

Future Generation Empowerment Organization (FGEO)

Annual Audit

**Auditors' Report and Audited Financial
Statements**

For the year ended December 31, 2023



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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF FUTURE GENERATION EMPOWERMENT ORGANIZATION (FGEO)

OPINION

We have audited the financial statements of **Future Generation Empowerment Organization (the Organization)**, which comprises the statement of financial position as at December 31, 2023, statement of income and expenditure, statement of changes in reserves, 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, 2023, and its financial performance for the year ended in accordance with financial reporting framework as disclosed 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 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.

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.

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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.
- 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.

Anwar Javed and Co.

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Anwar Javed & Co.
Chartered Accountants
Engagement Partner: Javed Anwar
Date: June 10, 2024
Place: Kabul, Afghanistan

FUTURE GENERATIONS EMPOWERMENT ORGANIZATION

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR FROM JANUARY 1, 2023 TO DECEMBER 31, 2023

**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	2023 USD	2022 USD
Assets			
Non Current assets			
Property, plant and equipment		-	-
Current assets			
Cash & cash equivalent	3	10,180	13,835
Receivables			5,175
		<u>10,180</u>	<u>19,010</u>
Total Assets		<u><u>10,180</u></u>	<u><u>19,010</u></u>
Reserves and Liabilities			
Reserves			
Accumulated surplus / (deficit)		10,180	19,991
Total Reserves		<u>10,180</u>	<u>19,991</u>
Liabilities			
Accrued Expense		-	86
Total Reserves and Liabilities		<u><u>10,180</u></u>	<u><u>19,991</u></u>

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 2023**

	Note	2023 USD	2022 USD
Income			
Receipts from donor	4	-	2,460
		-	2,460
Expenditure			
Personnel cost	5	404	6,118
Equipment cost	6	7,173	648
Operational cost	7	1,167	17,487
		8,744	24,254
Other expenses			
Exchange loss			2,473
Surplus / (deficit) for the year		(8,744)	(24,267)

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

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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 2023**

	Note	2023	2022
		USD	USD
Opening balance of accumulated (deficit)		18,924	17,543
Add: Surplus / (deficit) for the year		(8,744)	1,381
		10,180	18,924

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

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**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 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

ASCO

**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<i>Note</i>	2023 USD	2022 USD
3 Cash & cash equivalent			
Cash in hand	3.1	5,196	147
Cash at bank	3.2	4,983	13,688
		<u>10,180</u>	<u>13,835</u>
3.1 Cash in hand			
Cash in hand - AFN		5,196	125
Cash in hand - USD		-	22
		<u>5,196</u>	<u>147</u>
3.2 Cash at bank			
Azizi Bank - AFN		141	173
Azizi Bank - USD		1,199	1,307
Bank-e-millie Afghan HO - USD		3,643	15
Bank e Milli - USD		-	12,193
		<u>4,983</u>	<u>1,480</u>
4 Receipts from donor			
FGA Head Office		-	4,175
Donor		-	25,000
		<u>-</u>	<u>4,175</u>
5 Personnel cost			
Regular staff		404	6,118
		<u>404</u>	<u>6,118</u>
6 Equipment cost			
Office equipment's		-	648
Vehicles		7,173	
		<u>7,173</u>	<u>648</u>

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**FUTURE GENERATIONS EMPOWERMENT ORGANIZATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2023**

	<i>Note</i>	2023 USD	2022 USD
7 Operational cost			
Office supplies		158	43
Utilities		-	-
Printing, postage & stationery		-	58
Travel & transportation		56	1,796
Training & capacity building		24	193
Rent		-	334
Program material and supplies		-	14,407
Perdiem		-	303
Audit fee		-	-
Bank charges		205	284
Communication cost		44	-
Vehicle fuel & maintenance		449	-
Other expenses		231	70
		1,167	17,487

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

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Gul Ahmad Jan
 Admin/Finance Officer

Mohammad Tahir Khalil
 Country Director