

# Future Generations Empowerment Organisation

**Audited Financial Statements and Auditors' Report**

**For the year ended December 31, 2021**

1. Board Letter
2. Auditors' report on financial statements
3. Financial statements





# 1 Contents

## Independent auditors' report to Future Generations Empowerment Organisation (the Organisation)

### Opinion

1. **Board Letter**
2. **Auditors' report on financial statements**
3. **Financial statements**

In our opinion, the Organisation's financial statements present a true and fair view of its financial position, the financial position of the Organisation as at December 31, 2021, and its financial performance and cash flows for the year ended in accordance with the applicable accounting policies.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 the Organisation 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 2 of the financial statements, which describes the nature of preparation. The financial statements are prepared in accordance with the Financial Reporting Framework of the Organisation in complying with the requirements of the standards described in Note 2. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the use of the members of the Organisation and should not be distributed or used by parties other than the Future Generations Empowerment Organisation. Our opinion is not modified in respect of these matters.



## Independent auditors' report to Future Generations Empowerment Organisation (the Organisation)

### Opinion

We have audited the financial statements of **Future Generations Empowerment Organisation**, which comprises the statement of financial position as of December 31, 2021, and the statement of income and expenditure, statement of changes in reserves and statement of cash flows for the year ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Organization's financial statements present true and fair view in all material respects, the financial position of the Organization as at December 31, 2021, and its financial performance and its cash flows for the year ended in accordance with the entity's accounting policy.

### 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 the Organization 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

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

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### **Other Matter**

The financial statements of the organisation for the year ended 31 December 2020 were audited by another auditor who expressed an unqualified opinion on those statements on 08 April 2021.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with entity's accounting policy as disclosed in 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 the Organization's 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 the Organization or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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.

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- 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 Organization's internal control.
- 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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

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*Anwar Javed and Co.*

**Anwar Javed & Co.**  
Chartered Accountants  
Engagement Partner: **Javed Anwar**  
Date: April 25, 2022  
Place: **Kabul, Afghanistan**





FUTURE GENERATIONS EMPOWERMENT ORGANIZATION  
 STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2021

	Note	2021 USD	2020 USD
<b>Assets</b>			
<b>Non Current assets</b>			
Property, plant and equipment		-	-
<b>Current assets</b>			
Cash & cash equivalent			
Receivables	3	1,895	13,411
		13,175	-
		<u>15,070</u>	<u>13,411</u>
<b>Total Assets</b>		<u>15,070</u>	<u>13,411</u>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Accumulated surplus / (deficit)		15,070	13,411
<b>Total Reserves</b>		<u>15,070</u>	<u>13,411</u>
<b>Total Reserves and Liabilities</b>		<u>15,070</u>	<u>13,411</u>

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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  
 STATEMENT OF INCOME AND EXPENDITURE  
 FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 USD	2020 USD
<b>Income</b>			
Receipts from donor	4	2,460	2,525
		<u>2,460</u>	<u>2,525</u>
<b>Expenditure</b>			
Personnel cost	5	-	383
Equipment cost	6	-	4
Operational cost	7	801	2,952
		<u>801</u>	<u>3,339</u>
<b>Other expenses</b>			
Exchange loss		-	-
<b>Surplus / (deficit) for the year</b>		<u>1,659</u>	<u>(814)</u>

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

*AJCO*

Gul Ahmad Jan  
 Admin/Finance Officer

Mohammad Tahir Khalil  
 Country Director



**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION  
STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021	2020
		USD	USD
Opening balance of accumulated (deficit)		13,411	14,225
Add: Surplus / (deficit) for the year		1,659	(814)
		<b>15,070</b>	<b>13,411</b>

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

**1.1 Basis of measurement**

The financial statements have been prepared under historical cost basis, except for certain items as the nature and amount are immaterial.

**2.1 Capital expenditure**

There is no capital expenditure incurred by the organization during the year of accounts.

**2.2 Foreign currency translation**

The statement of receipts and disbursements has been prepared in United States Dollar (USD). Transactions denominated in currency 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 as 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 currency (US Dollars) are accounted for at the monthly average exchange rates. All monetary assets and liabilities denominated in currencies other than reporting currency at the year end are translated at the exchange rates prevailing at financial statements date. Non-monetary items that are measured in terms of local cost are a foreign currency are measured using the exchange rate at the date of transaction. If any exchange differences are included in the statement of financial position for the period.

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 2021**

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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 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

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**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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.

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**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 USD	2020 USD
<b>3 Cash &amp; cash equivalent</b>			
Cash & cash equivalent at head office	3.1	1,895	13,411
		<u>1,895</u>	<u>13,411</u>
<b>3.1 Cash &amp; cash equivalent of head office</b>			
Cash in hand	3.1.1	280	556
Cash at bank	3.1.2	1,615	12,855
		<u>1,895</u>	<u>13,411</u>
<b>3.1.1 Cash in hand</b>			
Cash in hand - Afs		279	555
Cash in hand - USD		1	1
		<u>280</u>	<u>556</u>
<b>3.1.2 Cash at bank</b>			
Azizi Bank - Afs		223	5,839
Azizi Bank - USD		1,392	7,016
		<u>1,615</u>	<u>12,855</u>
The foreign currency balances are converted to USD 103.6295			
<b>4 Receipts from donor</b>			
FGA Head Office		2,460	2,525
		<u>2,460</u>	<u>2,525</u>
<b>5 Personnel cost</b>			
Regular staff		-	383
		<u>-</u>	<u>383</u>
<b>6 Equipment cost</b>			
Office equipment's		-	4
		<u>-</u>	<u>4</u>

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**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 USD	2020 USD
<b>7 Operational cost</b>			
Office supplies		80	-
Utilities		-	-
Printing, postage & stationery		9	2,134
Travel & transportation		-	82
Meals and per diem domestic		-	-
Training & capacity building		-	-
Workshops meetings and conferences		-	-
Audit fee		250	248
Bank charges		137	139
Communication cost		201	293
Vehicle fuel & maintenance		124	56
		801	2,952

**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 management on

25-Apr-2022

*Ajco*

Gul Ahmad Jan  
 Admin/Finance Officer

Mohammad Tahir Khalil  
 Country Director