

**SMM**

**Saeed Methani Mushtaq & Co. Chartered Accountants**

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**Future Generations  
Empowerment Organization  
“FGEO”**

**Financial Statements**

**For the year ended  
31<sup>st</sup> December 2017**

**Submitted by:**

**M/s SAEED METHANI MUSHTAQ & CO. CHARTERED ACCOUNTANTS**

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## **SAEED METHANI MUSHTAQ AND COMPANY**

**CHARTERED ACCOUNTANTS**

Members of the Institute of Chartered Accountants of Pakistan

### **Independent Auditors' Report**

**To: Country Director,  
Future Generations Empowerment Organization**

#### **Opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Future Generations Empowerment Organization "FGEO" as at December 31, 2017 and of its financial performance for the year then ended in accordance with accounting policies described in note 2 to the financial statements.

We have audited the financial statements of Future Generations Empowerment Organization "FGEO", which comprise the statement of receipts & payments as at December 31, 2017 and notes to the financial statements, including a summary of significant accounting policies.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of Future Generations Empowerment Organization ("FGEO") in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants "IESBA Code", and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Without further modifying our opinion, we draw attention to the fact, that;

- a) We have not audited the accompanying statement of receipts & payments of the Future Generations Empowerment Organization "FGEO" for the year ended 31 December 2016 and the related notes accordingly, we do not express an opinion on them; &
- b) We draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to provide information to donors and FGEO management. As a result, the financial statements may not be suitable for another purpose.



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## **SAEED METHANI MUSHTAQ AND COMPANY**

**CHARTERED ACCOUNTANTS**

Members of the Institute of Chartered Accountants of Pakistan

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements that gives true and fair view in accordance with accounting policies described in note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Future Generations Empowerment Organization "FGEO" ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Future Generations Empowerment Organization "FGEO" or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing Future Generations Empowerment Organization "FGEO" financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Saeed Methani Mushtaq*

**Saeed Methani Mushtaq & Co**  
**Chartered Accountants**


**18<sup>th</sup> April 2018**  
**Kabul, Afghanistan**

**Future Generations Empowerment Organization**  
**Statement of receipts and payments**  
**For the year ended 31 December 2018**

	<i>Note</i>	<b>2017</b> USD	<b>2016</b> USD
<b>Revenue</b>			
Revenue from grant	3	35,037	31,178
		<u>35,037</u>	<u>31,178</u>
<b>Expenditures</b>			
Expenditures	4	53,963	15,293
		<u>53,963</u>	<u>15,293</u>
<b>Surplus / (deficit) for the year</b>		<u>(18,926)</u>	<u>15,885</u>
<b>Add: opening balance of cash &amp; cash equivalent</b>			
Cash in hand		1,491	3,470
Cash at bank		22,864	22,864
		<u>24,355</u>	<u>3,470</u>
<b>Surplus / (deficit) at the year end</b>		<u>5,429</u>	<u>19,355</u>
<b>Represented by closing cash &amp; cash equivalent</b>			
Cash in hand	5.1	1,316	1,491
Cash at bank	5.2	4,113	22,864
		<u>5,429</u>	<u>24,355</u>

*The annexed notes 1 to 6 are an integral part of these financial statements.*

**SMMCO**

  
**Finance Manager**

  
**Country Director**



**Future Generations Empowerment Organization**  
Notes to the financial statements  
For the year ended 31 December 2018

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**1 Status and nature of operations**

Future Generation Empowerment Organization "FGEO" is a Non Governmental Organization registered with the Ministry of Economy under the Afghanistan NGO Law on 16 September 2015.

This organization has been established for the warfare of the young generation of Afghanistan. It aims to provide proper opportunities in bringing them to the level of other educated people to those generations who was suffered due to the politically instability and war, so they can live their normal and healthy life.

**2 Significant accounting policies**

**2.1 Basis of preparation**

These financial statements have been prepared on modified cash basis of accounting in compliance with the applicable accounting policies defined in accounting manual of FGEO and are presented in USD which is the presentation currency of FGEO.

**2.2 Basis of measurement**

The financial statement has been prepared under historical cost basis, except as otherwise stated in the policies and notes given hereunder.

**2.3 Capital expenditure**

Due to nature of the organization and short term nature of the grants received from donors, fixed assets and inventory are charged to expense during the year of purchase.

**2.4 Foreign currency translation**

The statement of receipts and disbursements has been prepared in United States Dollar (USD). Transactions denominated in currencies other than USD are translated into USD at average rate calculated on monthly basis. Cash and bank balances at the end of the financial year in foreign currencies are translated to USD at the foreign exchange rate prevailing at the end of the financial year.

**2.5 Cash & cash equivalent**

Cash and bank balances are carried in the statement of financial position at cost. Cash and bank balances comprise cash in hand and balances with the banks.

**2.6 Taxation**

FGEO being a not for profit organization is exempt under relevant Income Tax Laws as applicable in Afghanistan, hence provision for taxation is not required in the financial statements.

SMMCO

**Future Generations Empowerment Organization**  
Notes to the financial statements  
For the year ended 31 December 2018

**2.7 Revenue & expenditure**

Income from donors are recognized on receipts basis while expenditures are recorded when paid.

**2.8 Use of the estimates and Judgments**

The presentation of financial statements requires management to make judgements, estimates and assumptions that affects the applications of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from the estimated figures.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are categorized in the year in which the estimates is revised and in any future years affected. Significant areas requiring the use of management estimates in these financial statements related to the useful life of depreciable assets, provision for the doubtful receivables and slow moving inventory.

	Note	2017 USD	2016 USD
<b>3 Revenue from grant</b>			
Future Generations Afghanistan			
French embassy		25,037	5,430
Own fund		5,000	19,148
Future Generations Global Network (FGGN)		5,000	6,600
		<u>35,037</u>	<u>31,178</u>
<b>4 Expenditures</b>			
Staff salaries and benefits		23,572	13,500
Computers		2,177	-
Office equipment's		1,353	18
Other IT equipment		456	49
Stationery		1,085	312
Office supplies		801	1
Consultancy & audit fee		1,303	-
Office rent		2,401	-
Repair & maintenances		52	30
Legal fee and registration expenses		491	194
Telephone expenses		659	351
Travel expenses		8,942	-
Training expenses		10,572	632
Bank charges		88	95
Meetings & conferences cost		11	111
		<u>53,963</u>	<u>15,293</u>





**Future Generations Empowerment Organization**  
Notes to the financial statements  
For the year ended 31 December 2018

	Note	2017 USD	2016 USD
<b>5 Cash &amp; cash equivalent</b>			
Cash in hand	5.1	1,316	1,491
Cash at bank	5.2	4,113	22,864
		<u>5,429</u>	<u>24,355</u>
<b>5.1 Cash in hand</b>			
Cash in hand - USD		1	1
Cash in hand - Afs		1,315	1,490
		<u>1,316</u>	<u>1,491</u>
<b>5.2 Cash at bank</b>			
Cash at bank - USD		3,727	22,477
Cash at bank - Afs		386	387
		<u>4,113</u>	<u>22,864</u>

**6 General**

- Corresponding figures have been re-arranged / or reclassified wherever necessary for the purpose of comparison.
- Financial statement was approved by Country Director and Finance Manager of FGEO on 18 April 2018.

**SMMCO**

Finance Manager

Country Director