

DYNAMIC VISION
AUDIT & FINANCIAL SERVICES
AUDIT | ADVISORY | TAXATION

FUTURE GENERATIONS AFGHANISTAN
(FGA)

FINANCIAL STATEMENTS

For the year ended
30 JUNE 2012



DYNAMIC VISION
AUDIT & FINANCIAL SERVICES
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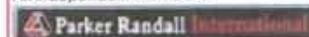
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Parker Randall-A.J.S.
Chartered Accountants

An independent member of



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Independent Auditors' Report

Country Director
Future Generations Afghanistan
Kabul
Afghanistan

We have audited the accompanying financial statements of the 'Future Generations Afghanistan' which comprise the balance sheet as at 30 June 2012 and the income and expenditure statement for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Statement

Management is responsible for the preparation of the financial statements in accordance with the generally accepted accounting principles and for such internal controls as management determines is necessary to enable the presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the 'Future Generations Afghanistan' as at 30 June 2012, and of its deficit for the year then ended in accordance with the Note 2 and 3 to the financial statements.

Parker Randall A.J.S.
Chartered Accountants
17 September 2012
Pakistan

Future Generations Afghanistan

Balance sheet

As at 30 June 2012

	Note	2012 USD	2011 USD
Assets			
Non-current assets			
Property and equipment	4	67,510	-
Current assets			
Advances, deposits and other receivables	5	-	2,936
Cash and bank balances	6	576,088	781,912
		576,088	784,848
Total assets		643,598	784,848
Equity and liabilities			
Equity			
Capital fund		-	-
Accumulated Surplus		639,817	760,407
		639,817	760,407
Liabilities			
Deferred Income	7	-	23,627
Current liabilities			
Income tax payable	8	3,781	814
Total equity and liabilities		643,598	784,848

The annexed notes 1 to 17 form an integral part of these financial statements.


Finance Manager


Country Director

Future Generations Afghanistan
Income and Expenditure Statement
For the year ended 30 June 2012

	Note	2012 USD	2011 USD
<u>Income</u>			
Grants from donors	9	1,010,454	2,012,859
Communities' contribution	10	17,532	33,029
Exchange gain	11	7,236	1,944
Other income	12	36,925	-
		1,072,147	2,047,832
<u>Expenditure</u>			
Staff cost	13	458,594	353,216
Equipment cost	14	30,275	46,843
Operational cost	15	196,068	214,429
Material and program supplies cost	16	575,310	826,546
		1,260,247	1,441,034
(Deficit) / surplus for the year		(188,100)	606,798
Reserve on revaluation of property & equipment		67,510	-
Accumulated surplus brought forward		760,407	153,609
Accumulated surplus carried to balance sheet		639,817	760,407

The annexed notes 1 to 17 form an integral part of these financial statements.


Finance Manager


Country Director

Future Generations Afghanistan
Notes to the financial statements
For the year ended 30 June 2012

1. Status and nature of operations

Future Generations Afghanistan (FGA) is a Non Governmental Organization (NGO) registered with Ministry of Economy under the Afghanistan NGO law and is part of Future Generations network.

FGA started its operations in 2002 with the belief that community based change was a proven alternative path to international development. FGA 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 FGA's health, education, peace building, empowerment and income generation programs. FGA receives funds assistance from donors to carry out its activities.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP).

The financial statements were approved by the Country Director on 05/11/2012.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis. Expenditure is recognized on accrual basis. Income from funds received from donors are recognized on receipt basis.

2.3 Functional and presentation currency

The financial statements are presented in US Dollars ("USD") which is company's functional currency. All financial information presented in USD have been rounded to nearest USD.

3. Significant accounting policies

The accounting policies set out below have been applied in these financial statements.

3.1 Fixed assets

Fixed assets purchased during the year are capitalised. However, any fixed assets purchased against donor funding are charged to income in that year and are transferred to fixed at the end of the relevant project.

3.2 Exchange rates

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 transaction of currency is charged to current year's income.

4. Property and equipment

	Vehicle	Furniture and Fixture	Office Equipment	IT Equipments	Total
	USD	USD	USD	USD	USD
Cost					
Balance as at 01 Jul 2010	-	-	-	-	-
Addition / Deletions	-	-	-	-	-
Balance as at 30 Jun 2011	-	-	-	-	-
Balance as at 01 Jul 2011	-	-	-	-	-
Addition / Deletions	35,650	3,240	26,510	2,110	67,510
Balance as at 30 Jun 2012	35,650	3,240	26,510	2,110	67,510
Depreciation					
Balance as at 01 Jul 2010	-	-	-	-	-
For the year	-	-	-	-	-
Balance as at 30 Jun 2011	-	-	-	-	-
Balance as at 01 Jul 2011	-	-	-	-	-
For the year	-	-	-	-	-
Balance as at 30 Jun 2012	-	-	-	-	-
Carrying values					
Balance as at 01 Jul 2010	-	-	-	-	-
Balance as at 30 Jun 2011	-	-	-	-	-
Balance as at 01 Jul 2011	-	-	-	-	-
Balance as at 30 Jun 2012	35,650	3,240	26,510	2,110	67,510

Future Generations Afghanistan
Notes to the financial statements
For the year ended 30 June 2012

	Note	2012 USD	2011 USD
5. Advances, deposits and other receivables			
Advances		-	2,369
Receivables		-	567
		<u>-</u>	<u>2,936</u>
6. Cash and bank balances			
Cash in hand	6.1	8,238	24,408
Cash at bank	6.2	567,850	757,504
		<u>576,088</u>	<u>781,912</u>
6.1 Cash in hand			
Cash in hand HO USD		5,000	3,925
Cash in hand HO AFA		534	-
NGR Cash in hand USD		798	20,483
GHZ Cash in hand USD		1	-
NGR Cash in hand AFA		1,905	-
		<u>8,238</u>	<u>24,408</u>
6.2 Cash at bank			
Azizi Bank-HO USD		1,621	-
Azizi Bank NGR USD		3,738	-
Kabul Bank FGA Main account USD		90,179	1,254
Kabul Bank FGA NSP account USD		232,648	138,552
Kabul Bank Ghazni USD		98	100
Kabul Bank NGR USD		547	30,026
Habib Bank Limited		229,906	587,463
Azizi Bank HO AFA		4,492	-
Kabul Bank AFA		4,621	109
		<u>567,850</u>	<u>757,504</u>
7. Deferred income			
Opening balance		23,627	7,484
Add: Income from renting out office and vehicle		13,298	16,143
Less: Transferred to income & expenditure statement		(36,925)	-
Closing balance		<u>-</u>	<u>23,627</u>

Future Generations Afghanistan
Notes to the financial statements
For the year ended 30 June 2012

	<u>2012</u>	<u>2011</u>
	USD	USD
8. Income tax payable		
Salaries	2,710	814
Rent	1,071	-
	<u>3,781</u>	<u>814</u>
9. Grants from donors		
Agricultural Development Team (ADT)	4,992	-
Afghan Research and Evaluation Unit (AREU)	1,993	24,938
Katahira & Engineering International (Implementation cost)	246,988	1,092,707
Katahira & Engineering International (Service Fee)	415,252	445,995
Ministry of Rural Rehabilitation and Development (MRRD)	187,198	416,219
United States Department of State	68,031	-
United States Embassy	40,000	33,000
United States Institute of Peace (USIP)	31,000	-
Future Generations	15,000	-
	<u>1,010,454</u>	<u>2,012,859</u>
10. Communities' contributions		
<p>The amount represents contribution by the communities in the form of performing extra work i.e. workers are not paid for 10% of the work they perform for FGA. As per FGA's policy this is recognised as an income as well as an expense.</p>		
11. Exchange gain		
<p>The figure of exchange gain was included in the operational cost in 2011.</p>		
12. Other income		
<p>The amount represents income from renting out FGA's head office building second floor to organisation 'Equity for Peace and Democracy' (EPD).</p>		
13. Staff Cost		
Staff salaries and benefits	458,594	353,216
	<u>458,594</u>	<u>353,216</u>
14. Equipment Cost		
Vehicles 4 wheel	21,989	25,088
Vehicles two wheels	572	45
Printers	728	154
Scanners	71	100
Electric appliances	244	504

Future Generations Afghanistan
Notes to the financial statements

For the year ended 30 June 2012

Furniture and Fixtures	1,563	3,013
Generators	52	-
Office Equipment	1,226	1,623
Other IT Equipment	3,830	347
Other Assets and Store Items	-	1,889
IT Equipment	-	14,080
	<u>30,275</u>	<u>46,843</u>

15. Operational Cost

Audit fee and expenses	1,800	1,500
Accounting and consultancy expenses	-	13,800
Legal fee and registration expenses	-	37
Membership Fee	1,439	549
Work Permit Expenses	193	-
Office supplies	6,478	7,032
Prog. materials and supplies	15,004	8,465
Telephone expenses	12,036	8,015
Internet expenses	6,906	8,702
Stationery expenses	6,257	5,890
Printing and copying	1,579	1,216
Office rent	40,236	47,513
Utilities, water charges	10	403
Electricity charges	8,468	7,603
Fuel for generator	1,745	2,968
Gas charges	2,400	1,644
Heating expenses	1,554	1,701
Taxes	126	100
Repair and Maintenance-General	471	2,249
Repair and Maint.- Equipments	703	823
Local travel expenses	12,595	6,700
Meals & Pier Diem domestic	3,669	1,930
International travel expenses	2,665	98
Perdiem for Int. Travel	-	69
Postage and shipping	-	641
Visa fee and expenses	427	829
Carriage inwards and outwards	739	819
Vehicles fuel	17,477	5,200
Vehicles maintenance	8,268	2,325
Vehicles rent	30,160	59,977
Miscellaneous expenses	2,927	3,983
Bank charges	1,162	926
Trainings expenses	5,987	10,482
Workshop, Meetings, Conferences	2,587	240
	<u>196,068</u>	<u>214,429</u>

Future Generations Afghanistan
Notes to the financial statements
For the year ended 30 June 2012

	<u>2012</u>	<u>2011</u>
	USD	USD
16. Material and program supplies cost		
Back Filling expenses	12,221	7,373
Bricks work	-	595
Cleaning expenses	10,118	61,031
Excavation expenses	40,876	75,600
Graveling and Leveling exp	80,020	5,942
Hand tools expenses	2,263	10,078
Other expenses	18,890	28,054
Painting expenses	253	-
PCC M Expenses	128,378	120,568
Personal Expenses	-	3,363
Plastering expenses	-	339
Painting expenses	8,472	17,302
RCC expenses	33,544	35,667
Shuttering expenses	1,794	10,122
Site preparation expenses	-	4,157
Stone Masonry work	238,481	441,774
Equipments for field	-	4,581
	<u>575,310</u>	<u>826,546</u>

17. General

Figures of previous year have been restated wherever necessary for the purpose of comparison.


 Finance Manager


 Country Director