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I

EXPLANATIONS CONCERNING OUR SERVICES AND SERVICE PROVISION

OUR PURPOSE AND VALUES

We provide services, which cover all aspects of internal control, financial management, finance and accounting, for the purpose of supporting those entities residing in any place on earth to manage their business in Antalya region, and those entities residing in Antalya region to manage their business in any place on earth.

We conduct our studies, by utilizing the most current information and techniques and by definitely considering the peculiar conditions of our clients, on a platform based on the following values¹; integrity², objectivity³, due care⁴, professional competence⁵, confidentiality⁶, and independence⁷ in assurance engagements⁸. This platform enables us to complete our services so as to provide utmost contribution to our clients⁹.

STANDARDS WE ADOPT IN CONDUCT OF ENGAGEMENTS

A table showing the standards which we adopt in conduct of our engagements by source and engagement type is presented in Section V [page 18]

OUR TEAMS

Our teams are composed of members who behave in line with our values and standards and who are endowed with the sufficient technical knowledge and experience required by each specific engagement. Although the studies are conducted by the team members, Sinan İslamoğlu or Ali Tezcan assume full responsibility of the engagement.

OUR SOLUTION NETWORK

We have been maintaining connections with our counterparts practicing at various locations on earth. These locations, generally speaking, are those locations where entities located in Antalya region have a business activity or those locations where entities having a business activity in Antalya region are located. By dint of these relations, we easily overcome the difficulties stemming from distances or differences of local procedures and we inform our clients of the opportunities arising in those locations.

On the other hand, we have been maintaining connections with experts in professions having close relation with our profession such as law, computers, and multi-language translations. The synergy created by these connections contributes significantly to our clients.

¹ These values are also imposed by **IFAC** [International Federation of Accountants] and by **TÜRMOB** [Union of Chambers of Certified Public Accountants of Turkey]

² **Integrity** - Being straightforward and honest in performing professional services

³ **Objectivity** - Being fair, not allowing prejudice and conflict of interest

⁴ **Due care** - Carrying out services with competence and diligence

⁵ **Professional competence** - Keeping professional knowledge up to date, not portraying as if having experience which is not possessed

⁶ **Confidentiality** - Respect to the information acquired during engagement and not using it in any way unless there is a legal requirement

⁷ **Independence** - Being even mentally independent of the subject matter and of the responsible of the subject matter

⁸ Please see Section II [Page 3] for explanations concerning assurance engagements

⁹ In assurance engagements, also intended users of our report.

II EXPLANATIONS CONCERNING THE ESSENTIAL DIFFERENCE BETWEEN OUR ASSURANCE ENGAGEMENTS AND OUR OTHER ENGAGEMENTS

An assurance engagement is generally defined as “an engagement in which a conclusion, designed to enhance the degree of confidence of intended users other than the responsible party, is expressed about the outcome of the evaluation of a subject matter against criteria”.

In assurance engagements, we assume responsibility towards two separate parties. The first one is the party who is responsible for the subject matter, namely our client. The second one is the party who benefits by our conclusion.

For example;

- a. In our “A-1; full tax certification” engagement; we assume responsibility towards the tax payer [our client] to whom the tax returns belong, and towards tax authority whose level of confidence about audited tax returns is enhanced.
- b. In our “A-3; Audit of financial statements” engagement; we assume responsibility towards the party who is responsible for the preparation of financial statements and for the transactions reflected on them [our client], and towards the party whose level of confidence about financial statements is enhanced.

The fact that we are responsible not only towards our client but also towards other parties in assurance engagements requires us to conduct these engagements by adopting a different approach. The approaches are different mainly in two essential points.

- a. In assurance engagements, we pay utmost attention to stay **independent** of the subject matter and of the responsible parties of the subject matter, deterioration even mentally of this value is not accepted. In other type engagements, this value is not viewed as such crucial.
- b. In assurance engagements, **we have to adopt the standards and procedures developed** by IFAC¹ [and by tax authority and other government institutions in engagements we conduct as SCPA²]. In other type engagements, procedures are agreed upon throughout discussions with our client.

As a consequence of this essential difference, we place a commentary such as “this report is not an assurance report” on the front pages of all reports we issue in relation with our non-assurance engagements.

¹ IFAC: International Federation of Accountants

² SCPA: Sworn-in Certified Public Accountant

III - [A-1]

TAX CERTIFICATION IN FULL
[As Sworn-in Certified Public Accountants]

NATURE OF THE ENGAGEMENT

In this engagement, accounting records and tax compilations of our client are examined for the purpose of maintaining compliance with tax legislation. These examinations are carried out in accordance with the **standards developed by the tax authority of Turkey**, in detail and on continuous basis. At completion of these examinations, a "tax certification report" including our opinion concerning the compliance of the tax returns and financial statements attached thereon with tax legislation is submitted to the tax office of our client. SCPA¹ is held jointly responsible for tax related non-compliances occurred in the period covered by his/her report. The context of this responsibility is also stated in the relevant legislation.

CONTRIBUTION OF THE ENGAGEMENT TO OUR CLIENT

At the first glance, tax authority is seemed to be the sole beneficiary of this engagement. However, this engagement provides following contributions to our client:

- a. As this engagement includes all the main topics of our "tax consultancy" and "financial management consultancy" engagements, our client saves the costs of such consultancies.
- b. Our client enjoys the comfort of compliance with tax legislation. As this engagement is carried out on continuous basis, non-compliances are detected and corrected on timely basis.
- c. The chance of undergoing a tax authority's investigation is significantly reduced. Hence, our client saves time and energy utilized in the conduct of such investigation. [According to the relevant legislation, documents sealed by a SCPA are considered as examined by the tax authority, yet tax authority's re-investigation right is reserved. In practice, the tax authority does not use this re-examination right unless there is an evidence of non-compliance].
- d. Our client is not obliged to have his tax returns signed by a CPA² [According to legislation, each taxpayer whose prior year turnover and asset total are lower than determined amounts and who does not have a full tax certification contract with a SCPA is obliged to have their tax returns signed by a CPA]
- e. This engagement includes continuous supervision of the activities of accounting departments. This provides our client with the comfort of having a smoothly operating accounting department.
- f. In relation with certain transactions for which a SCPA certification report is applicable, the tax authority laid down the condition that this report should be prepared by a SCPA with whom the subject tax payer had signed a full tax certification contract. [For example; refund to a tax payer of the withheld tax amount in excess of the amount accrued at year end]. Our client also fulfils this condition.

¹ SCPA: Sworn-in Certified Public Accountant

² CPA: Certified Public Accountant

III - [A-2]

TAX CERTIFICATION OF TRANSACTIONS
[As Sworn-in Certified Public Accountants]

NATURE OF THE ENGAGEMENT

Tax authority of Turkey, having been empowered by relevant legislation, has identified certain tax law clauses [i.e. transactions] which provide the tax payers with some sorts of easiness or rights, and determined that tax payers who want to benefit by these clauses should submit a special "SCPA¹ certification report". Submission of such a report is in some cases an absolute condition and in some cases an alternative condition.

The list of such transactions and relevant application details change in time in parallel with the amendments of tax laws and with the changes in the decisions of tax authority. However, these transactions are generally related with topics such as,

Incentives and exemptions in income taxes,
Refunds in value added taxes,
Deferral and cancellation or low rate application in special transaction taxes,

In this engagement, all relevant transactions of our client are examined in accordance with the standards developed by the relevant state authority. At the end of the engagement, a special "SCPA certification report" is submitted to our client.

CONTRIBUTION OF THE ENGAGEMENT TO OUR CLIENT

Our client fulfils the condition laid down by tax authority. If the condition is for an application of easiness or right provided by a tax law clause, our client receives the benefits of such advantages.

In addition, errors or improvable areas which we note during our examinations are brought to the attention of our client verbally or via a special report.

¹ *SCPA: Sworn-in Certified Public Accountant*

III - [A-3]

OTHER CERTIFICATIONS
[As Sworn-in Certified Public Accountants]**NATURE OF THE ENGAGEMENT**

Some non-tax government authorities, having been empowered by relevant legislation, identify certain sensitive transactions and lay down the submission of a "SCPA¹ certification report" as a condition for the conduct of these transactions. For example, (a) Radio and TV Superior Council of Turkey asks radio and TV broadcasting companies to submit such report in relation with advertisement revenues and computation of Council share of said revenue, (b) Prime Ministry Treasury Undersecretary, as a condition of his approval of the completion of an investments which have benefited from some kind of state incentives, asks for SCPA approval of the exchange gain/loss amounts and interest amounts included in the total cost of the investment. We examine such sensitive transactions of our clients in accordance with the standards developed by relevant government authority and a special "SCPA certification report" or "SCPA approval document" is submitted to our client.

On the other hand, some private institutions also need the services of SCPA. For example, establishment articles of some non-government organizations (associations or foundations) include clauses requiring examination of the accounts by a SCPA. Accounts of our such clients are examined in accordance with relevant standards and a "SCPA examination report" is submitted to our client.

CONTRIBUTION OF THE ENGAGEMENT TO OUR CLIENT

Our client fulfils the condition laid down by the state authority or stated in his own establishment articles.

In addition, errors or improvable areas which we note during our examinations are brought to the attention of our client verbally or via a special report.

¹ SCPA: Sworn-in Certified Public Accountant

III - [A-4]

AUDIT or REVIEW OF FINANCIAL STATEMENTS**NATURE OF THE ENGAGEMENTS**

These engagements are carried out in accordance with “**international standards on auditing**” and “**international standards on review engagements**” both issued by **IAASB**¹ of **IFAC**².

The audit engagement includes; examination on test basis evidence supporting the amounts and disclosures in financial statements, assessment of accounting principles, assessment of significant estimates made by management, evaluation of overall financial statement presentation. The review engagement is primarily limited to inquiries of company personnel and application of analytical procedures to financial data.

The purpose of the audit is to express an opinion whether the financial statements present fairly, in all material respects, the financial position and financial performance of the company in accordance with the relevant financial reporting framework

The purpose of the review is to state whether anything has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position and financial performance of the company in accordance with the relevant financial reporting framework.

At completion of the engagements, an “independent audit report” or “an “independent review report” is submitted to our client. Naturally, both reports are prepared in accordance with standards mentioned in the first paragraph.

Though it is very neat in what is said above, let’s say it one more time; review engagement provides less assurance than audit.

CONTRIBUTION OF THE ENGAGEMENTS TO OUR CLIENT

Our client, who is responsible for the preparation of the audited or reviewed financial statements and for the execution of transactions reflected on them, presents our audit or review report to those with whom our client has a business relation such as financial institutions, suppliers, customers, or to shareholders who do not take part in management. Submission of an audit report is becoming a very common condition in business contracts.

Our client, by doing so, [if applicable] in addition to fulfil a condition of a business contract;

- a. Reveals, in another way, his respect to those with whom a business relation exists.
- b. Removes possible doubts of third parties whether the accuracy of the financial information submitted to them is damaged due to erroneous interpretation of the standards.
- c. Saves time and energy which would have been consumed in explaining financial details to related parties if our report had not been submitted.

In addition, improvable areas that we note during the audit or review are communicated together with our relevant recommendations to our client orally or via a special report.

¹ IAASB: International Auditing and Assurance Standards Board

² IFAC: International Federation of Accountants

III - [A-5]

EXAMINATION OF PROSPECTIVE FINANCIAL INFORMATION**NATURE OF THE ENGAGEMENT**

Prospective financial information can be in the form of forecast or projection. **Forecast** is "prospective financial information prepared on the basis of assumptions [i.e. best-estimate assumptions] as to future events management expects to take place and the actions management expects to take as of the date of the information is prepared" . **Projection** is "prospective financial information prepared either on the basis of hypothetical assumptions about future events and management actions which are not necessarily expected to take place [for example; assumptions made when an entity is in a start-up phase] or on the basis of a mixture of best-estimate assumptions and hypothetical assumptions.

This engagement is carried out in accordance with "**international standards on examination of prospective financial information**" issued by **IAASB¹** of **IFAC²**.

The purpose of the examination is to state whether anything has come to our attention that causes us to believe that the assumptions do not provide a reasonable basis, and to express an opinion as to whether the financial information is prepared on the basis of these assumptions and presented in accordance with the relevant financial reporting framework.

At completion of the engagement, an "independent examination report" is submitted to our client. Naturally, the report is prepared in accordance with the standard mentioned in the first paragraph and includes a summary of nature of our examination work.

CONTRIBUTION OF THE ENGAGEMENT TO OUR CLIENT

Our client, who is responsible for the preparation of the examined financial information, presents our examination report to those with whom our client has or will have a business relation such as financial institutions, suppliers, customers, or to existing or prospective shareholders who do not take part in the management.

Our client, by doing so;

- a. Reveals, in another way, his respect to those with whom a business relation exists.
- b. Removes possible doubts of third parties whether the reasonableness of the financial information submitted to them is damaged due to any reason.
- c. Saves time and energy which would have been consumed in explaining financial details to related parties if our report had not been submitted.

¹ IAASB: *International Auditing and Assurance Standards Board*

² IFAC: *International Federation of Accountants*

III - [A-6]

OTHER ASSURANCE ENGAGEMENTS**NATURE OF THE ENGAGEMENTS**

1. **Examination for the purpose of signing tax returns:** According to tax legislation, each taxpayer whose prior year turnover and asset total is lower than determined amounts is obliged to have their tax [income tax, corporation tax, value added tax and withheld taxes returns] returns signed¹ by a Certified Public Accountant. We sign tax returns of those clients to whom we provide consultancy services on continuous basis and who maintain official books of accounts within their organizations. For signing the tax returns, we conduct examinations in accordance with the standards published in relevant legislation.
2. **Examination for the purpose of signing SSK² declarations:** According to social insurance legislation, each employer is obliged to have their SSK declarations signed by a Certified Public Accountant. We sign SSK declarations of those clients to whom we provide consultancy services on continuous basis and who maintain official books of accounts within their organizations. For signing the SSK declarations, we conduct examinations in accordance with the standards published in relevant legislation.
3. **Examination for the purpose of confirming capital payments:** According to commercial legislation, joint stock companies and limited liability companies who want to increase their capital are obliged to submit a special Certified Public Accountant report which confirms that the previous capital has been fully paid-in. We issue such special report for our clients who want to increase their capital. For issuing such report, we conduct examinations in accordance with the standards published in relevant legislation.
4. **Examination for the purpose of conforming "account statements" submitted to banks:** According to banking legislation, those who utilize cash or non-cash credits [excluding small amount credits and credits guaranteed by cash or cash like assets] are obliged to have their account statements examined by a Certified Public Accountant. We examine, in accordance with standards published in relevant legislation, such account statements of our clients and approve them.
5. **Examination conducted for the purpose of receiving "clear certificate" from SSK:** In various legislations, submission of a "clear certificate" issued by SSK is laid down as a condition to obtain permission for starting to utilize certain type of buildings. This certificate is the evidence of the fact that the constructor of the building has fully paid all social insurance premiums of the employees. And, SSK, being empowered by social insurance legislation, asks the constructors to submit a special Certified Public Accountant report indicating the fulfilment by the constructor of all relevant requirements. We issue such special report for our clients who want to receive "clear certificate" from SSK. For issuing such report, we conduct examinations in accordance with the standards published in relevant legislation.
6. **Others:** (a) In joint stock companies, we act as statutory auditor as prescribed in commercial legislation. (b) Whenever we are assigned by the court, we submit to assigning court our "expert opinion" as prescribed in jurisdiction procedures legislation.

CONTRIBUTION OF THE ENGAGEMENTS TO OUR CLIENT

Each of our other assurance engagements enables our clients to fulfil a condition laid down by legislations.

In addition, improvable areas that we note during examinations are communicated together with our relevant recommendations to our client orally or via a special report.

¹ Responsibility of the Certified Public accountant originating from this signature is defined in the relevant legislation. The context of this responsibility is narrower than the responsibility of Sworn-in Certified Public Accountant originating from the seal that is put on the certification reports.

² SSK: Social Insurance Institution

III - [B-1]

FINANCIAL MANAGEMENT CONSULTANCY**NATURE OF THE ENGAGEMENT****1. Subjects of the engagement:**

Following subjects are within the coverage of this engagement;

- a. Preparation of financial plans and variance reports, analysis of variances.
- b. Evaluations of financial position and profitability.
- c. Sensitive cost computations.
- d. Break-even [cost-volume-profit] analysis.
- e. Evaluation of investment projects.
- f. Management of assets and sources.
- g. Other subjects of management and cost accounting and of finance.

This engagement, naturally includes, to a great extent, our "tax and other financial legislation consultancy" [Code B-2] engagement.

2. Our studies within the engagement:

First of all, we develop our recommendation concerning "the most convenient financial management structure" for our clients, and make said structure definite by receiving our clients' approval throughout discussions with them.

Keeping above said agreed-upon model structure always in mind, we conduct, depending on the choice of our clients, some or all of the followings;

- a. By acting as a consultant;
 - i. To evaluate and recommend ideas for improvement of existing systems.
 - ii. To develop new systems.
 - iii. To evaluate and recommend ideas to improve quality and efficiency of execution and result of operations.
 - iv. To participate in company meetings and meetings with third parties for the purpose of facilitating the meeting by clarifying financial subjects.
 - v. To evaluate technical capabilities of existing or candidate managers or staff.
 - vi. To execute training programs for financial management managers and staff to enhance their technical and operational capacity.
 - vii. To execute training programs for managers and staff acting in non-finance areas to enhance their financial sensitivity.
- b. By acting as a coordinating consultant; in addition to what is said in paragraph a above;
 - i. To implement the ideas mentioned in paragraphs a.i and a.iii above.
 - ii. To implement the systems mentioned in paragraph a.ii above.
 - iii. To coordinate and supervise all the activities in the financial management area.

3. Enhanced engagement [a DEFINITE SOLUTION service package]

We provide our clients with a service package which includes subjects and studies within the context of this engagement together with some or all of the subjects and studies within our engagement [Code: D-1] "full coordination of official accounting and operational accounting".

CONTRIBUTION OF THE ENGAGEMENT TO OUR CLIENT

(a) Our clients enjoy the comfort of power and facility brought by an effective "financial management" function. (b) Financial structure and profitability is better analysed. (c) Effects of changes in outside world [threats and opportunities] are properly analysed. (d) A better foundation for taking rational strategic and operational decisions is established. (e) Sources are used more efficiently. (f) Leakages do not occur. (g) Financial sensitivity of all managers is enhanced. (h) Finance operations are smoothly carried out.

III - [B-2]

TAX AND OTHER FINANCIAL LEGISLATION CONSULTANCY**NATURE OF THE ENGAGEMENT**

Purpose of this engagement is to provide our clients with **current** information concerning the legislation mentioned below. Here the term "legislations" is used as to include, in addition to **legislation, judiciary decisions and international agreements.**

Tax legislation	Tax procedural legislation	
	Taxes levied on income	Income tax legislation Corporation tax legislation
	Taxes levied on expenditures	Value added tax legislation Special consumption tax legislation Bank and insurance transactions tax legislation
	Taxes levied on property	Immovable property tax legislation Inherited or transferred property tax legislation
	Stamp duty legislation	
	Other financial legislation	State incentives related legislation
		International investment legislation
Free zones legislation		
Cross border industrial processing legislation		
Foreign exchange legislation		
Banking legislation		
Capital market legislation		
Social insurance legislation [section pertaining to employers]		
Commercial legislation [sections pertaining to companies]		

This engagement is carried out on continuous basis or on subject basis depending on the choice of our clients. When carried out on continuous basis, we continuously survey existing or planned businesses or transactions of our clients, identify those aspects of them which is regulated by above said legislation, and **inform on timely basis our clients about relevant clauses of legislation.** When carried on subject basis, the subject is identified by our clients, and we inform our clients about relevant clauses of the legislation.

Followings are within the context of this engagement; **Tax planning** [to keep tax burden at legally minimum level], **Preparation of petitions at tax lawsuits** where our client is defendant or plaintiff, **Supporting our client's discussions with tax authority.**

CONTRIBUTION OF THE ENGAGEMENT TO OUR CLIENT

Financial legislation in Turkey, especially tax legislation, like in many countries, is very complicated and frequently changes. For this reason, comprehension and continuous follow up of the legislation have become a specialization area. Negligence even partially of legislation in business decisions and transactions may cause to **miss opportunities** or to **face penalties.** Our clients prevent the risk of missing advantages and of facing with penalties both embedded in legislation.

III - [C-1]

EXAMINATION AND EVALUATION FOR SPECIAL PURPOSES**NATURE OF THE ENGAGEMENT**

Purpose of this engagement is to **clarify any financial subject** with an objective approach, and to present it in an easily understandable format.

Our clients ask us to clarify certain financial subjects for various reasons. Following are examples of such reasons. (a) Staying at a distance from the operations of partially owned entity located inside or outside of Turkey. (b) Existence of complicated account relations between partners of an entity. (c) Appearance of a feeling that frauds are happening in an entity. (d) Existence of conflicting explanations on a report. (e) Existence of complicated financial clauses in a contract.

In this engagement, the subject which we will examine or evaluate is determined by our client. Approval by our client of our work programme and report format is a must.

CONTRIBUTION OF THE ENGAGEMENT TO OUR CLIENT

This engagement provides our clients with the comfort of having **accurate, neat and objectively prepared** information while they are constructing sensitive decisions.

III - [C-2]

EXAMINATION FOR TAX REVISION PURPOSES**NATURE OF THE ENGAGEMENT**

Complicated nature of and frequent changes in tax legislation increase possibility of occurrence of tax related errors. Many tax payers who did not make use of a specialist's advices doubt whether they have complied with tax legislation in prior periods.

In this engagement, we examine all the transactions conducted in a period defined by our client, naturally within the prescription period for tax imposition, for the purpose of ensuring whether tax related responsibilities have been fulfilled properly.

At completion of this engagement, a special report explaining all the details relating to tax non-compliances is prepared and submitted to our client only.

This engagement includes; (a) explanation to our client the procedures, costs and benefits of removal of identified tax non-compliances, (b) execution of procedures for said removal.

CONTRIBUTION OF THE ENGAGEMENT TO OUR CLIENT

Our clients ease their mind by ensuring non-existence of any tax non-compliances that they are not aware of in the prior periods.

Our clients take advantage of the legislation clauses which provide some means to tax payers who attempt to remove a tax non-compliance before tax authority fixes it.

III - [C-3]

EVALUATION OF INTERNAL CONTROL PROCESS**NATURE OF THE ENGAGEMENT****1. The term "internal control"**

Internal control is a process, affected by the entity's top management, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives.

Objectives are grouped under the following categories;

- a. Effectiveness and efficiency of operations [this category includes the main business objectives such as growth, profitability, protection of assets].
- b. Reliability of financial reporting.
- c. Compliance with laws and regulations.

Internal control consists of following **components** which are closely interrelated;

- a. Control environment [competence, integrity, ethical values of human resources; the way management organizes and delegates responsibility and authority; etc]
- b. Risk assessment [Identification, evaluation, management of internal and external risks]
- c. Control activities [Existence and execution of control policies and procedures to ensure actions identified by management are effectively carried out. (i.e. Controls: management controls, manual or computerized preventive or detective controls)]
- d. Information and communication [Capture of and flow within organization of pertinent information]
- e. Continuous monitoring of internal control system.

2. Content of the engagement

In this engagement we conduct, depending on the choice of our client, one or both of the followings;

- a. Evaluation by adopting **specially designed procedures** of all or some of internal control components and reporting the weaknesses together with our recommendations to top management of our client.
- b. Revision or establishment of internal control system.

CONTRIBUTION OF THE ENGAGEMENT TO OUR CLIENT

This engagement provides significant contribution to our clients in their activities aiming to make their business "managed well in every aspect". So much so that, this engagement becomes the skeleton of such activities.

III - [D-1]

FULL COORDINATION OF OFFICIAL ACCOUNTING AND OPERATIONAL ACCOUNTING**NATURE OF THE ENGAGEMENT****1. Subjects of the engagement**

All types of "official accounting works" and "operational accounting works" are within the coverage of this engagement. "**Official accounting** works" cover responsibilities determined by legislation, including the responsibility of having tax and social insurance returns signed by a public accountant. "**Operational accounting** works" are such kind of works explained in the following paragraph. List of official accounting works is identical in almost all entities. List of operational accounting works is determined by the peculiar conditions¹ of each entity.

Operational accounting: The term is used to describe those accounting principles and procedures which are not imposed by legislation but put into effect by the management for the purpose of facilitating financial management and conduct of operations. For example; (a) Using, for various reasons², some sub accounts, although using determined main accounts is sufficient to meet the official conditions. (b) Preparation of financial statements³ for periods shorter than a quarter, although quarterly financial statements are sufficient to meet official conditions. (c) Preparation of financial statements which incorporates more detail⁴ than officially required. (d) Preparation of financial reports⁵ other than official financial statements.

This engagement, naturally, includes our "tax and other financial legislation consultancy" [Code B-2] engagement to a great extent.

2. Our studies within the engagement:

First of all, we develop our recommendation concerning "the most convenient list of operational accounting works" for our clients, and make said list definite by receiving our clients' approval throughout discussions with them.

In connection with the works on said list, we conduct studies, depending on the choice of our clients, ranging from "monitoring and giving direction to these works" to "execution of these works" including establishment of necessary systems.

3. Enhanced engagement [a DEFINITE SOLUTION service package]

We provide our clients with a service package which includes subjects and studies within the context of this engagement together with some or all of the subjects and studies within our engagement [Code: B-1] "financial management consultancy".

CONTRIBUTION OF THE ENGAGEMENT TO OUR CLIENT

Our clients; (a) analyse better their financial position and profitability via timely and accurate financial reports, (b) do not miss the advantages and do not face with the punishments brought by tax and other legislation, (c) do not face with leakages, (d) do not face with turbulences due to change of accounting manager. (e) enjoys the comfort of smooth accounting operations (f) saves the time he would have spent in operational details, (g) increases technical capabilities of accounting personnel, etc.

¹ Features of the industry and business, management philosophy, size, organization structure, etc.

² For example; comparison of planned performance with actual results, preparation of reports said in footnotes 4-5.

³ Main financial statements: balance sheet, income statement; Other financial statements: statement of cost of sales, funds statement, statement of profit appropriation, statement of changes in equity.

⁴ For example; preparation of balance sheet as to show currency positions, preparation of income statement for departments, etc.

⁵ For example; reports showing the breakdown of receivables and payables as to maturity dates, customer profitability reports, product or service profitability reports, etc.

III - [D-2]

OTHER SUPPORT SERVICES**NATURE OF SERVICES****1. Establishment of "company", "partnership" and "representation office"**

We follow up and complete all the procedures relating to establishment of (a) "company", "partnership" and "representation office" in Turkey, including those with international capital. (b) "company", "partnership" and "representation office" in any country.

2. Procedures of benefiting by State incentives

We follow up and complete all the procedures for receiving benefits from State incentives relating to various types of activities.

3. Training programmes in financial subjects

We arrange and conduct training programmes in financial subjects, including taxation and accounting.

4. Translations and interpretations

We translate or interpret simultaneously the subjects with financial or legal context from English to Turkish and vice versa. Our translations are notary approved.

We also coordinate notary approved translations or interpretations in almost all languages and in almost all subjects.

IV - PROFESSIONAL BACKGROUND

SİNAN İSLAMOĞLU

Degree, Licence

Middle East Technical University - Department of Economics (B.Sc.-1978)
 Certified Public Accountant (Licence-1994)
 Sworn-in Certified Public Accountant (Licence-2003)

Experience

Free Lance
 Financial Consultancy and Sworn-in Certified Public Accountancy (2003 -)

Free Lance
 Financial Consultancy and Certified Public Accountancy (1994-2003)

Osmanlı Bankası A.Ş. (1992–1994)
 Internal Audit Director; Coordinator

Coca-Cola group companies [distribution and production] (1990–1992)
 Finance Director

Pamukbank T.A.Ş. (1987–1990)
 Internal Audit Director; Assistant General Manager

Türkiye Tütüncüler Bankası A.Ş (1985–1987)
 Assistant General Manager [Finance and accounting]

Arthur Andersen Co. Ltd. - Istanbul Branch (1982–1985)
 Auditor, Consultant

T.C. Ziraat Bankası (1980–1982)
 Internal auditor

Foster Wheeler Co. Ltd. [Saudi Arabia] (1977-1978)
 Interpreter - English/Turkish

IV - PROFESSIONAL BACKGROUND

ALİ TEZCAN

Degree, Licence

Anadolu University - Department of Management (B.Sc.-1988)

Certified Public Accountant (Licence-1989)

Sworn-in Certified Public Accountant (Licence-2006)

Experience

Free Lance

Financial Consultancy and Sworn-in Certified Public Accountancy (2006 -)

Free Lance

Certified Public Accountancy (1989-2006)

Professional projects

Board member and instructor in Training Centre of Antalya Chamber of Public Accountants

Participation in the project coordinated by Finance Ministry of Turkey aiming to stabilize VAT applications in Northern Cyprus

V

SOURCES OF CODE OF ETHICS AND STANDARDS WE ADOPT IN OUR ENGAGEMENTS

ISSUED BY	DESCRIPTION	CODE OF OUR ENGAGEMENT [please see "contents" page (page-1)]						
		A-1 A-2 A-3	A-4 A-5	A-6	B-1 B-2	C-1 C-2 C-3	D-1 D-2	
International Federation of Accountants [IFAC]	Code of Ethics	X	X	X	X	X	X	
	International standards on assurance engagements	International standards on audit of financial statements [ISA]		X				
		International standards on review of financial statements [ISRE]		X				
		International standards on assurance engagements [ISAE]	X	X	X			
	International standards on related services [ISRS]					X	X	
State departments and institutions in Turkey	Union of Chambers of Certified public Accountants of Turkey [TÜRMOB]	Compulsory professional decision [OG: 18.10.2001]; Governing statute [OG: 19.10.2007] [Subject: Code of ethics]	X	X	X	X	X	X
		Compulsory professional decision [OG: 18.10.2001] [Subject: standards on review engagements]			X			
	Ministry of Finance	Governing Statute - Section 1 and 2 [OG: 03.01.1990] [Subject: Standards on working environment of public accountants]	X	X	X	X	X	X
		Governing statute - Section 3 [OG: 03.01.1990] [Subject: Standards on audits]		X				
		Governing statute [OG: 02.01.1990] [Subject: Standards on certification by sworn fiscal consultants]	X					
		Official communication [OG: 30.07.1995] [Subject: Standards on full tax certification by sworn fiscal consultants]	X					
		Various official communications [OG: various] [subjects: Standard on certification by sworn fiscal consultant in other tax areas]	X					
	Ministry of industry and commerce	Official communication [OG: 12.01.1994] [Subject: Standards on examination for issuing a "capital payment report"]			X			
	Banking Supervisory committee	Governing statute [OG: 27.06.2001] [Subject: Standards on examination for approving "account statements" submitted to banks]			X			
	Social Insurance Institution	Official communication [OG: 02.03.1994] [Subject: Standards on examination for signing "declarations" submitted to SII]			X			
Official communication [OG: 14.07.2004] [Subject: Standards on examination for issuing "clearance report" submitted to SII]				X				



	Radio and TV Supervisory Committee	Governing statute [OG: 02.01.1995] [Subject: Standards on certification of "share of committee from advertisement income"]	X					
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