Türk Sanayicileri ve İşadamları Derneği and its subsidiary

Consolidated financial statements at December 31, 2014 together with independent auditors’ report

Türk Sanayicileri ve İşadamları Derneği and its subsidiary

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Independent auditors' report

To the Board of Directors of
Türk Sanayicileri ve İşadamları Derneği,

1. We have audited the accompanying financial statements of Türk Sanayicileri ve İşadamları Derneği ("TÜSİAD") and its subsidiary (together referred as "the Association"), which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statement of activities and consolidated statement of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

2. 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

3. 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 ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from 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 the auditors' 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, the auditors consider internal control relevant to the entity'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 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 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

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

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

Tolga Kırelli, SMMM
Partner in charge

January 20, 2015
Istanbul, Turkey

Türk Sanayicileri ve İşadamları Derneği

Consolidated statement of financial position
at December 31, 2014
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

	Notes	2014	2013
Assets			
Current assets			
Cash and cash equivalents	4	**267,006**	147,784
Membership fee receivables	5	**555,802**	1,195,000
Receivables related to activities	5	**423,955**	478,048
Inventories		**8,313**	8,881
Other current assets	6	**184,201**	146,453
Total current assets		**1,439,277**	1,976,166
Non-current assets			
Property and equipment	7	**11,963,342**	12,482,179
Intangible assets	7	**874**	7,735
Total non-current assets		**11,964,216**	12,489,914
Total assets		**13,403,493**	14,466,080
Liabilities and equity			
Current liabilities			
Short-term bank borrowings	8	**5,033,122**	4,508,950
Payables related to activities	9	**1,616,969**	1,065,320
Current tax liabilities		**-**	488
Other current liabilities	11	**422,191**	356,615
Total current liabilities		**7,072,282**	5,931,373
Non-current liabilities			
Long-term bank borrowings	8	**739,988**	1,126,301
Provision for employment termination benefits	12	**321,816**	250,639
Total non-current liabilities		**1,061,804**	1,376,940
Total liabilities		**8,134,086**	7,308,313
Retained earnings		**5,269,407**	7,157,767
Total liabilities and equity		**13,403,493**	14,466,080

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

Consolidated statement of activities
for the year ended December 31, 2014
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

	Notes	2014	2013
Revenues and gains	13		
Annual membership fees		**14,545,665**	14,946,729
Contributions for foreign communications fund		**1,379,505**	1,115,343
Membership entrance fees		**1,260,000**	774,000
Income from sponsorship and donations		**478,085**	601,595
Book and magazine sales revenue		**157,520**	64,046
Magazine advertising income		**149,760**	232,920
Other income		**243,772**	33,551
Total revenues and gains		**18,214,307**	17,768,184
Expenses and losses			
Cost of goods sold		**(468,920)**	(290,781)
General and administrative expenses			
Personnel expense		**(8,432,443)**	(7,427,126)
Expenses for contributions in organizations		**(2,421,902)**	(2,114,419)
Meeting and representative expense		**(2,185,371)**	(2,518,806)
Utilities expense		**(1,099,420)**	(1,054,723)
Expenses of foreign communication commission		**(939,593)**	(869,120)
Sponsorship expense		**(920,754)**	(997,587)
Publishing expense		**(831,989)**	(523,122)
Depreciation and amortization expense		**(600,471)**	(601,620)
Consultancy expense		**(535,955)**	(682,322)
Travel expense		**(462,109)**	(256,570)
Maintenance expense		**(275,842)**	(134,780)
Rent expense		**(265,409)**	(305,812)
Communication expense		**(190,825)**	(207,240)
Provision and other expense		**(190,167)**	(66,035)
Translation expense		**(159,333)**	(125,825)
Transportation expense		**(100,879)**	(108,940)
Donation expense		**-**	(30,050)
Total general and administrative expenses		**(19,612,462)**	(18,024,097)
Financial income / (expense), net	15	**17,517**	(35,069)
Foreign currency loss, net	16	**(38,802)**	(96,681)
Decrease in net assets before taxes		**(1,888,360)**	(678,444)
Income tax expenses	10	**-**	(488)
Increase / (decrease) in net assets		**(1,888,360)**	(678,932)

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

Türk Sanayicileri ve İşadamları Derneği

Consolidated statement of changes in equity
for the year ended December 31, 2014
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

	Retained earnings	Change in net assets	Total
At December 31, 2012	7,419,404	417,295	7,836,699
Transfer to retained earnings	417,295	(417,295)	-
Decrease in net assets	-	(678,932)	(678,932)
At December 31, 2013	7,836,699	(678,932)	7,157,767
Transfer to retained earnings	**(678,932)**	**678,932**	**-**
Decrease in net assets	**-**	**(1,888,360)**	**(1,888,360)**
At December 31, 2014	**7,157,767**	**(1,888,360)**	**5,269,407**

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

Consolidated statement of cash flows
for the year ended December 31, 2014
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

	Notes	**2014**	2013
Decrease in net assets, before income taxes		**(1,888,360)**	(678,444)
Adjustments to reconcile decrease in net assets to net cash flows from operating activities			
Depreciation and amortization	14	**600,471**	604,140
Provision for employment termination benefits	12	**71,177**	64,379
Interest income		**(48,699)**	(67,196)
Interest expense		**333,538**	309,222
Cash inflows from operating activities before changes in operating assets and liabilities		**(931,872)**	232,101
Membership fee receivables	5	**639,198**	(733,000)
Receivables related to activities	5	**54,093**	(181,613)
Inventories		**569**	(244)
Other current assets	6	**(37,749)**	24,757
Payables related to activities	9	**551,649**	19,495
Other current liabilities	11	**17,887**	(25,853)
Provisions		**47,200**	(122,127)
Employee termination benefits paid	12	**-**	(112,303)
Income taxes paid			(1,441)
Net cash flows from operating activities		**340,975**	(900,228)
Investing activities			
Purchase of property and equipment and intangible assets, net	7	**(74,773)**	(742,401)
Interest received		**48,699**	67,195
Net cash used in investing activities		**(26,074)**	(675,206)
Financing activities			
Proceeds and repayment of bank borrowings(net)		**145,942**	1,876,802
Interest paid		**(341,621)**	(305,448)
Net cash flows from / (used in) financing activities		**(195,679)**	1,571,354
Net increase/(decrease) in cash and cash equivalents		**119,222**	(4,080)
Cash and cash equivalents at the beginning of the period	4	**147,784**	151,864
Cash and cash equivalents at the end of period	4	**267,006**	147,784

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

1. Organisation and nature of operations

General

Türk Sanayicileri ve İşadamları Derneği (TÜSİAD) was established in Turkey in 1971 as a non-profit organization. TÜSİAD's main activities include the arrangement of knowledge sharing organizations such as meetings, seminars and congresses for Turkish industrialists and businessmen, and as a non-governmental organization, TÜSİAD expresses the views and opinions of the Turkish private business sector to government, and local and international authorities.

TÜSİAD's head office is located at Meşrutiyet Cad. No: 46 Tepebaşı, Istanbul and five representative offices are located in Ankara, Brussels - Belgium, Paris - France, Berlin - Germany, Washington D.C. - United States of America and Beijing -China.

TÜSİAD employs 55 personnel at December 31, 2014 (December 31, 2013 - 55) including representative offices.

Subsidiary

TÜSİAD has the subsidiary Türk Sanayicileri ve İşadamları Derneği İktisadi İşletmesi ("the Subsidiary") (together referred as "the Association") that is located at Meşrutiyet Cad. No: 46 Tepebaşı, Istanbul, in the head office of TÜSİAD. The Subsidiary is a participation of TÜSİAD who owns 100% of its shares.

The Subsidiary was established on November 24, 2009 for the purpose of providing continuous income to the Association and taking advantage in order to realize the aims of the Association. The objective of the Subsidiary is to provide consultancy services to the Association members through operating in trade, industrial and consultancy areas; to market and sell publications of the Association; to assume intangible rights and invest, sale, export and import those rights; to make arrangements with real and legal person; to arrange national and international meetings, conferences and, exhibitions; to establish and join to partnerships; to hold economic, social, statistical research and publish, market and sell the research hold and to obtain short and long term loans.

2. Basis of presentation of financial statements

The consolidated statements of the Association are approved by the Board of Directors on January 22, 2015 and signed on its behalf by Secretary General. Since there is no specific deadline for the approval of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) in Turkey, the General Assembly and some regulatory authorities have power to amend the statutory financial statements after issuance, which is the basis for the preparation of the IFRS financial statements, even it is not intended.

TÜSİAD and its subsidiary are incorporated in Turkey, and maintain their books and records and prepare their statutory financial statements in Turkish Lira (TL) in accordance with the Turkish Commercial Code and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The consolidated financial statements of the Association have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention. The consolidated financial statements have been prepared from the statutory financial statements of the Association and presented in TL in accordance with IFRS with certain adjustments and reclassifications for the purpose of fair presentation.

2. Basis of presentation of financial statements (continued)

Basis of consolidation

The financial statements of the Subsidiary (Note 1) are consolidated on a line-by-line basis, and the carrying value of the "participation" held by TÜSİAD is eliminated against the related equity account of the Subsidiary.

All receivable and payable balances and transactions between TÜSİAD and the consolidated Subsidiary have been eliminated.

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2014 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of January 1, 2014. The effects of these standards and interpretations on the Association's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at January 1, 2013 are as follows:

The accounting policies adopted in preparation of the financial statements as at 31 December 2014 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2014. The effects of these standards and interpretations on the Association's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at 1 January 2014 are as follows:

IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments did not have an impact on financial statements of the Association.

IFRS Interpretation 21 Levies

The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation is not applicable for the Association and did not have any impact on the financial position or performance of the Association.

2. Basis of presentation of financial statements and summary of significant accounting policies (continued)

IAS 36 Impairment of Assets (Amended) - Recoverable Amount Disclosures for Non-Financial assets

As a consequential amendment to IFRS 13 Fair Value Measurement, some of the disclosure requirements in IAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets has been modified. The amendments required additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. These amendments did not have an impact on the financial statements of the Association.

IAS 39 Financial Instruments: Recognition and Measurement (Amended)- Novation of Derivatives and Continuation of Hedge Accounting

Amendments provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. These amendments did not have an impact on the financial statements of the Association.

IFRS 10 Consolidated Financial Statements (Amendment)

IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS. This amendment does not have any impact on the financial position or performance of the Association.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Association will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

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 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. 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. The Association will quantify the effect in conjunction with the other phases.

IAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. These amendments are to be retrospectively applied for

2. Basis of preparation of financial statements (continued)

annual periods beginning on or after 1 July 2014. The amendments will not have an impact on the financial position or performance of the Association.

IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

The amendments to IAS 16 and IAS 38, have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Association.

Annual Improvements to IAS/IFRSs

Annual Improvements - 2010–2012 Cycle

IFRS 2 Share-based Payment:

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

IFRS 3 Business Combinations

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

IFRS 8 Operating Segments

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment to IAS 16.35(a) and IAS 38.80(a) clarifies that revaluation can be performed, as follows:

i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

IAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The amendment is effective retrospectively.

2. Basis of preparation of financial statements (continued)

Annual Improvements – 2011–2013 Cycle

IFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of IFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

Amendment to the Basis for Conclusions on IFRS 13 Fair Value Measurement

The portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

IAS 40 Investment Property

The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

The Association do not expect that these amendments will have significant impact on the financial position or performance of the Association.

Annual Improvements – 2010–2012 Cycle

IFRS 13 Fair Value Measurement

As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

IFRS 11 - Acquisition of an Interest in a Joint Operation (Amendment)

In May 2014 the IASB amended IFRS 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in this IFRS. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Association.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 is effective for reporting periods beginning on or after 1 January 2017, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Association is in the process of assessing the impact of the standard on financial position or performance of the Association.

2. Basis of preparation of financial statements (continued)

IAS 16 Property, Plant and Equipment and IAS 41 Agriculture (Amendment)– Bearer Plants

In June 2014, the IASB issued amendments that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in IAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of IAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Association and will not have an impact on the financial position or performance of the Association.

IFRS 9 Financial Instruments - Final standard (2014)

In July 2014 the IASB published the final version of IFRS 9 Financial Instruments. The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In

addition, IFRS 9 addresses the so-called 'own credit' issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Association is in the process of assessing the impact of the standard on financial position or performance of the Association.

IAS 27 - Equity Method in Separate Financial Statements -Amendments to IAS 27

In August 2014, IASB issued an amendment to IAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either: at cost in accordance with IFRS 9 (or IAS 39) or using the equity method

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after 1 January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The amendment is not applicable for the Association and will not have an impact on the financial position or performance of the Association.

2. Basis of preparation of financial statements (continued)

Annual Improvements to IFRSs - 2012-2014 Cycle

In September 2014, IASB issued their annual cycle of improvements to IFRSs, Annual Improvements to IFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures – servicing contracts; applicability of the amendments to IFRS 7 to condensed interim financial statements
- IAS 19 Employee Benefits – regional market issue regarding discount rate
- IAS 34 Interim Financial Reporting – disclosure of information 'elsewhere in the interim financial report'

The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted. . The Association is in the process of assessing the impact of the amendments on financial position or performance of the Association.

IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments

In September 2014, IASB issued amendments to IFRS 10 and IAS 28, to address the acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors' interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Association and will not have an impact on the financial position or performance of the Association.

3. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are summarized below:

Significant accounting judgments and estimates

The preparation of the Association’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Association’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

- Reserve for retirement pay liability is determined by using actuarial assumptions such as discount rates, future salary increase and employee’s turnover rates. The estimations include significant uncertainties due to their long-term nature. The details about reserve for employee benefits are provided in Note 12.
- The Association had made certain important assumptions in determining useful economic life of the tangible assets, which are detailed in Note 7.
- Membership fee receivables as of the balance sheet date related to the current year is recorded based on the assumption that all membership fees will be collected prior to the General Assembly in January of the subsequent year.

Property and equipment and related depreciation

(i) Recognition and measurement:

Items of property and equipment are measured at cost, less accumulated depreciation and impairment losses. Costs such as professional fees and any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are recognized as elements of cost.

(ii) Subsequent costs:

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation:

Depreciation on property and equipment is charged to profit or loss on a straight-line basis over the estimated useful lives of the related assets.

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from property and equipment items.

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

3. Summary of significant accounting policies (continued)

Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings	50 years
Leasehold improvements	10 years
Motor vehicles	5 years
Furniture and fixtures	5-20 years
Software rights	3 years

(iv) Disposal:

Gains or losses on disposal of property and equipment with respect to their restated amounts are included in the related income and expense accounts as appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains or losses on disposals or on impairments of equipment, furniture and fixtures with respect to their restated amounts are included in the related income and expense accounts, as appropriate (Note 7).

Foreign currency transactions and translation

The Association's functional and presentation currency is TL. Transactions in currencies other than TL, foreign currencies, during the year have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet date. Exchange gains or losses arising on the settlement and translation of foreign currency items have been included in the consolidated statement of activities (Note 16).

Foreign currency translation rates used by the Association as of respective year-ends are as follows:

Dates	USD / TL	EUR / TL
December 31, 2014	**2,3189**	**2,8207**
December 31, 2013	2,1343	2,9365

Provision for employment termination benefits

Provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Association arising from the retirement of the employees calculated in accordance with the Turkish Labor Law. In accordance with existing social legislation and Turkish Labor Law in Turkey, the Association is required to make lump-sum termination indemnities to each employee whose employment is terminated due to retirement of for reasons other than resignation or misconduct and who has completed at least one year of service. Provision is made for the present value of the defined benefit obligation calculated using the projected unit credit method. All actual gains and losses are recognized in the consolidated statement of activities in the period in which they occur (Note 12).

3. Summary of significant accounting policies (continued)

Revenue recognition

Annual membership fees

Annual membership fees are recognised on an accrual basis when General Assembly approves contribution per member proposed by the Board of Directors.

Contributions for Foreign Communications Fund

Revenues related to contributions for Foreign Communications Fund consist of the contributions received from participating firms for the publicity campaigns outside of Turkey. These revenues are recognised when received.

Membership entrance fees

Membership entrance fees are demanded from members once, as their application of membership is approved by the Board of Directors. Such fees are recognised on an accrual basis as the application of prospective member is approved.

Book and magazines sales

Revenues of the Subsidiary mainly consist of sales revenue from books and magazines as well as advertising income in the magazines. Revenues from sale of books and magazines are measured at the fair value of the consideration received or receivable. Revenues are recognised when the significant risks and rewards of ownership have been transferred to the buyer and when the recovery of the consideration is probable.

Income from sponsorships and donations

Income from sponsorships and donations consist of contributions obtained from members against operating expenditures arise in the normal course of the Association's activities. These revenues are recognized when received.

Magazine advertising income

Magazine advertising income is the related to the ads published in the magazines and is recognized at the date the magazine is published.

Interest income on annual membership fees

Annual membership fees are determined on an incremental basis as the duration of payments defer in the period applicable. Amount exceeding the initial recognized annual membership fee revenue are recognized as interest income on membership fees (Note 15).

Financial interest income

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective rate applicable, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial assets to that asset's net carrying amount.

3. Summary of significant accounting policies (continued)

Membership fee receivables

Membership fee receivables that are created by the General Assembly of the Association as a contribution from members to the operating expenses of the Association are carried at amortized cost. Membership fee receivables are recognized on an incremental explicit interest basis as the collection defer over the period applicable (Note 5).

The Board of Directors has the power to cease the membership if there is objective evidence that the Association will not be able to collect all amounts due. Uncollectible amount is derecognized from the financial statements of respective period.

Borrowings

Borrowings are recognized initially at the proceeds received, net of any transaction costs incurred. Subsequent to initial recognition, borrowings are stated at amortized cost on an effective interest basis. Any proceeds and the redemption value are recognized in the statement of activities over the period of the borrowings. Borrowing costs incurred before January 1, 2009, if any, were not capitalized as part of qualifying assets, but expensed as incurred. Borrowing costs that are attributable to qualifying assets for which the commencement date for capitalization on or after January 1, 2009 are capitalized.

Inventories

Inventories consist of items including books amounting to TL 8,313 (2013 – TL 8,637) purchased for commercial activities and are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost basis, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Provision for taxes

The Subsidiary, which is founded by TÜSİAD and located in Istanbul, is subject to corporate tax.

In Turkey, the corporation tax rate as of December 31, 2014 is 20%. Corporate tax declaration should be made until the 25th of the fourth month after the related accounting period and should be paid in one installment till the end of the same month. The tax legislation requires for a temporary tax of 20% (2013 – 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the year.

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax declarations and the related accounting records and can revise related tax accounts for a retrospective maximum period of five years. The Subsidiary has not had any tax inspection for the related years.

Provisions

Provisions are recognized when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, 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, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities and assets

Contingent liabilities are not recognized in the financial statements, but are disclosed. A contingent asset is not recognized in the consolidated financial statements, but disclosed when an inflow of economic benefits is probable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Financial instruments and financial risk management

The Association’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Association’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Association.

Interest rate risk

The Association is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities. The Association mitigates such risk through obtaining fixed interest rate borrowings.

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

3. Summary of significant accounting policies (continued)

Liquidity risk

The ability to fund existing and prospective debt requirements in managed by maintaining the availability of adequate committed funding lines from high quality lenders. Furthermore the Association collects membership fees of the following year early in the beginning of the year to redeem borrowings.

As of December 31, 2014 and 2013, the maturity profiles of financial assets and financial liabilities based on contractual undiscounted payments are summarized as follows:

December 31, 2014

	Up to 3 months	3 – 12 months	More than 1 year	No definite maturity	Total
Cash and cash equivalents	267,006	-	-	-	267,006
Membership fee receivables	555,802	-	-	-	555,802
Receivables related to activities	423,955	-	-	-	423,955
Inventories	8,313	-	-	-	8,313
Other current assets	177,319	6,882	-	-	184,201
Property and equipment	-	-	-	11,963,342	11,963,342
Intangible assets	-	-	-	874	874
Total assets	1,432,395	6,882	-	11,964,215	13,403,493
Short-term bank borrowings	4,692,768	362,181	-	-	5,054,949
Payables related to activities	1,616,969	-	-	-	1,616,969
Other current liabilities and provisions	422,191	-	-	-	422,191
Long-term bank borrowings	-	-	872,271	-	872,271
Provision for employment Termination benefits	-	-	-	321,816	321,816
Total liabilities	6,731,928	362,181	872,271	321,816	8,288,196
Net asset / (liabilities)	(5,299,533)	(355,299)	(872,271)	11,642,399	5,115,297

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

3. Summary of significant accounting policies (continued)

December 31, 2013

	Up to 3 months	3 – 12 months	More than 1 year	No definite maturity	Total
Cash and cash equivalents	147,784	-	-	-	147,784
Membership fee receivables	1,195,000	-	-	-	1,195,000
Receivables related to activities	478,048	-	-	-	478,048
Inventories	8,881	-	-	-	8,881
Other current assets	139,819	6,634	-	-	146,453
Property and equipment	-	-	-	12,482,179	12,482,179
Intangible assets	-	-	-	7,735	7,735
Total assets	1,969,532	6,634	-	12,489,914	14,466,080
Short-term bank borrowings	3,975,011	656,274	-	-	4,631,285
Payables related to activities	1,065,320	-	-	-	1,065,320
Other current liabilities and provisions	356,615	-	-	-	356,615
Long-term bank borrowings	-	-	1,281,340	-	1,281,340
Provision for employment termination benefits	-	-	-	250,639	250,639
Total liabilities	5,396,946	656,274	1,281,340	250,639	7,585,199
Net asset / (liabilities)	(3,427,414)	(649,640)	(1,281,340)	12,239,275	6,880,881

Credit risk

Ownership of financial assets involves the risk that counter-parties may be unable to meet the terms of their agreements. These risks are monitored by limiting the aggregate risk to any individual counter-party, assessed by Association's executives.

3. Summary of significant accounting policies (continued)

Currency risk

Foreign currency transactions result with foreign currency risk. Distribution of the Association's foreign currency denominated monetary assets and monetary liabilities at the balance sheet date is as follows:

		2014	2013	**2014**	2013
	Currency	**Original amount**	Original amount	**TL equivalent**	TL equivalent
Cash and cash equivalents	USD	**6,013**	3,557	**13,945**	7,593
	EUR	**-**	1,778	**-**	5,222
	GBP	**-**	325	**-**	1,141
Trade receivables and other assets	USD	**1,161**	-	**2,692**	-
Trade receivables and other assets	EUR	**2,501**	10,502	**7,055**	30,839
Foreign currency denominated assets				**23,692**	44,795
Payables related to activities and other current liabilities	EUR	**197,335**	47,353	**556,624**	139,053
Payables related to activities and other current liabilities	USD	**50,000**	158,335	**115,945**	337,934
Bank borrowings	EUR	**147,726**	254,929	**416,690**	748,599
Foreign currency denominated liabilities				**1,089,259**	1,225,586
Net foreign currency liability position				**(1,065,567)**	(1,180,791)

The Association is mainly exposed to US Dollar and Euro currency risk.

The table below shows the sensibility of the effect of 10% increase in US Dollar and Euro currency rates. 10% is used in, the reporting currency risk to the key management and it represents the management's expectation on the potential exchange currency fluctuations. Sensitivity analysis can only made on the year-end outstanding foreign currency denominated monetary items and it shows the year-end effects of the 10% of exchange currency increase on the related items. Positive value represents an increase in profit/loss.

	US Dollar effect		Euro effect	
	2014	2013	**2014**	2013
TL gain / (loss)	**(9,931)**	(33,034)	**(96,626)**	(85,159)

3. Summary of significant accounting policies (continued)

Fair value of financial instruments

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The following methods and assumptions are used to estimate the fair value of the financial instruments that are not carried at fair value on the balance sheet:

Financial assets

The fair values of cash and short term deposits and other short term financial assets in the consolidated financial statements are considered to approximate their respective carrying values due to their short-term nature. The fair values of trade receivables after the deduction of doubtful receivable provisions are considered to approximate their respective carrying values.

Financial liabilities

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values, due to their short-term nature and foreign currency originated balances. Bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings.

Subsequent events

Post period-end events that provide additional information about the Association's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post-period-end events that are not adjusting events are disclosed in the notes when material.

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

4. Cash and cash equivalents

	2014	2013
Cash on hand	**7,037**	10,759
Demand deposits	**259,969**	137,025
	267,006	147,784

At December 31, 2014, there are no blocked deposit balances in bank accounts (2013 – None).

5. Membership fee and receivables related to activities

	2014	2013
Receivables from members	**555,802**	1,195,000
Receivables related to activities (*)	**423,955**	478,048
	979,757	1,673,048

(*) Receivable related to activities is related to donations, sponsorship receivables and also receivable for the advertisement published in the magazines of the Association.

6. Other current assets

	2014	2013
Prepaid expenses (*)	**85,642**	74,392
VAT Transferred	**96,420**	52,661
Personnel job advances	**2,139**	19,400
	184,201	146,453

(*) Prepaid expenses comprise prepaid payments regards to health insurance
(**) Accrued income comprise membership fee accrual amount

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

7. Property and equipment

Tangible assets

	January 1, 2013	Additions	Disposals/ retirements	Transfer	December 31, 2013	Additions	Disposals/ retirements	December 31, 2014
Cost:								
Buildings	21,996,376	669,375	-	-	**22,665,751**	**28,294**	**-**	**22,694,045**
Motor vehicles	252,210	-	-	-	**252,210**	**-**	**-**	**252,210**
Furniture and fixtures	1,336,021	73,026	-	(33,604)	**1,375,443**	**46,479**	**-**	**1,421,922**
Leasehold improvements	51,031	-	-	-	**51,031**	**-**	**-**	**51,031**
	23,635,638	742,401	-	(33,604)	**24,344,435**	**74,773**	**-**	**24,419,208**
Accumulated depreciation:								
Buildings	(9,912,754)	(484,036)	-	-	**(10,396,790)**	**(489,212)**	**-**	**(10,886,002)**
Motor vehicles	(174,373)	(26,800)	-	-	**(201,173)**	**(26,726)**	**-**	**(227,899)**
Furniture and fixtures	(1,175,892)	(69,229)	-	31,859	**(1,213,262)**	**(77,672)**	**-**	**(1,290,933)**
Leasehold improvements	(51,031)	-	-	-	**(51,031)**	**-**	**-**	**(51,031)**
	(11,314,050)	(580,065)	-	31,859	**(11,862,256)**	**(593,610)**	**-**	**(12,455,866)**
Net book value	12,321,588	162,336	-	(1,745)	**12,482,179**	**(518,837)**	**-**	**11,963,342**

Buildings comprise head office building in Tepebaşı and representative office building in Brussels. The building in Brussels has been pledged as mortgage for borrowings from banks. (Note 8)

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

7. Property and equipment (continued)

Intangible assets

There is no intangible asset addition in the current year. Depreciation charge in the current year is amounting to TL 6,861 (2013: TL 24,075).

8. Bank borrowings

	Effective interest rate per annum (%)	Currency	Original amount	TL Equivalent	Maturity ranges
December 31, 2014					
Short-term borrowings	10.28-11.47%	TL	4,527,152	4,527,152	January 2015 - March 2015
Short-term portion of long-term borrowings	9,7%-12.65%	TL	445,318	445,318	January 2015 - December 2015
Short-term portion of long-term borrowings	6,84%	EUR	21,502	60,651	January 2015 - December 2015
Total short-term borrowings				**5,033,122**	
Long-term borrowings	9,7%-12.65%	TL	383,950	383,950	January 2016 – March 2025
Long-term borrowings	6,84%	EUR	126,223	356,038	January 2016 - October 2017
Total long-term borrowings				**739,988**	
December 31, 2013					
Short-term borrowings	10.5%-11.85%	TL	3,706,513	3,706,513	January 2014 - February 2014
Short-term borrowings	6.07%	EUR	97,648	286,743	January 2014 - December 2014
Short-term portion of long-term borrowings	9.70%-12.65%	TL	451,679	451,679	January 2014 - October 2014
Short-term portion of long-term borrowings	6.78%	EUR	21,800	64,015	January 2014 - December 2014
Total short-term borrowings				**4,508,950**	
Long-term borrowings	6-7%	EUR	135,481	397,841	January 2015 - March 2025
Long-term borrowings	0,95%	TL	728,460	728,460	January 2015 - October 2017
Total long-term borrowings				**1,126,301**	

The redemption schedule of long-term borrowings in TL as of December 31, 2014 and 2013 are as follows:

	2014	2013
2015	**-**	447,427
2016	**241,094**	148,662
2017-2025	**498,894**	530,212
	739,988	1,126,301

The Association has obtained long-term loan from Fortis Banque SA. The related loan was borrowed in November 2004, for the renovation of the Brussels office. The loan amounts to EUR 166,607 with an effective interest rate of 6.84% p.a. applicable at December 31, 2014 (2013 – 6.84% p.a.). Such loan is collateralized with mortgage of representative office building in Brussels with an amount of EUR 1,090,732.51. Interest payments are made on a monthly basis.

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

9. Payables related to activities

	2014	2013
Supplier current accounts – domestic	**927,194**	727,387
Supplier current accounts – foreign	**689,775**	337,933
	1,616,969	1,065,320

10. Taxation

According to the first article of Corporate Tax Law associations and foundations are not subject to corporation tax, since the definition of associations in Associations' Law implies that, an association is a legal entity which is established towards an aim which cannot be gaining profit from or sharing profit among members.

According to Value Added Tax Law, associations are not subject to calculate and pay Value Added Tax ("VAT") on services delivered, however purchases and services obtained are taxable. Accordingly TÜSİAD cannot deduct such VAT from its obligations to the government authorities, instead, recognize as expense in profit and loss accounts. However, as a legal entity, TÜSİAD is obliged to withholding tax on benefits provided to its employees and external consultants.

The Association is exempted from corporate tax according to Law No. 903 and the decision 90/84 of the Council of Ministers dated January 16, 1990. The Subsidiary, which is founded by TÜSİAD and located in Istanbul, is subject to corporate tax.

The corporate tax charge for the year ended December 31, 2014 is different than the amount computed by applying the statutory tax rate to loss before taxation as shown in the following reconciliation:

Reconciliation of tax provision	**December 31, 2014**	December 31, 2013
Loss before taxes	**(1,888,360)**	(678,444)
Corporate tax at 20%	**377,672**	135,689
Tax effect:		
- Tax exempt income / (loss)	**(377,282)**	(135,023)
- Other	**(390)**	(1,154)
	-	(488)

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

11. Other current liabilities

	2014	2013
Taxes and funds payable	**201,360**	196,319
Social security premiums payable	**129,767**	119,403
Deferred income	**89**	306
Payable to personnel	**-**	6,887
Audit fee accrual	**47,200**	33,700
Other	**43,775**	-
	422,191	356,615

12. Provisions

Provisions for employment termination benefits

In accordance with the existing social legislation in Turkey, the Association is required to make lump-sum payments to employees whose employment is terminated due to retirement or for other reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay, maximum of TL 3,438.22 (2013 – TL 3,033.98) per year of employment at the rate of pay applicable at the date of retirement or termination.

The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Association arising from the retirement of employees.
International Accounting Standards ("IAS") 19 'Employee Benefits' requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans.

Actuarial assumptions used in the calculation of the total liability are as follows:

	2014	2013
Discount rate	**3.81%**	3.49%
Retention rate to estimate to probability of retirement	**91.3%**	90.5%

Movements of the provision for employment termination benefits during the years were as follows:

	2014	2013
Balance January 1	**250,639**	298,563
Service cost	**62,428**	67,196
Paid during the year	**-**	(121,153)
Interest cost	**5,976**	4,479
Actuarial loss	**2,773**	1,554
Balance at December 31	**321,816**	250,639

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

13. Fees and contributions

According to the Board of Directors decision dated January 13, 2006 the Association has established the "Foreign Communications Commission" for the purpose of improving the positive recognition of Turkey in European countries and creating public awareness during the course of European Union accession talks. In order to support above mentioned activities financially, special contributions are demanded from members of the Association, accumulated under Foreign Communication Fund. Although the contributions are unrestricted, Board of Directors has set certain rules for financial management of expenditures. According to these rules, the contributions and expenses are followed separately from other contributions and expenses. In 2014, the Subsidiary's revenues consist of book and magazine sales and magazine advertising income.

14. General and administrative expenses

			2014			2013
	Domestic offices	Foreign offices	Total	Domestic offices	Foreign offices	Total
Personnel expense	6,050,523	2,381,920	8,432,443	5,771,215	1,655,910	7,427,125
Expenses for contribution in organizations	1,303,197	1,118,705	2,421,902	1,360,419	754,000	2,114,419
Meeting and representation expense	1,756,465	428,906	2,185,371	2,024,779	494,027	2,518,806
Utilities expense	697,220	402,200	1,099,420	698,214	356,510	1,054,724
Expenses of Foreign Communication Commission	-	939,593	939,593	-	869,120	869,120
Sponsorship expense	3,706	917,048	920,754	198,884	798,704	997,588
Publishing expense	831,989	-	831,989	523,122	-	523,122
Depreciation and amortization expense	600,471	-	600,471	601,620	-	601,620
Consultancy expense	535,955	-	535,955	597,432	84,890	682,322
Travel expense	326,513	135,596	462,109	256,570	-	256,570
Maintenance expense	275,842	-	275,842	134,780	-	134,780
Rent expense	46,500	218,909	265,409	43,200	262,611	305,811
Communication expense	165,668	25,157	190,825	207,240	-	207,240
Provision and other expense	190,167	-	190,167	52,790	13,245	66,035
Translation and copyright expenses	159,333	-	159,333	125,825	-	125,825
Transportation expense	100,879	-	100,879	108,940	-	108,940
Donation Expense	-	-	-	30,050	-	30,050
	13,044,428	6,568,034	19,612,462	12,735,080	5,289,017	18,024,097

As mentioned in Note 13, the contributions and expenditures of Foreign Communication Commission are followed separately from other contributions and expenses. Expenses of Foreign Communication Commission incurred in the year ended December 31, 2014 consist of personnel cost, meeting and seminar expenses, publicity expenses and expenses of external consultancy obtained.

15. Financial income, net

	2014	2013
Financial income:		
Interest income on membership fees	**302,357**	191,500
Interest income on time deposits	**48,699**	67,196
	351,056	258,696
Financial expenses:		
Interest expenses	**(333,539)**	(293,765)
	(333,539)	(293,765)
Financial (expense)/income, net	**17,517**	(35,069)

16. Foreign currency gains and losses

	2014	2013
Foreign currency gains	**136,696**	155,493
Foreign currency losses	**(175,498)**	(252,174)
	(38,802)	(96,681)