

Afghan Women's Educational Center



**AFGHAN WOMEN'S EDUCATIONAL CENTRE  
(AWEC)**

**AUDITED FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2016**

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**RAFAQAT BABAR & CO,**  
Chartered accountants



*Member firm of*  
**The Leading Edge Alliance**

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## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of "Afghan Women's Educational Centre (AWEC)", which comprise the statement of financial position as at 31 December 2016, the statement of receipt and expenditure, the statement of cash flows for the year then ended, the statement of changes in fund and a summary of significant accounting policies and other explanatory information (together here-in-after referred to as "the financial statements"). The financial statements have been prepared by management in accordance with the basis of preparation as described in Note 2 to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of preparation as described in Note 2 to the financial statements; and for such internal control as management determines is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these 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 about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 controls. 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 reasonable basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of "Afghan Women's Educational Centre (AWEC)" as at December 31, 2016, and of its receipts and expenditures and its cash flows for the year then ended in accordance with the basis of preparation as described in Note 2 to the financial statements.

## Basis of Preparation and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial statement, which describes the basis of preparation. The financial statements are prepared to provide information to "Afghan Women's Educational Centre (AWEC)" and its donors. As a result, the financial statements may not be suitable for any other purpose.

Kabul  
February 16, 2017

  
Rafiqat Babar & Co.  
Chartered Accountants  
Engagement Partner: Shuja-UI-Mulk, FCA.



AFGHAN WOMEN'S EDUCATIONAL CENTRE(AWEC)  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016

			(Restated)	
	NOTE	2016 USD	2015 USD	2014 USD
<b>ASSETS:</b>				
<b>CURRENT ASSETS</b>				
Receivable from donors	4	304,256	229,366	2,369,352
Advances	5	3,428	1,475	4,568
Advance taxation		-	2,971	2,971
Cash and Bank balances	6	274,729	409,940	665,428
		<b>582,413</b>	<b>643,752</b>	<b>3,042,319</b>
<b>TOTAL ASSETS</b>		<b>582,413</b>	<b>643,752</b>	<b>3,042,319</b>
<b>ACCUMULATED FUNDS AND LIABILITIES :</b>				
<b>ACCUMULATED FUNDS</b>				
Accumulated fund		354,135	382,724	690,092
		<b>354,135</b>	<b>382,724</b>	<b>690,092</b>
<b>CURRENT LIABILITIES</b>				
Payable to donors	7	85,029	125,898	285,469
Unutilized grants	8	105,096	105,096	1,972,404
Accrued and other liabilities	9	38,153	30,033	94,354
		<b>228,278</b>	<b>261,028</b>	<b>2,352,227</b>
Contingencies and Commitments	10	-	-	
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>582,413</b>	<b>643,752</b>	<b>3,042,319</b>

The annexed notes from 1 to 18 form an integral part of these financial statements.

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KABUL

  
DIRECTOR  


  
CHAIRPERSON



AFGHAN WOMEN'S EDUCATIONAL CENTRE(AWEC)  
STATEMENT OF RECEIPT AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2016

			(Restated)				
			Restricted Fund	General Fund	2016	2015	2014
NOTE			-----USD-----				
<b>RECEIPTS</b>							
Grants received	11	1,802,309	-	-	1,802,309	1,829,892	2,209,333
Other Income	12	-	-	-	-	-	136,056
Private donations		-	2,510	2,510	11,100	-	
Afghan Women Educational Center (AWEC) Fund		-	38,528	38,528	66,832	-	
Balance charged off/ back- net		-	-	-	9,663	-	
			1,802,309	41,038	1,843,347	1,917,487	2,345,389
<b>EXPENDITURE</b>							
Program cost	13	1,781,996	-	-	1,781,996	2,038,200	2,209,333
AWEC contribution to projects expenses	14	-	89,939	89,939	290,026	471,974	
			1,781,996	89,939	1,871,935	2,328,226	2,681,307
<b>Net surplus/(deficit) for the year</b>			20,312	(48,901)	(28,588)	(410,739)	(335,918)

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The annexed notes from 1 to 18 form an integral part of these financial statements.

KABUL

DIRECTOR



CHAIRPERSON

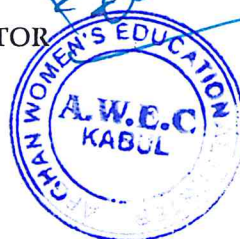
AFGHAN WOMEN'S EDUCATIONAL CENTRE(AWEC)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016

		(Restated)		
	NOTE	2016 USD	2015 USD	2014 USD
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Net surplus/ (deficit) for the year		(28,588)	(410,739)	(335,918)
<i>Ajustment for rectification of balances</i>			103,371	-
Net surplus/ (deficit) before changes in working capital		(28,588)	(307,368)	(335,918)
<b><u>Working capital changes:</u></b>				
<b><u>(Increase) / Decrease in current assets</u></b>				
Recievable from donors		(74,890)	2,139,986	(891,633)
Advances		(1,953)	3,093	19,889
Advance taxation		2,971	-	457
		(73,873)	2,143,079	(871,287)
<b><u>Increase / (Decrease) in current liabilities</u></b>				
Payable to donors		(40,870)	(159,571)	1,068
Unutilized grants		-	(1,867,308)	1,017,319
Accrued and other liabilities		8,119	(64,321)	59,027
		(32,751)	(2,091,200)	1,077,414
Net Cash flows from working capital changes		(135,211)	(255,488)	206,127
Net Cash Flows form Operating Activities		(135,211)	(255,488)	(129,791)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
		-	-	-
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>				
		-	-	-
Net Increase/(decrease) in cash and cash equivalents		(135,211)	(255,488)	(129,791)
Cash and cash equivalents at the beginning of the year		409,940	665,428	795,219
Cash and cash equivalents at the end of the year		274,729	409,940	665,428

The annexed notes from 1 to 18 form an integral part of these financial statements.

KABUL

DIRECTOR



CHAIRPERSON

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Chair

AFGHAN WOMEN'S EDUCATIONAL CENTRE(AWEC)  
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Restricted Fund	General Fund	Total USD
Balance as at December 31, 2013	1,026,010	-	1,026,010
Surplus/(Deficit) for the year	(335,918)	-	(335,918)
Balance as at December 31, 2014	690,092	-	690,092
Surplus/(Deficit) for the year	(410,739)	-	(410,739)
Net effect of rectification in receivable & payable balances	103,371	-	103,371
Balance as at December 31, 2015 (Restated)	382,724	-	382,724
Surplus/(Deficit) for the year	20,312	(48,901)	(28,589)
Balance as at December 31, 2016	403,036	(48,901)	354,135

The annexed notes from 1 to 18 form an integral part of these financial statements.

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KABUL

DIRECTOR



CHAIRPERSON



AFGHAN WOMEN'S EDUCATIONAL CENTRE(AWEC)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

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## 1. THE REPORTING ENTITY AND ITS OPERATIONS

Afghan Women's Educational Centre (the organization) is a non governmental, non political and not for the profit organization established in 1991 by a group of educated afghan women who railed together to address the lack of facilities for Afghan refugees in Islamabad/Rawalpindi Area. it was the first non-profit organization to mobilize scattered refugee women in and arround Islamabad.The centre provided a place for women to meet, as well as offering classes in literacy, tailoring, English language, women's rights awareness and computer training.

The organization's registration was renewed on 15 Febuary 2006 under the registration no.440 with Ministry of Economy's NGO's Department.Registered office of the Organization is House number 1365, Samad-e-wakil Street , Pole-e-Sorkh, Kart-e-4, Kabul, Afghanistan.

In recent years the organization has expanded its activities to include peace-building education, in refugee camps in Peshawar, Queta and in parts of Kabul; capacity building for women-headed, NGO'; a school for girls in Kabul to enable them to catch up on education missed during the Taliban years; and a small project focusing on one-off support and needs assessment for widows in Kabul.

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

These financial statements have been prepared by the management of the organization in accordance with Organizations's accounting polcies, as mentioned in note 3, and reporting provisions of donors

### 2.2 Basis of Measurement

These financial statements have been prepared under historical cost basis of accounting, except for 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

These financial statements are presented in US Dollars (USD), which is also the organizations' functional currency of the organization.

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AFGHAN WOMEN'S EDUCATIONAL CENTRE(AWEC)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

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### 3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

#### 3.1 Foreign Currency Transactions

Transactions in currencies other than reporting currencies are recorded in reporting currency (USD) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are reported in USD at the rates of exchange approximating those prevalent at the period end date.

#### 3.2 Capital Expenditure

Capital items purchased during the year are charged to donors as expense. However, a memorandum record is being maintained for the management purposes.

#### 3.3 Taxation

The entity, being a non-profit organization, is exempt from income tax as per Afghanistan Income Tax Law. However, withholding taxes are deducted as per the said law on procurement of goods and services and duly deposited in the Government treasury.

#### 3.4 Fund Accounting

Restricted funds are grants and contracts which have to be used in accordance with specific restrictions imposed by donors or which have been raised by the entity for particular purposes. Revenue in case of restricted funds is recognized up to the extent of expenditure incurred for specific project when it is probable that grant will be awarded. Any surplus or deficit of funds actually received against the expenditure is recognized as deferred grant or receivable from donors respectively.

Unrestricted funds are donations received from donors who do not impose restrictions on the use of the funds. Consequently, there is no time restriction imposed as to when the funds can be used so the donations are recognized on receipt as revenue.

All other incomes are recognized in the income statement on receipt basis.

#### 3.4 Expenditure

Expenditure is recognized on accrual basis of accounting. In accordance with accrual basis of accounting expenditure is accounted for when incurred rather than when paid.

#### 3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at banks and other highly liquid instruments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

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AFGHAN WOMEN'S EDUCATIONAL CENTRE(AWEC)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

4 Grants and contracts receivable/payable

Grants and contracts:	Donor	Note	Opening balance (Restated) As at January 01, 2016		Movement in resources during the year			Closing balance As at December 31, 2016	
			Grants Receivable	Payable to Donors	Incoming Resources	Used or revenue Recognized	Adjustment for inter fund movement, translation gain/loss and opening balances	Grants Receivable	Payable to Donors
Electrol reforms advocacy project	ACSEN		5,014	-	-	-	-	(5,014)	-
Support to street working children	ANA Donation		-	6,084	54,449	54,449	-	4,644	10,728
Promote Human rights to women prisoners	ASDHA		-	3,534	2,620	2,620	-	(3,534)	-
Twanmandi core funding project	British Counsel		59,386	-	490,511	490,511	-	61,832	121,218
Enabling resilience through peace building and economic development	CAFOD		-	16,669	32,011	32,081	-	37,619	54,218
Strengthening local capacities for greater community empowerment in reducing socio economic vulnerability	Christian Aid		-	51,344	108,062	108,062	-	(39,646)	11,698
Afghan Civic engagement program, International women's day	Counter part International		19,164	-	-	-	-	(19,164)	-
Funding leadership opportunities for women	Oxfam Flow		27,137	-	1,505	-	-	(25,632)	-
Women rights program	Oxfom Bayan		-	13,923	34,056	34,056	-	(11,216)	2,707
Peace and capacity building program	Oxfom Novib		-	193	0.42	-	-	(193)	194
Violence against afghan children	TDH		-	18,833	166,883	145,202	-	(40,513)	-
Women leadership development project	Tetra Tech		118,665	-	624,777	624,777	-	16,463	135,128
Prison project	US Embassy		-	1,396	218,856	218,856	-	4,088	5,484
Equality for peace and democracy	Us Embassy		-	13,922	64,424	64,424	-	(13,922)	10,512
Women's regional network	WRN		-	-	4,156	6,959	-	1,350	4,153
			229,366	125,898	1,802,309	1,781,996	-	-	304,256
									85,029

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AFGHAN WOMEN'S EDUCATIONAL CENTRE(AWEC)  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2016

		(Restated)		
	NOTE	2016 USD	2015 USD	2014 USD
<b>5 Advances</b>				
Advance for operations		1,448	1,246	4,418
Advance to suppliers		1,236	229	150
Security deposit		744	-	-
		<b>3,428</b>	<b>1,475</b>	<b>4,568</b>
<b>6 Cash and Bank Balances</b>				
Cash in hand		8,174	25,186	15,837
Cash at bank	6.1	266,555	384,754	649,591
		<b>274,729</b>	<b>409,940</b>	<b>665,428</b>
<b>6.1 Cash at Bank</b>				
USD Account		234,550	355,892	611,047
Afghani Account		29,691	28,483	38,539
Euro Account		2,313	379	5
		<b>266,555</b>	<b>384,754</b>	<b>649,591</b>
<b>7 Payable to donors</b>				
Payable to donors		85,029	125,898	285,469
		<b>85,029</b>	<b>125,898</b>	<b>285,469</b>
<b>8 Unutilized Grants</b>				
United Nations Development program		105,096	105,096	1,972,404
		<b>105,096</b>	<b>105,096</b>	<b>1,972,404</b>
<b>9 Accrued and other liabilities</b>				
Salaries payable		3,374	-	41,946
Income tax withheld		9,097	7,969	1,264
Professional charges		2,400	5,200	-
Others		23,281	16,864	51,144
		<b>38,153</b>	<b>30,033</b>	<b>94,354</b>

**10 Contingencies and commitments**

The Organization has no contingencies and commitments at the end of the year.(2015: Nil),(2014:Nil),

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AFGHAN WOMEN'S EDUCATIONAL CENTRE(AWEC)  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	NOTE	(Restated)		
		2016 USD	2015 USD	2014 USD
<b>11 Grants Recognized</b>				
Grants recognized		1,802,309	1,829,892	2,209,333
		<b>1,802,309</b>	<b>1,829,892</b>	<b>2,209,333</b>
<b>12 Other Income</b>				
Employees' contribution		-	-	126,312
Exchnage gain-net		-	-	9,744
		-	-	<b>136,056</b>
<b>13 Program cost</b>				
Salaries wages and other benefits		1,022,094	937,391	1,124,989
Operational expenses		620,851	984,413	934,326
Capital expenditure		27,113	17,392	49,117
Travel		84,487	72,034	90,462
Professional charges		27,450	26,970	10,439
		<b>1,781,996</b>	<b>2,038,200</b>	<b>2,209,333</b>
<b>14 AWEC contribution to projects expenses</b>				
Salaries wages and other benefits		34,500	221,071	320,534
Operational expenses		20,982	26,216	112,321
Capital expenditure		677	1,003	19,094
Travel		7,151	7,327	16,025
Professional charges		6,600	5,250	4,000
Exchange loss -net		20,029	29,159	-
		<b>89,939</b>	<b>290,026</b>	<b>471,974</b>

**15 RESTATEMENT**

During the year 2015 the management conducted an exercise to determine the realizability or otherwise of long outstanding balances of receivable from donors, payable to donors, unutilized fund and accrued and other liabilities. As a result , the management concluded that most of these balances neither receivable nor refundable to donors and these were appearing in the books of account due to wrong posting of entries in prior years. Accordingly management has adjusted some of those balances in previous year, however during the current year it was observed that some of those balances were wrongly adjusted. Actual receivables from donors were USD 229,366/- , however erroneously reported as Nil Balance. The total of unutilized grant balance was reported as USD 105,000/- , instead of USD 105,096/-, similarly payable to donors balances were USD 125,898/-, where as in financial statements these balance were reported as Nil. The closing balances of 2015 as now been adjusted to this effect as provided below.

Description	Note	Balance as per the 2015 financial statement	Adjustment during the year	Restated balance USD
<b>Income statement:</b>				
Grants received- income		-	229,366	229,366
Grants received- income		-	(125,898)	(125,898)
General fund		105,096	(96)	105,000
<b>Net effect on income statement</b>			<b>103,371</b>	
<b>Statement of financial position:</b>				
Receivable from Donors		-	229,366	229,366
Payable to Donors		-	(125,898)	(125,898)
Accumulated fund- Unutilized grant		105,096	(96)	105,000
<b>Net effect on financial position</b>			<b>103,371</b>	

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AFGHAN WOMEN'S EDUCATIONAL CENTRE(AWEC)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

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16 Corresponding Figures

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of comparison. However, no significant reclassification or restatement has been made, other than mentioned in Note 15.

17 General

Figures in these financial statements have been rounded off to the nearest US \$.

18 Date of Authorization For Issue

These financial statements were authorized for issue by the board on 26-Feb-2017

R.B co

KABUL

DIRECTOR



CHAIRPERSON

*[Handwritten signatures in blue ink]*