

# Financial Statements

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Audit of Financial Statements of

Future Generations Afghanistan  
For the Year Ended June 30, 2011

A. Salam Jan & Co. - Chartered Accountants - member of 



*A. Salam Jan & Co.*

*Chartered Accountants*



*A network of independent accountancy firms.*

## INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR

### Introduction

We have audited the annexed statement of financial position (balance sheet) of the **FUTURE GENERATIONS AFGHANISTAN** as at **JUNE 30, 2011** and the related income & expenditure account together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

### Management's Responsibility for Financial Statements

It is the responsibility of the management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards.

### Auditors' Responsibility

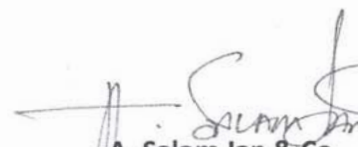
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.


### Opinion

In our opinion the financial statements present fairly in all material respects, the financial position of the **FUTURE GENERATIONS AFGHANISTAN** as at **JUNE 30, 2011** and of its surplus for the year then ended in accordance with the approved accounting standards and the donors' reporting requirements.

Peshawar

August 29, 2011

  
**A. Salam Jan & Co.,**  
Chartered Accountants.




**FUTURE GENERATIONS AFGHANISTAN  
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)  
AS AT JUNE 30, 2011**

	NOTE	2011 USD	2010 USD
<b><u>PROPERTY AND ASSETS</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Advances, deposits and other receivables	3	2,936	170
Cash and bank balances	4	781,912	229,206
		<b>784,848</b>	<b>229,376</b>
		<b>784,848</b>	<b>229,376</b>
<b><u>REPRESENTED BY</u></b>			
CAPITAL FUND		-	-
ACCUMULATED SURPLUS / (DEFICIT)		760,407	153,609
		760,407	153,609
DEFERRED INCOME		23,627	7,484
<b><u>CURRENT LIABILITIES</u></b>			
Grant received in advance		-	68,160
Tax on salaries payable		814	-
Other liabilities		-	123
		<b>814</b>	<b>68,283</b>
		<b>784,848</b>	<b>229,376</b>

*The above statement of financial position (balance sheet) should be read with the annexed notes.*

PESHAWAR  
August 29, 2011

  
FINANCE MANAGER

  
DIRECTOR

**FUTURE GENERATIONS AFGHANISTAN  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>INCOME</u>	NOTE	2011 USD	2010 USD
Grants from donors	5	2,045,888	472,696
		2,045,888	472,696
 <u>EXPENDITURE</u>			
Staff cost	6	353,216	188,979
Equipment cost	7	46,843	569
Operational cost	8	212,484	118,929
Material and program supplies cost	9	826,546	2,110
		1,439,089	310,586
<b>SURPLUS FOR THE YEAR</b>		<b>606,798</b>	<b>162,110</b>
<b>ACCUMULATED SURPLUS / (DEFICIT) BROUGHT FORWARD</b>		<b>153,609</b>	<b>(8,501)</b>
<b>ACCUMULATED SURPLUS CARRIED TO THE STATEMENT OF FINANCIAL POSITION</b>		<b>760,407</b>	<b>153,609</b>

*The above income and expenditure account should be read with the annexed notes.*

PESHAWAR  
August 29, 2011

  
FINANCE MANAGER

  
DIRECTOR

**FUTURE GENERATIONS AFGHANISTAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**1. STATUS AND NATURE OF OPERATIONS**

**Future Generations** was established in 1992 with the belief that community based change was a proven alternative path to international development. Future Generations raises within communities the capacity to shape their own futures. Communities learn to maximize locally-available skills and resources and to sustain solutions that fit local cultures, economies and ecologies through Future Generation's health, education, peace building, empowerment and income generations programs.

**2. SIGNIFICANT ACCOUNTING POLICIES**

Following accounting policies have been followed in preparation of these financial statements.

**2.1 Accounting convention and basis of preparation of financial statements.**

These financial statements have been prepared under historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP).

**2.2 Revenue recognition**

Income from donations and other sources is recognized on receipt basis.

**2.3 Expenditure**

Expenditure is recognized on accrual basis.

**2.4 Non-Current assets**

Non-current assets acquired during financial year are charged to income.

**2.5 Current assets/ liabilities**

Current assets and liabilities are stated at cost.

**2.6 Foreign currency translations**

All financial transactions incurred in currencies other than functional currency have been converted into US dollars based on the Da Afghanistan Bank average exchange rate. Exchange gain / loss, if any, arising from the translation of currency is charged to current year's income.

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	2011 USD	2010 USD
<b>3 Advances, deposits and other receivables</b>		
<i>Advances</i>		
Against expenses	-	170
Withholding Tax on contracts	362	-
Against Office rent	1,800	-
Against Office rent Tax	206	-
Against staff loan	1	-
<i>Other Receivable</i>	567	-
	<b>2,936</b>	<b>170</b>
<b>4. CASH AND BANK BALANCES</b>		
Cash in hand	24,408	3,906
Cash at banks	757,504	225,300
	<b>781,912</b>	<b>229,206</b>
	4.1	
	4.2	
<b>4.1 CASH IN HAND AT HEAD OFFICE &amp; FIELD OFFICES</b>		
Cash in hand (Kabul office)	3,925	3,759
Cash in hand (Field office)	20,482	147
	<b>24,408</b>	<b>3,906</b>
<b>4.2 CASH AT BANKS</b>		
Kabul Bank- FGA main account	1,254	154,632
Kabul Bank- NSP account	138,552	70,545
Kabul Bank- Ghazni	100	100
Kabul Bank- Nangarhar	30,026	22
Kabul Bank (Afghani account)	109	-
Habib Bank Limited	587,462	-
	<b>757,504</b>	<b>225,300</b>
<b>5. FUNDS &amp; GRANTS FROM DONORS</b>		
Ministry of Rural Rehabilitation Development-NSP	416,219	120,768
Ministry of Rural Rehabilitation Development- WATSAN	-	43,547
United States Institute of Peace	-	62,077
Future Generations	-	246,304
Afghanistan Research & Evaluation Unit (AREU)	24,938	-
Katahira & Engineering International (Community Contribution)	33,029	-
Katahira & Engineering International (Implementation Cost)	1,092,707	-
Katahira & Engineering International (Service Fee)	445,995	-
United State Embassy	33,000	-
	<b>2,045,888</b>	<b>472,696</b>

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6. STAFF COST

Staff salaries & benefits

2011  
USD

2010  
USD

353,216

188,979

353,216

188,979

7. EQUIPMENT COST

Furniture and Fixtures  
Other IT Equipment  
Other office equipment  
Vehicles two wheels  
Vehicles four wheels  
Computers  
Printers  
Cell phone  
Scanner  
Other Assets & Store Items

3,013  
347  
1,623  
45  
25,088  
14,080  
154  
504  
100  
1,889

-  
450  
119  
-  
-  
-  
-  
-  
-

46,843

569

8. OPERATIONAL COST

Accounting and consultancy expenses  
Bank charges  
Carriage inwards and outwards  
Electricity charges  
Exchange Gain / (Loss)  
Fuel for generator  
Gas charges  
Heating expenses  
International travel expenses  
Internet expenses  
Legal fee and registration exp.  
Local travel expenses  
Meals & per diem domestic  
Miscellaneous expenses  
Office rent  
Office supplies  
Printing and copying  
Repair and maintenance- Equipments  
Repair and maintenance- General  
Stationery expenses  
Taxes  
Telephone expenses  
Vehicles fuel  
Vehicles maintenance  
Vehicles rent  
Audit fee and expenses  
Per diem for Int. travel  
Postage and shipping  
Training expenses  
Utilities and water charges  
Workshop expenses  
Membership fee  
Programme materials & supplies  
Visa fee & expenses

13,800  
926  
819  
7,603  
(1,944)  
2,968  
1,644  
1,701  
98  
8,702  
37  
6,700  
1,930  
3,983  
47,514  
7,032  
1,216  
823  
2,249  
5,890  
100  
8,016  
5,200  
2,325  
59,977  
1,500  
69  
641  
10,482  
403  
240  
549  
8,466  
829

-  
320  
388  
5,587  
445  
114  
952  
717  
2,119  
8,073  
-  
5,764  
806  
1,000  
33,880  
2,609  
1,023  
1,392  
251  
2,540  
-  
4,159  
84  
2  
42,070  
1,800  
738  
215  
414  
1,297  
170  
-  
-

212,484

118,929

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9. MATERIAL AND PROGRAM SUPPLIES COST

	2011 USD	2010 USD
Back filling expenses		-
Bricks work	7,373	-
Cleaning expenses	595	-
Excavation expenses	61,031	-
Gravelling and Leveling expenses	75,600	-
Hand tools expenses	5,942	-
Other expenses	10,078	-
PCC M expenses	28,054	2,110
Personal expenses	120,568	-
Plastering expenses	3,363	-
Pointing expenses	339	-
RCC expenses	17,302	-
Shuttering expenses	35,667	-
Site preparation expenses	10,122	-
Stone Masonry work	4,157	-
Equipments for field	441,774	-
	4,581	-
	<b>826,546</b>	<b>2,110</b>

10. GENERAL

- Figures have been rounded off to nearest USD.

PESHAWAR  
August 29, 2011

*Fing*  
FINANCE MANAGER

*April*  
DIRECTOR