



Chartered Accountants

INDEPENDENT AUDITORS' REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS

The Board of Directors

Noor Educational and Capacity Development Organization (NECDO)
Kabul, Afghanistan

We have audited the accompanying financial statements of **Noor Educational and Capacity Development Organization (NECDO)**, which comprise the statement of financial position as at December 31, 2013 and the related statement of income and expenditure for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in the following paragraph, 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 the auditors' 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, the auditor considers 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 the management, as well as evaluating the overall presentation of the financial statements.

Global in Reach, Local in touch

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

Opinion

In our opinion financial statements give a true and fair view of the financial position of the **Noor Educational and Capacity Development Organization (NECDO)** as of December 31, 2013 and of its financial activities for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Date:
Kabul

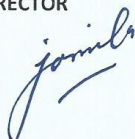


NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	Note	2013 USD	2012 USD
ASSETS			
Current assets			
Cash and bank balances	4.	4,736	62,071
Receivable from donors	5.	10,719	8,252
Other receivables		18,324	-
		33,779	70,323
TOTAL ASSETS		33,779	70,323
RESERVE AND LIABILITIES			
Reserve			
Accumulated surplus		33,779	34,259
Current liabilities			
Fund balance	6.	-	24,016
Short term loan		-	12,048
		-	36,064
TOTAL RESERVE AND LIABILITIES		33,779	70,323

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

DIRECTOR



FINANCE OFFICER



NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	2013 USD	2012 USD
<u>INCOMING RESOURCES</u>			
Fund from donors	7.	277,165	289,718
Short term consultancy charges		-	8,680
		277,165	298,398
<u>OUTGOING RESOURCES</u>			
Expenditure from donors' funds	8.	277,165	289,718
Bank charges		480	20
		277,645	289,738
(Deficit)/ surplus for the year		(480)	8,660
Accumulated surplus brought forward		34,259	25,599
Accumulated surplus carried forward		33,779	34,259

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

DIRECTOR



FINANCE OFFICER



NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. STATUS AND NATURE OF ACTIVITIES

Noor Educational and Capacity Development Organization (NECDO), hereinafter referred to as "the Organization" is a non-governmental and non-political development organization empowering people and communities to initiate and sustain their own development. NECDO is working in partnership with different communities providing tools and resources to change behaviours of men dominated society towards improvement of women's human rights conditions and to produce women rights advocates from Islamic and modern life perspective from Afghan community. The Organization is also working for the education of women and children and for development of Women's Shura leadership potential within the region. NECDO is registered with the government of Afghanistan, Ministry of Economy (Registration No. 95), Ministry of Education (Registration No. 278) and with Ministry of Women's Affairs (Registration No. 35). The registered office of NECDO is situated in Kabul, Afghanistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs).

2.2 Basis of measurement

These financial statements have been prepared under historical cost basis, except monetary assets and liabilities in currency other than reporting currency which are stated as per accounting policy of foreign currency transactions.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Organization operates. These financial statements have been presented in US Dollars (USD), which is the Organization's functional currency also along with local currency Afghani (Afs).

2.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of Measurement

These accounts have been prepared under the historical cost convention.

3.2 Fixed Assets

Fixed assets are charged to donor fund in the year of purchase.

3.3 Income Recognition

Grants from donors are recognized up to the extent of expenditure incurred.

3.4 Exchange Gain and Loss

Transactions in currencies other than reporting currency (USD) are converted into reporting currency at the average exchange rate for the month calculated on the basis of open market rates obtained from Money Changers of Kabul . Exchange gain or loss, if any, arising on the conversion is dealt within Statement of Income and Expenditure. Monetary assets and liabilities denominated in currency other than reporting currency are re-measured into reporting currency by applying exchange rate prevailing at date of Statement of Financial Position. Exchange gain or loss, if any, arising on the re-measurement of monetary assets and liabilities is dealt within Statement of Income and Expenditure.

3.5 Taxation

Organization itself and funds of this project are exempt from tax as per Income Tax Law of 2005 (ammended in 2009).

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	2013 USD	2012 USD
4. CASH AND BANK BALANCES			
Cash in hand - USD		450	327
Cash at bank- current accounts	4.1	4,286	61,744
		<u>4,736</u>	<u>62,071</u>
4.1 Cash at bank - current accounts			
National Bank of Pakistan-USD		4,089	37,523
Afghanistan International Bank-Afs	4.1.1	197	24,221
		<u>4,286</u>	<u>61,744</u>
4.1.1 This represents Afs 11,027 (2012 : Afs 1,259,003) converted to USD by applying exchange rate of 1 USD = 55.91 Afs (2012 : 51.98 Afs).			
5. RECEIVABLE FROM DONORS			
Scholastic Inc. New York, USA	Annex 'A'	10,543	2,160
Swiss Cooperation Office	Annex 'B'	175	6,092
		<u>10,719</u>	<u>8,252</u>
6. FUND BALANCE			
Deutsche Gesellschaft fur Internationale Zusammenarbeit		-	24,016
		<u>-</u>	<u>24,016</u>
7. FUND FROM DONORS			
My Afghan Library (TOT & Monitoring)	Annex 'A'	124,179	37,414
Network of Human Rights and Gender Equality for Afghan women	Annex 'B'	36,206	142,007
Developing women shura's leadership potential-Badakshan	Annex 'C'	79,569	3,944
Role of Ullama in Peace and Reconciliation	Annex 'D'	19,841	-
Imam initiative on EVAW, peace education and human rights	Annex 'E'	17,371	-
Nazo ana Library		-	6,060
Developing Women Shura's Leadership Potential Project-BC		-	74,743
Imam initiative on EVAW, peace education and human		-	2,500
Strengthening and expanding the network of ulama in eleven provinces in 2012		-	23,050
		<u>277,165</u>	<u>289,718</u>

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	2013 USD	2012 USD
8. EXPENDITURE FROM DONORS' FUNDS			
My Afghan library (TOT & Monitoring)	Annex 'A'	124,179	37,414
Network of human rights and gender equality for Afghan women	Annex 'B'	36,206	142,007
Developing women shura's leadership potential-Badakshan	Annex 'C'	79,569	3,944
Role of Ullama in Peace and Reconciliation	Annex 'D'	19,841	-
Imam initiative on EVAW, peace education and human rights	Annex 'E'	17,371	-
Nazo ana Library		-	6,060
Developing Women Shura's Leadership Potential Project-BC		-	74,743
Imam initiative on EVAW, peace education and human rights, trainings		-	2,500
Strengthening and expanding the network of ulama in eleven provinces in 2012		-	23,050
		277,165	289,718

9. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on _____ by the Director and Finance Officer of the Organization.

10. GENERAL

10.1 Number of employees

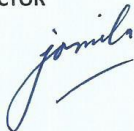
Total number of full time employees of the Organization as on December 31, 2013 were 9 (2012 : 9).

10.2 Figures

.....Have been rounded off to the nearest USD.

.....Have been re-arranged and re-classified wherever necessary to facilitate the comparison.

DIRECTOR



FINANCE OFFICER



Annexure "A"

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
 PROJECT NAME: MY AFGHAN LIBRARY (TOT & MONITORING)
 DONOR: SCHOLASTIC INC. NEW YORK, USA
 PROJECT PERIOD: SEPTEMBER 15, 2012 TO NOVEMBER 30, 2014
 REPORTING PERIOD: JANUARY 01, 2013 TO DECEMBER 31, 2013
 STATEMENT OF BUDGET VARIANCE

AMOUNT IN US DOLLARS						
	Budget	Actual 2013	Actual 2012	Total Actual	Budget Variance	Variance %
FUNDS						
Funds received from donor	271,624	115,796	35,254	151,050	120,575	44.4
	271,624	115,796	35,254	151,050	120,575	44.4
EXPENDITURE						
Salaries	81,670	47,880	11,400	59,280	22,390	27.4
Refreshment & transportation cost	19,800	-	7,783	7,783	12,017	60.7
Networking meetings cost	4,680	1,800	2,105	3,905	775	16.6
TOT expenses	64,625	33,721	7,422	41,143	23,482	36.3
Monitoring cost	43,030	26,546	-	26,546	16,484	38.3
Program cost	34,840	12,689	3,591	16,280	18,560	53.3
Stationary and teaching aid	4,720	1,543	2,665	4,208	512	10.8
	253,365	124,179	34,966	159,145	94,220	37
General admin cost- 7% of total cost	18,259	-	2,448	2,448	15,811	86.6
TOTAL EXPENDITURE	271,624	124,179	37,414	161,593	110,031	41
Opening balance		(2,160)	-			
Excess of expenditure over funds		(8,383)	(2,160)			
RECEIVABLE FROM DONOR		(10,543)	(2,160)			

Note: This project is extended by the donor for a period of one year with a cost extension of USD 150,249. The original project period was September 15, 2012 to November 30, 2013 with a total budget of USD 121,375.

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NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)

Annexure "B"

PROJECT NAME: NETWORK OF HUMAN RIGHTS AND GENDER EQUALITY FOR AFGHAN WOMEN

DONOR: SWISS COOPERATION OFFICE

PROJECT PERIOD: MAY 01, 2012 TO APRIL 30, 2013

REPORTING PERIOD: JANUARY 01, 2013 TO DECEMBER 31, 2013

STATEMENT OF BUDGET VARIANCE

	AMOUNT IN US DOLLARS					
	Budget	Actual 2013	Actual 2012	Total Actual	Budget Variance	Variance %
FUNDS						
Funds received from donor	179,937	42,122	135,915	178,037	1,900	1.1
	179,937	42,122	135,915	178,037	1,900	1.1
EXPENDITURE						
Personnel cost	29,700	10,486	19,214	29,700	-	-
Operational cost	32,600	12,075	19,620	31,695	905	2.8
Equipment	2,090	-	2,215	2,215	(125)	(6.0)
Networking costs	15,900	9,366	7,344	16,710	(810)	(5.1)
Conferences for three days	51,850	-	50,401	50,401	1,449	2.8
Travel costs for Inams	29,400	-	30,285	30,285	(885)	(3.0)
Kabul female participants cost	7,200	-	1,800	1,800	5,400	75.0
Provincial female participants costs	2,700	1,452	5,600	7,052	(4,352)	(161.2)
	171,440	33,379	136,480	169,858	1,582	1
Admin cost for contingency (5%)	8,077	2,827	5,527	8,354	(277)	(3)
TOTAL EXPENDITURE	179,517	36,206	142,007	178,212	1,305	1
Opening balance		(6,092)	-			
Excess of funds over expenditure		5,916	(6,092)			
RECEIVABLE FROM DONOR		(175)	(6,092)			

HLB ITC

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
 PROJECT NAME: DEVELOPING WOMEN SHURA'S LEADERSHIP POTENTIAL PROJECT
 DONOR: DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ)
 PROJECT PERIOD: DECEMBER 01, 2012 TO SEPTEMBER 30, 2013
 REPORTING PERIOD: JANUARY 01, 2013 TO DECEMBER 31, 2013
 STATEMENT OF BUDGET VARIANCE

	AMOUNT IN US DOLLARS				
	Budget	Actual 2013	Actual 2012	Total Actual	Budget Variance
FUNDS					
Funds received from donor	88,010	55,553	27,960	83,513	4,497
	88,010	55,553	27,960	83,513	4,497
EXPENDITURE					
Personnel cost	18,350	17,127	1,785	18,912	(562)
Operational cost	16,260	13,682	1,139	14,821	1,439
Workshop for district women	52,200	47,457	1,020	48,477	3,723
Meetings	1,200	1,303	-	1,303	(103)
	88,010	79,569	3,944	83,513	4,497
TOTAL EXPENDITURE	88,010	79,569	3,944	83,513	4,497
Opening balance		24,016	-		
Excess of expenditure over funds		(24,016)	24,016		
CLOSING BALANCE		-	24,016		

Note: This project is extended by the donor for a period of one month. Total cost extension was USD 4,080 (GIZ = USD 2,980 and NECDO = USD 1,100).
 The original project period was December 01, 2012 to August 31, 2013 with a total budget of USD 83,930.

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)

Annexure "D"

PROJECT NAME: ROLE OF ULLAMA IN PEACE AND RECONCILIATION (RUPR)

DONOR: INDONESIAN EMBASSY KABUL

PROJECT PERIOD: JUNE 01, 2013 TO JUNE 30, 2013

REPORTING PERIOD: JANUARY 01, 2013 TO DECEMBER 31, 2013

STATEMENT OF BUDGET VARIANCE

	AMOUNTS IN US DOLLARS			
	Budget	Actual	Budget Variance	Variance %
FUNDS				
Funds received from donor	20,185	20,185	-	-
	20,185	20,185	-	-
EXPENDITURE				
Conference activity cost	14,270	14,236	34	0.2
Operational cost	4,050	3,770	280	6.9
	18,320	18,006	314	2
General admin cost- 10% of total cost	1,865	1,835	30	1.6
			-	
TOTAL EXPENDITURE	20,185	19,841	344	2
CLOSING BALANCE	-	344	-	-

Note: The fund balance of USD 344/- was refunded by Noor Educational and Capacity Development Organization (NECDO) before December 31, 2013.

HLB ITC

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO) *Annexure "E"*
 PROJECT NAME: IMAM INITIATIVE ON EVAW, PEACE EDUCATION AND HUMAN RIGHTS
 DONOR: AMERICAN SOCIETY FOR MUSLIM ADVANCEMENT
 PROJECT PERIOD: MARCH 01, 2013 TO AUGUST 31, 2013
 REPORTING PERIOD: JANUARY 01, 2013 TO DECEMBER 31, 2013
 STATEMENT OF BUDGET VARIANCE

	AMOUNTS IN US DOLLARS			
	Budget	Actual	Budget Variance	Variance %
FUNDS				
Funds received from donor	17,371	17,371	-	-
	17,371	17,371	-	-
EXPENDITURE				
Personnel cost	3,000	3,000	-	-
Transportation cost	3,200	3,200	-	-
Refreshment cost	504	503	1	0.2
Communication cost	286	288	(1)	(0.4)
Vehicle rent	1,200	1,200	-	-
Consultancy fee	1,000	1,000	-	-
Printing and stationary	5,380	5,380	-	-
Booklet developing cost	1,900	1,900	-	-
	16,471	16,471	-	-
General admin cost- 10% of total cost	900	900	-	-
TOTAL EXPENDITURE	17,371	17,371	-	-
CLOSING BALANCE	-	-	-	-