/mortgage on property and equipment.

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

9. Intangible assets

For the year ended 31 December 2014, movements in the Group's intangible assets were as follows:

Cost	**1 January 2014**	**Additions**	**31 December 2014**
Rights (*)	31.307	--	31.307
Other intangibles (**)	84.062	8.343	92.405
Total	**115.369**	**8.343**	**123.712**

Accumulated amortisation	**1 January 2014**	**Amortization charge**	**31 December 2014**
Rights	(3.143)	(1.252)	(4.395)
Other intangibles	(72.137)	(3.552)	(75.689)
Total	**(75.280)**	**(4.804)**	**(80.084)**
Net carrying amount	**40.089**		**43.628**

For the year ended 31 December 2013, movements in the Group's intangible assets were as follows:

Cost	**1 January 2013**	**Additions**	**31 December 2013**
Rights (*)	31.307	--	31.307
Other intangibles (**)	79.815	4.247	84.062
Total	**111.122**	**4.247**	**115.369**

Accumulated amortisation	**1 January 2013**	**Amortization charge**	**31 December 2013**
Other intangibles	(68.629)	(3.508)	(72.137)
Rights	(1.890)	(1.253)	(3.143)
Total	**(70.519)**	**(4.761)**	**(75.280)**
Net carrying amount	**40.603**		**40.089**

(*) Rights comprised of tenure of a building amounting to TL 31.307 that was donated for a pre-determined time of 15 years.

(**) Other intangibles consist of software and computer licenses.

Amortization expenses for the year ended 31 December 2014 amounting to TL 4.804 (2013: 4.761 TL) is recognised in administrative expenses.

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

10. Trade receivables

As at 31 December 2014 and 2013 trade receivables were as follows:

	31 December 2014	31 December 2013
Receivables from third parties (*)	25.384	7.720
Total	**25.384**	**7.720**

(*) Trade receivables are comprised of receivables amount from third parties resulting from donation gifts sales.

The Group's exposure to credit risk related to trade receivables is disclosed in the Note 17.

11. Cash and cash equivalents

As at 31 December 2014 and 31 December 2013, cash and cash equivalents are comprised of the following:

	31 December 2014	31 December 2013
Cash	1.117	138
Cash at banks	1.172.280	1.220.408
Cheques received	312.402	--
Other liquid assets	17.597	389
Cash and cash equivalents	**1.503.396**	**1.220.935**
Accruals on time deposits	(111)	(1.685)
Cash and cash equivalents in the statement of cash flows	**1.503.285**	**1.219.250**

As at 31 December 2014 and 2013, there is no restriction or blockage on cash and cash equivalents.

The details of the time deposits, maturity dates and interest rates of the time deposits of the Company as at 31 December 2014 and 2013 are as follows:

	Maturity	Interest rate	31 December 2014
TL	2 January 2015	8,5%	538.612
Total			**538.612**

	Maturity	Interest rate	31 December 2013
TL	2-21 January 2014	4,99%-6,35%	862.727
Total			**862.727**

The Group's exposure to credit risk and currency risk related to cash and cash equivalents are disclosed in the Note 17.

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

12. Trade payables

As at 31 December 2014 and 31 December 2013 trade payables were as follows:

	31 December 2014	31 December 2013
Accounts payables (*)	85.320	148.270
Total	**85.320**	**148.270**

(*) Trade payables are mainly comprised of payables to suppliers of training equipment, stationery and office equipment.

The Group's exposure to liquidity risk related to trade payables are disclosed in the Note 17.

13. Other liabilities

As at 31 December 2014 and 31 December 2013, other liabilities were as follows:

Other current liabilities	**31 December 2014**	**31 December 2013**
Taxes and duties payables (*)	105.413	79.601
Social security premiums payable	79.879	74.012
Deposits and guarantees received	931	--
Total	**186.223**	**153.613**

(*) Taxes and duties payables mainly comprised of taxes related to wages and salaries of personnel.

14. Unused conditional donations

As at 31 December 2014, unused conditional donations comprise of the donation amounts received but have not been utilized for any donation projects yet which is amounting to TL 1.054.020 (31 December 2013: TL 759.837).

Unused conditional donations movement were as follows:

	31 December 2014	**31 December 2013**
Balance at 1 January	759.837	1.698.051
Donations received	6.677.571	6.040.146
Donations used during the year	(6.383.388)	(6.978.360)
Balance at 31 December	**1.054.020**	**759.837**

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

15. Employee benefits

As at 31 December 2014 and 31 December 2013, employee benefits is comprised of the following:

	31 December 2014	31 December 2013
Short-term		
Vacation pay liability	163.055	110.359
-	**163.055**	**110.359**
Long term		
Reserve for severance payments	207.735	143.870
	207.735	**143.870**

For the year ended 31 December, movements in the reserve for employee benefits were as follows:

2013	1 January	Provision for the year	Reversal	31 December
Vacation pay liability	136.917	30.148	(56.706)	110.359
Reserve for severance payments	130.474	51.172	(37.776)	143.870
	267.391	**81.320**	**(94.482)**	**254.229**
2014				
Vacation pay liability	110.359	77.542	(24.846)	163.055
Reserve for severance payments	143.870	98.452	(34.587)	207.735
	254.229	**175.994**	**(59.433)**	**370.790**

16. Taxation

Corporate income tax is levied on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

Corporate income tax is levied at the rate of 20% (2013: 20%) and advance tax returns are filed on a quarterly basis.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings.

Tax recognised in profit or loss

Income tax expense for the years ended 31 December comprised the following items:

	2014	2013
Current tax expense	(9.444)	(1.214)
Total tax expense	**(9.444)**	**(1.214)**

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

16. Taxation *(continued)*

Deferred tax assets and liabilities

Deferred tax is provided in respect of taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for the differences relating to goodwill not deductible for tax purposes and the initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

Unrecognised deferred tax assets and liabilities

As at 31 December 2014, deferred tax assets amounting to TL 62.551 (31 December 2013: TL 44.155) have not been recognised with respect to the temporary differences. Deferred tax assets have not been recognised in respect of these items because the Foundation is not subject to income tax.

17. Financial instruments

Financial risk management

The Foundation has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk (currency risk, interest rate risk)

This note presents information about the Foundation's exposure to each of the above risks, the Foundation's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Trustees has overall responsibility for the establishment and oversight of the Foundation's risk management framework.

Risk management frame work

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all administrative and academic personnel understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**31 December 2014**	**31 December 2013**
Cash and cash equivalents (*)	*13*	1.502.279	1.220.797
Trade receivables	*12*	25.384	7.720
Total		**1.527.663**	**1.228.517**

(*) Cash on hand excluded from credit risk.

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

17. Financial instruments *(continued)*

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Foundation's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Exposure to liquidity risk

As of 31 December 2014, the maturities of financial liabilities including estimated interest payments are as follows:

31 December 2014	Carrying amount	Contractual /expected cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non derivative financial liabilities							
Trade payables	85.320	(85.320)	(85.320)	--	--	--	--
Total	**85.320**	**(85.320)**	**(85.320)**	**--**	**--**	**--**	**--**

As of 31 December 2013, the maturities of financial liabilities including estimated interest payments are as follows:

31 December 2013	Carrying amount	Contractual /expected cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non derivative financial liabilities							
Trade payables	148.270	(148.270)	(148.270)	--	--	--	--
Other payables	3.772	(3.772)	(3.772)	--	--	--	--
Total	**152.042**	**(152.042)**	**(152.042)**	**--**	**--**	**--**	**--**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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

17. Financial instruments *(continued)*

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within the acceptable parameters, while optimizing the return.

Currency risk

The Group is exposed to currency risk through funding transactions for its campus construction. The main measurement currencies of its foreign exchange operations are US Dollar, EUR and GBP.

Exposure to currency risk:

The Group's exposure to foreign currency risk is as follows:

	31 December 2014 (TL equivalents)			
	EUR	**US Dollar**	**GBP**	**Total**
Cash and cash equivalents	106.430	192.191	--	298.621
Net exposure	**106.430**	**192.191**	**--**	**298.621**

	31 December 2013 (TL equivalents)			
	EUR	**US Dollar**	**GBP**	**Total**
Cash and cash equivalents	81.194	63.944	--	145.138
Net exposure	**81.194**	**63.944**	**--**	**145.138**

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

17. Financial instruments *(Continued)*

Currency risk (continued)

Sensitivity analysis

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate Group-level currency exposure. The aggregate foreign exchange exposure is comprised of all assets and liabilities denominated in foreign currencies.

10% weakening of the TL against the following currencies as at 31 December 2014 and 31 December 2013 would have effect on profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	31 December 2014		31 December 2013	
	Profit or loss	**Equity(*)**	**Profit or loss**	**Equity(*)**
US Dollar	19.219	19.219	6.394	6.394
EUR	10.643	10.643	8.119	8.119
Total	**29.862**	**29.862**	**14.513**	**14.513**

(*) Changes in profit or loss included changes equity.

A 10 percent strengthening of the TL against the above currencies at 31 December 2014, 31 December 2013 and 1 January 2013 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

As at 31 December 2014 and 31 December 2013 the interest rate profile of the Groups's interest-bearing financial instruments is:

	31 December 2014	31 December 2013
Fixed rate instruments		
Financial assets	538.612	862.727
	538.612	**862.727**

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate assets and liabilities at fair value through profit or loss or equity. Therefore a change in interest rates at the reporting dates would not affect profit or loss.

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

17. Financial instruments *(Continued)*

Fair value information

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Group has access at that date.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted market price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Where applicable, further information about the assumptions made in measuring fair values is disclosed in the notes specific to that asset or liability. Fair values have been determined for measurement and disclosure purposes based on the following methods.

(i) Trade and other receivables, trade and other payables

The fair value of trade receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Fair values of trade receivables are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses.

(ii) Other non-derivative financial liabilities

Fair value, which is determined for disclosure purposes is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Fair values of trade payables are considered to approximate their respective carrying values since the market rates have not deviated from the effective rates used in determining the amortised cost of the trade payables and other payables.

Fair values

As at 31 December, the fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

	31 December 2014		**31 December 2013**	
Assets carried at amortised costs	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Trade receivables	25.384	25.384	7.720	7.720
Cash and cash equivalents	1.503.396	1.503.396	1.220.935	1.220.935
Liabilities carried at amortised costs				
Trade payables	(85.320)	(85.320)	(148.270)	(148.270)
Other payables	--	--	(3.772)	(3.772)
Net position	**1.443.460**	**1.443.460**	**1.076.613**	**1.076.613**

The carrying values of other financial assets and liabilities carried at amortised costs approximate the fair values as they are short term nature.

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

18. Related parties

For the purpose of accompanying consolidated financial statements, key management personnel and the Board of Trustees members, and in each case, together with their families and companies controlled by/affiliated with them; and associates, investments and joint venture partners are considered and referred to as the related parties. A number of transactions are entered into with the related parties in the normal course of business.

Outstanding balances with related parties:

As at 31 December 2014 and 31 December 2013 the Group had the following outstanding balances with its related parties:

	31 December 2014	**31 December 2013**
Cash and cash equivalents	2.155	800.342

Transactions with related parties

For the years ended on 31 December, the Group has the following income from its related parties:

	2014	**2013**
Donations	4.500.000	306.415
Total	**4.500.000**	**306.415**

Transactions with key management personnel:

Key management costs including remuneration and fees for the year ended 31 December 2014 is amounted to TL 256.800 (2013: TL 240.000). Key management is defined as persons in board of trustees and the director of the Group.

19. Subsequent events

None.

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

20. Explanations related with the first adoption of IFRS

As described in Note 2, these consolidated financial statements are the first IFRS consolidated financial statements of the Group.

The accounting policies specified in Note 3 have been applied in preparing the consolidated financial statements for the year ended 31 December 2014, comparative financial statements as at and for the year ended 31 December 2013, comparative profit or loss and other comprehensive income as at and for the year ended 31 December 2013 and the opening consolidated statement of financial position as at 1 January 2013 (date of transition). The Group's consolidated statement of financial position as at 31 December 2013 and 1 January 2013, and consolidated statement of profit or loss and other comprehensive income as at and for the year ended 31 December 2013 that were prepared in accordance with the legal legislations are adjusted in accordance with IFRS.

Transition from previous financial statements to IFRS, explanations of significant adjustments and reclassifications are presented below:

31 December 2013	***Explanations***	**Previous GAAP**	**Classifications and adjustments**	**Separate IFRS**	**Consolidation adjustments**	**Consolidated IFRS**
Assets						
Property and equipment		99.999	46.790	146.789	--	146.789
Intangible assets	*a*	53.428	(13.339)	40.089	--	40.089
Financial investments		25.000	--	25.000	(25.000)	--
Other non-current assets		9.612	--	9.612	(3)	9.609
Non-current assets		**188.039**	**33.451**	**221.490**	**(25.003)**	**196.487**
Trade receivables		221.492	--	221.492	(213.772)	7.720
Other current assets		6.039	--	6.039	--	6.039
Inventories		--	--	--	3.553	3.553
Cash and cash equivalents		1.209.097	(14)	1.209.083	11.852	1.220.935
Current assets		**1.436.628**	**(14)**	**1.436.614**	**(198.367)**	**1.238.247**
Total assets		**1.624.667**	**33.437**	**1.658.104**	**(223.370)**	**1.434.734**
Equity						
Retained earnings		562.533	(220.774)	341.759	(226.746)	115.013
Total equity		**562.533**	**(220.774)**	**341.759**	**(226.746)**	**115.013**
Liabilities						
Long term employee benefits	*b*	--	143.870	143.870	--	143.870
Non-current liabilities		**--**	**143.870**	**143.870**	**--**	**143.870**
Trade payables		146.845	--	146.845	1.425	148.270
Other current liabilities		151.680	(18)	151.662	1.951	153.613
Other payables		3.772	--	3.772	--	3.772
Short term employee benefits	*c*	--	110.359	110.359	--	110.359
Unused conditional donations		759.837	--	759.837	--	759.837
Current liabilities		**1.062.134**	**110.341**	**1.172.475**	**3.376**	**1.175.851**
Total liabilities		**1.062.134**	**254.211**	**1.316.345**	**3.376**	**1.319.721**
Total equity and liabilities		**1.624.667**	**33.437**	**1.658.104**	**(223.370)**	**1.434.734**

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

20. Explanations related with the first adoption of IFRS *(continued)*

	Explanations	Previous GAAP	Classifications and adjustments	Separate IFRS	Consolidation adjustments	Consolidated IFRS
Revenue		8.905.506	--	8.905.506	18.325	8.923.831
Cost of projects	*a,b,c*	(8.995.563)	1.326.774	(7.668.789)	(3.308)	(7.672.097)
Administrative expenses	*a,b,c*	(16.665)	(1.274.991)	(1.291.656)	(8.261)	(1.299.917)
Other income		--	--	--	1	1
Other expense		--	(33.311)	(33.311)	--	(33.311)
Results from operating activities		**(106.722)**	**18.472**	**(88.250)**	**6.757**	**(81.493)**
Finance income		154.513	--	154.513	--	154.513
Finance costs		(15.259)	--	(15.259)	--	(15.259)
Net finance income		**139.254**	**--**	**139.254**	**--**	**139.254**
Profit before tax		**32.532**	**18.472**	**51.004**	**6.757**	**57.761**
Income tax expense		--	--	--	(1.214)	(1.214)
Profit for the year		**32.532**	**18.472**	**51.004**	**5.543**	**56.547**
Total comprehensive income for the year		**32.532**	**18.472**	**51.004**	**5.543**	**56.547**

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

20. Explanations related with the first adoption of IFRS *(continued)*

1 January 2013	*Explanations*	**Previous GAAP**	**Classification and adjustments**	**Separate IFRS**	**Consolidation adjustments**	**Consolidated IFRS**
Assets						
Property and equipment	*a*	161.611	62.732	224.343	--	224.343
Intangible assets	*a*	75.191	(34.588)	40.603	--	40.603
Financial investments		25.000	--	25.000	(25.000)	--
Other non-current assets		10.443	--	10.443	(1)	10.442
Non-current assets		**272.245**	**28.144**	**300.389**	**(25.001)**	**275.388**
Trade receivables		211.577	--	211.577	(208.834)	2.743
Other current assets		22.634	--	22.634	1.268	23.902
Inventories		--	--	--	1.607	1.607
Cash and cash equivalents		2.245.916	--	2.245.916	161	2.246.077
Current assets		**2.480.127**	**--**	**2.480.127**	**(205.798)**	**2.274.329**
Total assets		**2.752.372**	**28.144**	**2.780.516**	**(230.799)**	**2.549.717**
Equity						
Retained earnings		530.001	(239.246)	290.755	(232.289)	58.466
Total equity		**530.001**	**(239.246)**	**290.755**	**(232.289)**	**58.466**
Liabilities						
Long term employee benefits	*b*	--	130.474	130.474	--	130.474
Non-current liabilities		**--**	**130.474**	**130.474**	**--**	**130.474**
Trade payables		327.771	--	327.771	1.431	329.202
Other current liabilities		194.056	(1)	194.055	59	194.114
Other payables		2.493	--	2.493	--	2.493
Short term employee benefits	*c*	--	136.917	136.917	--	136.917
Unused conditional donations		1.698.051	--	1.698.051	--	1.698.051
Current liabilities		**2.222.371**	**136.916**	**2.359.287**	**1.490**	**2.360.777**
Total liabilities		**2.222.371**	**267.390**	**2.489.761**	**1.490**	**2.491.251**
Total equity and liabilities		**2.752.372**	**28.144**	**2.780.516**	**(230.799)**	**2.549.717**

		31 December 2013	**1 January 2013**
	Total equity, previous GAAP	562.533	530.001
a	Depreciation and amortisation adjustments of tangible and intangible assets related with IAS 16 and IAS 38	33.451	28.144
b	Provision for employee benefits in scope of IAS 19.	(143.870)	(130.474)
c	Provision for vacation liabilities in scope of IAS 19.	(110.359)	(136.917)
	Other IFRS adjustments	4	1
	Consolidation adjustments	(226.746)	(232.289)
	Total equity, IFRS	**115.013**	**58.466**

Supplementary Information

Convenience Translation to US Dollar

As At and For the Year Ended 31 December 2014

The US Dollar amounts shown in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income on the following pages have been included solely for the convenience of the reader. For the current year's consolidated financial statements, US Dollar amounts are translated from the consolidated financial statements using the official TL exchange rate of 2,3189 TL/US Dollar prevailing on 31 December 2014. For the prior year's financial statements, US Dollar amounts are translated from the consolidated financial statements presented using the official TL exchange rate of 2,1343 TL/US Dollar prevailing on 31 December 2013.

Such translation should not be construed as a representation that the TL amounts have been converted into US Dollar pursuant to the requirements of IFRSs or Generally Accepted Accounting Principles in the United States of America or in any other country.

	31 December 2014	31 December 2013
Assets		
Property and equipment	121.677	68.776
Intangible assets	18.814	18.783
Other non-current assets	4.165	4.502
Non-current assets	**144.656**	**92.061**
Trade receivables	10.947	3.617
Other current assets	12.182	2.829
Inventories	11.166	1.665
Cash and cash equivalents	648.323	572.054
Current assets	**682.618**	**580.165**
Total assets	**827.274**	**672.226**
Equity		
Translation reserves	(15.527)	(8.446)
Retained earnings	111.268	62.334
Total equity	**95.741**	**53.888**
Liabilities		
Long term employee benefits	89.583	67.409
Non-current liabilities	**89.583**	**67.409**
Trade payables	36.793	69.470
Other current liabilities	80.307	71.973
Other payables	--	1.767
Short term employee benefits	70.316	51.707
Unused conditional donations	454.534	356.012
Current liabilities	**641.950**	**550.929**
Total liabilities	**731.533**	**618.338**
Total equity and liabilities	**827.274**	**672.226**

Anne Çocuk Eğitim Vakfı And It's Subsidiary **Appendix I**

Supplementary Information

Convenience Translation to US Dollar

As At and For he Year Ended 31 December 2014

	2014	**2013**
Revenue	3.870.829	4.689.595
Cost of revenue	(3.174.293)	(4.031.792)
Administrative expenses	(671.017)	(683.124)
Other income	11	1
Other expense	--	(17.505)
Results from operating activities	**25.530**	**(42.825)**
Finance income	54.280	81.199
Finance costs	(26.557)	(8.019)
Net finance (costs)/income	**27.723**	**73.180**
Profit before tax	**53.253**	**30.355**
Income tax expense	(4.319)	(638)
Profit for the year	**48.934**	**29.717**
Translation reserves	**(7.081)**	**(8.446)**
Total comprehensive income for the year	**41.853**	**21.271**