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Chartered Accountants

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**NOOR EDUCATIONAL AND
CAPACITY DEVELOPMENT
ORGANIZATION (NECDO)**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015



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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, 2015 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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Chartered Accountants

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, 2015, 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, 2015 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.

Zahid Jamil & Co.
Prime Global Zahid Jamil & Co.
Chartered Accountants
Kabul, Afghanistan
Date: January 23, 2016

An Affiliate of Prime Global USA

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

ASSETS

Current assets

Cash and bank balances
Receivable from donors
Other receivables

Note	2015 USD	2014 USD
4.	178,890	43,729
5.	-	9,832
	-	-
	178,890	53,561
	178,890	53,561

TOTAL ASSETS

RESERVE AND LIABILITIES

Reserve

Accumulated surplus

32,982 33,286

Current liabilities

Short term loan
Payable to Donors

6.	71,377	20,275
8.	74,531	-
	145,908	20,275
	178,890	53,561

TOTAL RESERVE AND LIABILITIES

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, 2015

	Note	2015 USD	2014 USD
<u>INCOMING RESOURCES</u>			
Fund from donors	7.	318,718	360,246
<u>OUTGOING RESOURCES</u>			
Expenditure from donors' funds	9.	318,718	360,246
Financial charges		304	492
		319,022	360,738
(Deficit) for the year		(304)	(492)
Accumulated surplus brought forward		33,286	33,778
Accumulated surplus carried forward		32,982	33,286

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, 2015**

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 Afghanis (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, 2015

	Note	2015 USD	2014 USD
4. CASH AND BANK BALANCES			
Cash in hand - USD		-	230
Cash in hand - Afs	4.1	229	
Cash at bank- current accounts	4.2	178,661	43,499
		<u>178,890</u>	<u>43,729</u>

4.1 Cash in hand

Cash in hand - Afs

229	-
<u>229</u>	<u>-</u>

This represents Afs 15,680 converted to USD by applying exchange rate of 1 USD = 68.35 Afs.

4.2 Cash at bank - current accounts

National Bank of Pakistan-USD
Afghanistan International Bank-USD
Afghanistan International Bank-Afs

4.2.1

56	39,692
178,489	-
116	3,807
<u>178,661</u>	<u>43,499</u>

4.2.1 This represents Afs 7917.1 (2014 : Afs 221,627) converted to USD by applying exchange rate of 1 USD = 68.35 Afs (2014 : 58.22 Afs).

5. RECEIVABLE FROM DONORS

Scholastic Inc. New York, USA
Counterpart International

-	1,643
-	8,189
-	<u>9,832</u>

6. SHORT TERM LOAN

6.1

<u>71,377</u>	<u>20,275</u>
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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.

NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	2014 USD	2013 USD
7. FUND FROM DONORS			
Construction of masjid ICC Ahmad shah bab mina	Annex 'A'	298,341	-
Safe Educational Environmental for All Project	Annex 'B'	20,377	24,718
My Afghan Library (TOT & Monitoring)		-	157,643
Afghan Women Voting Outreach project for 2014 election		-	137,075
Imam Initiative Trainings		-	5,000
ERUPTA Project		-	35,810
		318,718	360,246
8. PAYABLE TO DONORS			
Construction of masjid ICC Ahmad shah bab mina	Annex 'A'	74,531	-
		74,531	-
9. EXPENDITURE FROM DONORS' FUNDS			
Construction of masjid ICC Ahmad shah bab mina	Annex 'A'	298,341	-
Afghan Women Voting Outreach project for 2014 election		-	-
My Afghan library (TOT & Monitoring)		-	157,643
Afghan Women Voting Outreach project for 2014 election		-	137,075
Imam Initiative Trainings		-	5,000
Safe Educational Environmental for All Project	Annex 'B'	20,377	24,718
ERUPTA Project		-	35,810
		318,718	360,246

10. DATE OF AUTHORIZATION FOR ISSUE

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

11. GENERAL

11.1 Number of employees

Total number of full time employees of the Organization as on December 31, 2015 were _____ (2014 : 10).

11.2 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

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NOOR EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (NECDO)

Annexure "A"

PROJECT NAME: CONSTRUCTION OF MASJID ICC AHMAD SHAH BABA MINA

DONOR: GLOBAL EMBASSY OF THE REPUBLIC OF INDONESIA IN KABUL

PROJECT PERIOD: JULY 14, 2015 TO SEPTEMBER 30, 2016

REPORTING PERIOD: JANUARY 01, 2015 TO DECEMBER 31, 2015

STATEMENT OF BUDGET VARIANCE

	Budget	Actual	Variance	
	USD		USD	%age
FUNDS				
Funds received from donor	379,258	372,872	6,386	1.68
	379,258	372,872	6,386	1.68
EXPENDITURE				
Map and Design	3,500	3,500	-	-
Constuction Direct Costs	262,772	212,077	50,695	19.3
Contingency and reservation	32,614	2,470	30,144	92.4
Management Cost	37,272	27,670	9,602	25.8
Equipment Cost	14,000	20,823	(6,823)	(48.7)
Gardening. Greenery and pluntation	9,000	7,834	1,166	13.0
Furnishing and curtains	10,200	8,100	2,100	20.6
Public Electricity admission and charges	3,500	5,194	(1,694)	(48.4)
Imams House and Gurad room furnishing and kitchen appliances	3,500	5,204	(1,694)	(48.4)
Sign board and advertisements	2,900	4,650	(1,750)	(60.3)
Cermony	-	819	(819)	#DIV/0!
	379,258	298,341	80,927	21.34
TOTAL EXPENDITURE	379,258	298,341	80,927	21.34
CLOSING BALANCE	-	74,531	-	-

MOON EDUCATIONAL AND CAPACITY DEVELOPMENT ORGANIZATION (MECDO)
 PROJECT NAME: SAFE EDUCATION ENVIRONMENT FOR ALL PROJECT
 DONOR: COUNTERPART INTERNATIONAL
 PROJECT PERIOD: AUGUST 21, 2014 TO JANUARY 20, 2015
 REPORTING PERIOD: JANUARY 01, 2015 TO DECEMBER 31, 2015
 STATEMENT OF BUDGET VARIANCE

	Budget		Actual		Actual		Total		Variance	
	AFN	USD	AFN	USD	AFN	USD	AFN	USD	USD	%age
FUNDS										
Funds received from donor			2015		2014					
	2,711,270	46,884	1,392,790	20,377	955,850	16,529	2,348,640	36,906	9,978	21.28
	2,711,270	46,884	1,392,790	20,377	955,850	16,529	2,348,640	36,906	9,978	21.28
EXPENDITURE										
Personnel cost	716,000	12,381	51,200	749	615,200	10,638	666,400	11,387	994	8.0
Program Expenses	569,720	9,852	1,017,108	14,881	379,720	6,566	1,396,828	21,447	(11,595)	(117.7)
Networking Meetings for Advocacy	832,500	14,396	-	-	29,000	501	29,000	501	13,895	96.5
Office Supplies	164,250	2,840	8,985	131	130,500	2,257	139,485	2,388	452	15.9
Administrative Expenses	428,800	7,415	315,497	4,616	275,040	4,756	590,537	9,372	(1,957)	(26.4)
	2,711,270	46,884	1,392,790	20,377	1,429,460	24,718	2,822,250	45,095	1,789	3.82
TOTAL EXPENDITURE	2,711,270	46,884	1,392,790	20,377	1,429,460	24,718	2,822,250	45,095	1,789	3.82
RECEIVABLES FROM DONOR	-	-	-	-	(473,610)	(8,189)	(473,610)	(8,189)	-	-

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