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Zahid Jamil & Co
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, 2017 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

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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.

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

Basis for Qualified Opinion

- We did not observe the cash in hand as at December 31, 2017, since that date was prior to the time we were initially engaged as auditors for the Organization. However, subsequently during our audit field work, we physically inspected the cash in hand and found their physical existence in agreement with the underlying accounting record of the Organization.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects the financial position of the Noor Educational and Capacity Development Organization (NECDO) as at December 31, 2017 and of its financial performance for the year then ended in accordance with the Organization's accounting policies as described in note 2 and note 3 to the financial statements.


Muhammad Mithan Arshad - FCA
Prime Global Zahid Jamil & Co.
Chartered Accountants
Kabul, Afghanistan
Date: April 25, 2018

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2017

	Note	2017 USD	2016 USD
ASSETS			
Current assets			
Cash and bank balances	4.	64,844	47,005
Receivable from donors	5.	-	17,764
		64,844	64,769
TOTAL ASSETS		64,844	64,769
RESERVE AND LIABILITIES			
Reserve			
Accumulated surplus		30,501	32,733
Current liabilities			
Short term loan	6.	34,343	21,067
Payable to Donors	9.	-	10,969
		34,343	32,036
TOTAL RESERVE AND LIABILITIES		64,844	64,769

Auditors' report is annexed thereto.
 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, 2017

	Note	2017 USD	2016 USD
<u>INCOMING RESOURCES</u>			
Fund from donors	7.	219,062	222,646
Other Income	8.	39,513	-
		258,575	222,646
<u>OUTGOING RESOURCES</u>			
Project expenditures	10.	219,449	222,646
Other expenses	11.	41,070	-
Financial charges		288	249
		260,807	222,895
(Deficit) for the year		(2,232)	(249)
Accumulated surplus brought forward		32,733	32,982
Accumulated surplus carried forward		30,501	32,733

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

DIRECTOR

FINANCE OFFICER

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 behaviors 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 Organization's accounting policies as described in note 3.

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 2005 of Afghanistan (amended in 2009). The Organization will fulfill withholding tax responsibility as per Income Tax Law 2005 of Afghanistan (amended in 2009)

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
 NOTES TO THE FINANCIAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017 USD	2016 USD
4. CASH AND BANK BALANCES			
Cash in hand - USD		4,700	-
Cash in hand - Afs	4.1	4,960	1
Cash at bank- current accounts	4.2	55,184	47,004
		<u>64,844</u>	<u>47,005</u>
4.1 Cash at hand			
This represents Afs 339,048 converted to USD by applying exchange rate of 1 USD = 68.35 Afs.			
4.2 Cash at bank - current accounts			
Afghanistan International Bank-USD		55,184	47,004
		<u>55,184</u>	<u>47,004</u>
5. RECEIVABLE FROM DONORS			
Global embassy of the republic of indonesia in Kabul		-	17,764
		<u>-</u>	<u>17,764</u>
6. SHORT TERM LOAN			
6.1		<u>34,343</u>	<u>21,067</u>
6.1 Short term interest free loan is obtained from the management of the Organization to meet the running project expenditures and will be repay after receiving the fund from donors.			
7. FUND FROM DONORS			
Asian Development Bank (ADB)	Annexure "A"	37,751	-
Development and Peace (Canada)	Annexure "B"	65,236	94,972
Open society Afghanistan	Annexure "C"	116,075	28,993
Construction of masjid ICC Ahmad shah bab mina		-	98,681
		<u>219,062</u>	<u>222,646</u>
8. OTHER INCOME			
Jerrahi order of America sadaqa/ Zakat Ramadhan 2017		20,000	-
Nadhatul ulama Afghanistan (NUA) Kabul		12,899	-
Nadhatul ulama Afghanistan (NUA) HEART		3,500	-
WILPF Afghanistan Group- Jalal Abad		3,114	-
		<u>39,513</u>	<u>-</u>

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
 NOTES TO THE FINANCIAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017 USD	2016 USD
9. PAYABLE TO DONORS			
Open Society Afghanistan	Annex 'A'	-	10,969
		-	10,969
10. PROJECT EXPENDITURES			
Asian development Bank (ADB)	Annexure "A"	37,751	-
Development and Peace (Canada)	Annexure "B"	65,236	94,972
Open society Afghanistan	Annexure "C"	116,462	28,993
Construction of masjid ICC Ahmad shah bab mina		-	98,681
		<u>219,449</u>	<u>222,646</u>
11. OTHER EXPENSES			
Deep well		8,000	-
Nadhatul ulama Afghanistan (NUA) Kabul		12,899	-
Nadhatul ulama Afghanistan (NUA) HEART		3,500	-
WILPF Afghanistan Group- Jalal Abad		3,114	-
Jerrahi order of America sadaqa/ Zakat Ramadhan 2017		12,000	-
Necdo Contribution Confrance and work shop		1,557	-
		<u>41,070</u>	-

11. DATE OF AUTHORIZATION FOR ISSUE

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

12. GENERAL

12.1 Number of employees

Total number of full time employees of the Organization as on December 31, 2017 were _____ (2016 : 10).

12.2 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

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)

Annexure "A"

PROJECT NAME: BRINGING FINANCE INFORMATION AND ASSISTANT SERVICES CLOSER TO KABUL WOMEN

DONOR: ASIAN DEVELOPMENT BANK (ADB)

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)

REPORTING PERIOD: JANUARY 01, 2017 TO DECEMBER 31, 2017

STATEMENT OF BUDGET VARIANCE

	Budget	Actual	Variance	
	USD			%age
FUNDS				
Funds received from donor	37,751	37,751	-	-
	37,751	37,751	-	-
EXPENDITURE				
STAFF SALARIES				
Project Manager	5,400	5,400	-	-
Admin and Finance Assistant	3,600	3,600	-	-
Gender and Finance Training Officer	3,600	3,600	-	-
Gender Research and Monitoring Specialist	4,500	4,500	-	-
Gender and Finance Information Officer	3,600	3,600	-	-
<i>Sub Total</i>	20,700	20,700	-	-
Capacity Building				
Banner and Stand Banner printing cost	-	441	(441)	(100)
Lunch for 60	720	720	-	-
Training Hall Charges	900	900	-	-
Training Stationary for Participants	120	180	(60)	(50)
training financial	2,310	2,310	-	-
Selection Community Meetings	700	700	-	-
Printing Brouchures	1,000	1,000	-	-
of 4 Advertising	4,000	3,200	800	20
Developing Financial Training Manual	2,000	2,000	-	-
Printing cost of 60 Manual	300	600	(300)	(100)
Printing Research Report for 1000	5,000	5,000	-	-
<i>Sub Total</i>	17,050	17,051	(1)	(230)
TOTAL EXPENDITURE	37,750	37,751	(1)	(0)

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECO)
 PROJECT NAME: MOBILIZING AFGHAN MAN TO PROTECT WOMEN RIGHTS DEMOCRACY AND PEACE
 DONOR: DEVELOPMENT AND PEACE CARITAS CANADA
 PROJECT PERIOD: JANUARY 01, 2017 TO DECEMBER 31, 2017
 REPORTING PERIOD: JANUARY 01, 2017 TO DECEMBER 31, 2017
 STATEMENT OF BUDGET VARIANCE

Budget	Actual	Variance
	USD	%age
66,360	65,236	1,124
66,360	65,236	1,124
		2

Funds received from donor

FUNDS

EXPENDITURE

STAFF SALARIES

- Managing Director
- Project Manager
- Admin and Finance Assistant
- Master Trainers
- Guard

Sub Total

3,500	3,500	
4,500	5,400	(900)
3,000	3,600	(600)
8,000	9,600	(1,600)
2,000	2,400	(400)
21,000	24,500	(3,500)

Operational cost

- House Rent (January 2017 up to June 2017)
- Office Utilities (Electricity Bill Charges, Gas for office Kitchen)
- Communication cost (January 2017 up to June 2017)
- Vehicle Rent (January 2017 up to June 2017)
- Office Stationary

5,000	6,000	(1,000)
500	642	(142)
800	1,080	(280)
5,000	6,000	(1,000)
500	660	(160)

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NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
 PROJECT NAME: MOBILIZING AFGHAN MAN TO PROTECT WOMEN RIGHTS DEMOCRACY AND PEACE
 DONOR: DEVELOPMENT AND PEACE CARITAS CANADA
 PROJECT PERIOD: JANUARY 01, 2017 TO DECEMBER 31, 2017
 REPORTING PERIOD: JANUARY 01, 2017 TO DECEMBER 31, 2017
 STATEMENT OF BUDGET VARIANCE

	Budget	Actual	Variance	
	USD	USD	%age	
Office Supplies (Chocolate, Green and Black Tea, Tissue Paper, Toilet paper ect)	500	720	(220)	(44)
Sub Total	12,300	15,102	(2,802)	(179)
Capacity Building				
Training Participants Manual Printing	2,400	2,400	-	-
Training Participant Stationary	1,800	1,650	150	8
Two Days Hall Rent charges in Kapisa Province	960	960	-	-
Workshop Participants Transportation cost in Kapisa Province	6,000	6,000	-	-
Workshop Participants Refreshment and Lunch cost in Kapisa Province	7,200	7,200	-	-
Trainers Round Trip Travel Cost, Accommodation cost, Refreshment and food allowance and local transportation cost in (Kapisa Province)	5,940	2,640	3,300	56
Conference Hall Charges in Kapisa,Kabul, Balkh and Khost Province	5,600	4,784	816	15
Admin Cost 5%	3,160	-	3,160	100
	33,060	25,634	7,426	22
TOTAL EXPENDITURE	66,360	65,236	1,124	2

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ANNEX 'C'
 NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
 PROJECT TITLE: DELEGITIMIZING OPPRESSIVE DISCOURSE TRAINING FOR AFGHAN WOMEN WOMEN'S RIGHTS ACTIVIST ON WOMEN'S RIGHTS IN ISLAMIC
 LEGAL FRAMEWORK
 DONOR: OPEN SOCIETY AFGHANISTAN
 STATEMENT OF BUDGET VARIANCE
 PROJECT PERIOD: JULY 1, 2016 TO AUGUST 31, 2017
 REPORTING PERIOD: JANUARY 1, 2016 TO DECEMBER 31, 2017

Budget			Actual			Variance	
USD			USD			USD	%age
OSA	NECDO	TOTAL	OSA	NECDO	TOTAL		
-----USD-----							

FUNDS		TOTAL FUNDS	
Funds	88,800	27,275	116,075
TOTAL FUNDS	88,800	27,275	116,075

EXPENDITURE

PERSONNEL COST		ADMINISTRATION	
Finance Officer	3,500	10,500	14,000
Project Manager	6,300	-	6,300
Project Assistant	2,800	-	2,800
Trainers	28,000	-	28,000
Guard	1,400	1,400	2,800
Cleaner	2,800	-	2,800
Sub Total	44,800	11,900	56,700
House Rent	4,200	9,800	14,000
Generator/Electricity	840	840	1,680
	4,200	9,800	14,000
	840	763	2,463
	-	783	-
	-	47	-

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NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)

ANNEX C

PROJECT TITLE: DELEGITIMIZING OPPRESSIVE DISCOURSE TRAINING FOR AFGHAN WOMEN WOMEN'S RIGHTS ACTIVIST ON WOMEN'S RIGHTS IN ISLAMIC

LEGAL FRAMEWORK

DONOR: OPEN SOCIETY AFGHANISTAN

STATEMENT OF BUDGET VARIANCE

PROJECT PERIOD: JULY 1, 2016 TO AUGUST 31, 2017

REPORTING PERIOD: JANUARY 1, 2016 TO DECEMBER 31, 2017

	Budget			Actual			Variance	
	OSA	NECDO	TOTAL	OSA	NECDO	TOTAL	USD	%age
Telephone & Internet Cost	1,400	-	1,400	1,857	11	1,868	468	33
Stationery Office	700	-	700	697	3	700	-	-
Office Supplies	1,120	-	1,120	1,311	119	1,430	310	28
Sub Total	8,260	10,640	18,900	9,765	10,696	20,461	1,561	8
TRAINING MATERIALS								
Development of the training manual	5,600	-	5,600	5,600	-	5,600	-	-
Training Materials and stationery for the trainees	2,700	-	2,700	2,700	-	2,700	-	-
Refreshment & Transportation for Participants	7,040	1,760	8,800	7,400	1,400	8,800	-	-
Sub total	15,340	1,760	17,100	15,700	1,400	17,100	-	-
CONTRACTS, CONSULTANTS, ETC.								
Project Audit	1,000	-	1,000	1,000	-	1,000	-	-
Sub total	1,000	-	1,000	1,000	-	1,000	-	-
TRAVEL AND TRANSPORTATION OF THE PROJECT STAFF								
Staff Transportation	8,925	2,975	11,900	8,925	2,975	11,900	-	-
Sub total	8,925	2,975	11,900	8,925	2,975	11,900	-	-

Continue



ANNEX 'C'
 NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)

PROJECT TITLE: DELEGITIMIZING OPPRESSIVE DISCOURSE TRAINING FOR AFGHAN WOMEN WOMEN'S RIGHTS ACTIVIST ON WOMEN'S RIGHTS IN ISLAMIC LEGAL FRAMEWORK

DONOR: OPEN SOCIETY AFGHANISTAN

STATEMENT OF BUDGET VARIANCE

PROJECT PERIOD: JULY 1, 2016 TO AUGUST 31, 2017

REPORTING PERIOD: JANUARY 1, 2016 TO DECEMBER 31, 2017

	Budget			Actual			Variance	
	OSA	NECDO	TOTAL	OSA	NECDO	TOTAL	USD	%age
EVENTS, CONFERENCES, ETC.								
Dialague between women activists & islamic scholars	800	-	800	1,275	(1)	1,274	474	59
Networking and establishment	3,000	-	3,000	1,200	-	1,200	(1,800)	(60)
Finance department capacity buidling quick book trainings	900	-	900	900	(600)	300	(600)	(67)
Graduation Ceremony for the trainees	1,250	-	1,250	1,250	-	1,250	-	-
Sub total	5,950	-	5,950	4,625	(601)	4,024	(1,926)	(32)
OTHER								
Admin Cost	4,525	-	4,525	3,232	1,293	4,525	-	-
Sub total	4,525	-	4,525	3,232	1,293	4,525	-	-
TOTAL EXPENDITURE	88,800	27,275	116,075	88,800	27,663	116,462	387	-
CLOSING BALANCE				0	(388)	(387)		

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