

FUTURE GENERATIONS EMPOWERMENT ORGANIZATION

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR FROM JANUARY 1, 2020 TO DECEMBER 31, 2020



RAFAQAT BABAR & CO.
Chartered accountants



Member firm of
The Leading Edge Alliance

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of Future Generations Empowerment Organization (FGEO) which comprise the statement of financial position as at December 31, 2020, statement of income and expenditures, statement of changes in reserves for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of FGEO as at December 31, 2020 and its financial performance for the year then ended in accordance with basis of preparation as described in Note 2 to the financial statements.

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 *Auditors' Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of FGEO in accordance with the ethical requirements that are relevant to our audit of the financial statements in Afghanistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter- Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 02 to the financial statements, which describes the basis of preparation. The financial statements are prepared to assist FGEO in complying with the requirements of the donor as described in Note 2. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for FGEO and donor and should not be distributed to or used by parties other than FGEO and donor. Our opinion is not modified in respect of this matter.

RAFAQAT BABAR & CO.

Chartered Accountants

Peshawar Islamabad Karachi Kabul



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Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation of this financial statements in accordance with international financial reporting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the FGEO financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 this financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



KABUL
April 08, 2021

Rafiqat Babar & Co.
Chartered Accountants
Engagement Partner: Shuja-UI-Mulk FCA

FUTURE GENERATIONS EMPOWERMENT ORGANIZATION
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2020

	Note	2020 USD	2019 USD
Assets			
Non Current assets			
Property, plant and equipment		-	-
Current assets			
Cash & cash equivalent	3	13,411	14,225
		13,411	14,225
Total Assets		13,411	14,225
Reserves and Liabilities			
Reserves			
Accumulated surplus / (deficit)		13,411	14,225
Total Reserves		13,411	14,225
Total Reserves and Liabilities		13,411	14,225

RB

The annexed notes 1 to 9 are an integral part of these financial statements.

Gul Ahmad Jarr
 Admin/Finance Officer

Mohammad Tahir Khalil
 Country Director

**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 USD	2019 USD
Income			
Receipts from donor	4	2,525	22,679
		2,525	22,679
Expenditure			
Personnel cost	5	383	5,023
Equipment cost	6	4	15
Operational cost	7	2,952	11,653
		3,339	16,691
Other expenses			
Exchange loss		-	344
(deficit)/ Surplus for the year		(814)	5,644

The annexed notes 1 to 9 are an integral part of these financial statements.

RB


Gul Ahmad Jan
Admin/Finance Officer


Mohammad Tahr Khalil
Country Director

**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 USD	2019 USD
Opening balance of accumulated (deficit)		14,225	8,581
Add: Surplus / (deficit) for the year		(814)	5,644
		13,411	14,225

RBE

The annexed notes 1 to 9 are an integral part of these financial statements.


Gul Ahmad Jan
Admin/Finance Officer


Mohammad Tahir Khalil
Country Director

**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 September 16, 2015.

This organization has been established for the warfare of the young generation of Afghanistan. It aims to provides 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.

Transactions in currencies other than the reporting currencies (US Dollars) are accounted for at the monthly average exchange rates. All monetary assets and liabilities denominated in currencies other the reporting currency at the year end are translated at the exchange rates prevailing on financial statements date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. If any exchange differences are included in the statement of Receipt and Expenditures for the period.

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

RB

**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2.6 Advances and Receivables

Advances and receivables are measured at original invoice amount less an estimated made for doubtful receivable if any based on review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.7 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.

2.8 Liabilities

Liabilities for amounts payables are measured at cost which is the fair value of the consideration to be paid in the future for goods or services received, whether nor not billed to the organization.

2.9 Revenue & expenditure

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

2.10 Use of the estimates and Judgments

The presentation of financial statements requires management to make judgments, 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.

RB

**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<i>Note</i>	2020 USD	2019 USD
3 Cash & cash equivalent			
Cash & cash equivalent at head office	3.1	13,411	14,225
		13,411	14,225
3.1 Cash & cash equivalent of head office			
Cash in hand	3.1.1	556	1,157
Cash at bank	3.1.2	12,855	13,068
		13,411	14,225
3.1.1 Cash in hand			
Cash in hand - Afs		555	1,156
		555	1,156
Cash in hand - USD		1	1
		556	1,157
3.1.2 Cash at bank			
Azizi Bank - Afs		5,839	5,968
Azizi Bank - USD		7,016	7,100
		12,855	13,068
The foreign currency balances are converted to USD 77.3589			
4 Receipts from donor			
Receipts from Donor		2,525	22,679
		2,525	22,679
5 Personnel cost			
Regular staff		383	4,640
Project staff		-	383
		383	5,023

BB

**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<i>Note</i>	2020 USD	2019 USD
6 Equipment cost			
Office equipment's		4	15
		4	15
7 Operational cost			
Office supplies		-	203
Utilities		-	22
Printing, postage & stationery		2,134	366
Travel & transportation		82	656
Meals and per diem domestic		-	500
Training & capacity building		-	9,546
Workshops meetings and conferences		-	28
Audit fee		248	-
Bank charges		139	90
Communication cost		293	243
Vehicle fuel & maintenance		56	-
		2,952	11,653

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8 General

-Corresponding figures have been re-arranged / or reclassified wherever necessary for the purpose of comparison.

-Figures have been rounded off to the nearest of USD.

9 These financial statement have been authorized for issue by Country Director on April 08, 2021.

Gul Ahmad Jan
Admin/Finance Officer

Mohammad Tahir Khalil
Country Director