



Global
Consultants

Usman Azeem & Co.

Chartered Accountants

CARE OF AFGHAN FAMILIES

(CAF)

AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 21, 2015

A Member Firm of



Global
Consultants

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INDEPENDENT AUDITORS' REPORT TO BOARD OF DIRECTORS

We have audited the accompanying financial statements of **Care of Afghan Families** ("the organization") which comprise the statement of financial position as at **December 21, 2015**, income statement, for the period then ended statement of core fund 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 misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's 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, 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 our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, we consider internal control relevant to the Organization'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 Organization's internal control. An audit also includes evaluating the appropriateness of accounting policies & principles used and 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 basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Organization's affairs as at **December 21, 2015** and of its surplus for the period then ended in accordance with International Financial Reporting Standards.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position and the income statement confirms to the approved accounting standards.



Kabul

February 09, 2016

Care of Afghan Families (CAF)

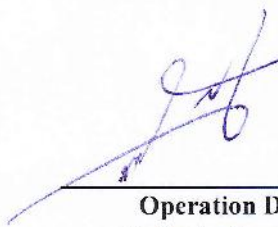
Kabul, Afghanistan

Statement of financial position as at December 21, 2015

Note	1394		1393		
	21 December 2015		21 December 2014		
	AFN	US\$	AFN	US\$	
ASSETS					
<i>Current assets</i>					
Receivable from donors	3	6,833,424	100,607	54,720,320	938,882
Security deposits	4	527,413	7,762	105,626	1,822
Other assets	5	35,000	515	6,668,321	120,090
Cash and cash equivalents	6	209,486,386	3,082,908	101,837,169	1,756,722
		216,882,222	3,191,791	163,331,436	2,817,517
<i>Non - Current assets</i>					
Operating fixed assets	7	3,651,171	53,733	3,185,781	54,956
TOTAL ASSETS		220,533,394	3,245,525	166,517,217	2,872,472
LIABILITIES AND FUNDS					
<i>Current liabilities</i>					
Deferred grant income - Restricted	8	147,153,267	2,166,421	92,243,544	1,591,229
Other payables	9	58,777,071	865,005	47,729,229	823,344
		205,930,339	3,031,425	139,972,774	2,414,573
<i>Funds</i>					
Accumulated Core Fund		14,603,055	214,099	26,544,443	457,900
Contingencies & Commitments		-	-	-	-
TOTAL LIABILITIES AND FUNDS		220,533,394	3,245,525	166,517,217	2,872,472



Director General
M.Naim.Rassa



Operation Director
Dr.Nasir Ahmad Hamid

CAF Co.

Care of Afghan Families

Kabul - Afghanistan

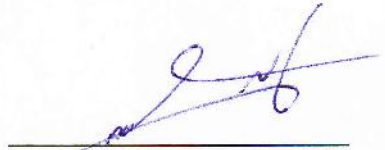
Income Statement for the year ended December 21, 2015

	Note	1394		1393	
		21 December 2015		21 December 2014	
		AFN	US\$	AFN	US\$
INCOME					
Amortization of deferred grant	10	604,635,955	9,429,253	662,049,008	11,420,565
Other income	11	4,248,286	62,521	3,852,815	66,442
		<u>608,884,241</u>	<u>9,491,774</u>	<u>665,901,823</u>	<u>11,487,008</u>
EXPENDITURE					
Direct operating cost	12	523,231,823	7,700,248	377,682,622	6,515,139
Indirect operating cost	13	53,989,330	794,545	45,893,636	791,679
Expenses of sub-grant	14	32,570,688	479,333	65,276,044	1,126,031
Expenses of SEHAT projects	15	10,059,626	148,045	176,904,873	3,051,662
		<u>619,851,467</u>	<u>9,122,170</u>	<u>665,757,175</u>	<u>11,484,512</u>
Surplus of income over expenditure		(10,967,226)	(161,401)	144,648	2,495
Accumulated Core Fund brought forward		26,544,443	457,900	26,399,795	473,931
Exchange Loss on Core Fund brought forward		(974,162)	(14,336)	-	(18,526)
Accumulated Core Funds carried forward		<u>14,603,055</u>	<u>282,162</u>	<u>26,544,443</u>	<u>457,900</u>

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


Director General
 M. Naim Basha


Operation Director
 Dr. Nasir Ahmad Hamid

Care of Afghan Families (CAF)

Kabul, Afghanistan

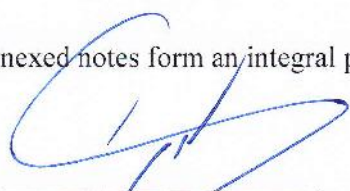
Statement of cash flows for the year ended December 21, 2015

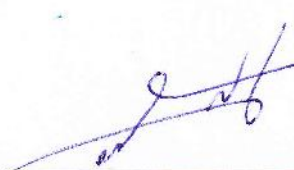
	1394		1393	
	21 December 2015		21 December 2014	
	AFN	US\$	AFN	US\$
Cash flow from operating activities				
Surplus for the year	(10,967,226)	(161,401)	144,648	2,495
Adjustment for:				
Depreciation of operating fixed assets	1,099,880	16,187	945,889	16,317
Exchange gain/loss	(974,162)	-	-	-
	(10,841,508)	(145,215)	1,090,537	18,812
Working capital changes				
Increase/(decrease)in current assets				
Receivable from donors	47,886,897	838,275	(16,879,416)	(269,605)
Security deposits	(421,787)	(5,940)	(750)	33
Other assets	6,633,321	119,575	(4,103,720)	(74,731)
Increase/(decrease)in current liabilities				
Deferred grand income - restricted	54,909,723	(575,192)	(65,585,888)	(1,126,754)
Other payables	11,047,842	41,661	5,427,660	75,173
Working capital changes	120,055,996	418,380	50,029,662	857,623
Cash generated (used in) operations:	109,214,488	273,166	(31,112,452)	(1,377,073)
Net cash generated/(used in) operating activities	109,214,488	273,166	(80,051,577)	(1,377,073)
Cash flow from investing activities:				
Purchase of operating fixed assets	(1,565,271)	(27,001)	(666,017)	(11,489)
Net cash generated/(used in) investing activities	(1,565,271)	(27,001)	(666,017)	(11,489)
Net increase in cash & cash equivalents	107,649,217	246,164	(80,717,594)	(1,388,562)
Cash & cash equivalents, beginning of the year	101,837,169	1,756,722	51,382,988	908,790
Cash & cash equivalents, end of the year	209,486,386	1,756,722	101,837,169	1,756,722

Represented by:

Cash in hand	3,480,036	51,215	4,888,904	84,335
cash in banks	206,006,349	3,031,693	96,948,265	1,672,387
	209,486,386	1,756,722	101,837,169	1,756,722

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


Director General
M. Naim Rassa


Operation Director
Dr. Nasir Ahmad Hamid

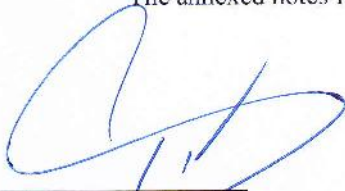
Care of Afghan Families
Kabul - Afghanistan

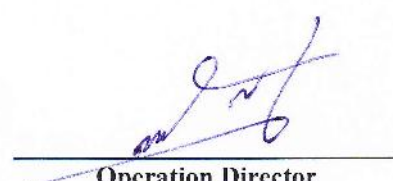
Statement of Core Fund for the year ended December 21, 2015

	AFN	US\$
Balance as at Dec 21, 2013	26,399,795	473,931
Exchange loss	-	-
Surplus for the year	144,648	2,495
Exchange Loss on Core Fund brought forwarded	-	(18,526.40)
Balance as at Dec 21, 2014	<u>26,544,443</u>	<u>457,900</u>
Surplus for the period	(10,967,226)	(161,401)
Exchange Loss on Core Fund brought forwarded	(974,162)	(14,336)
		(68,063)
Balance as at December 21, 2015	<u><u>14,603,055</u></u>	<u><u>214,099</u></u>

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


Director General
 M.Naim.Rassa


Operation Director
 Dr.Nasir Ahmad Hamid

Care of Afghan Families

Kabul - Afghanistan

Notes to the financial statements for the year ended December 21, 2015

1 Organization and its Status

Care of Afghan Families (CAF) is an Afghan non-governmental and not for profit organization established in 2003 in Kabul and registered with the Ministry of Economy of Afghanistan. The mission of the organization is to enable families to fight against poverty, injustice and unawareness through provision of essential health care, Nutrition, community development and Education and Research programs by efficient and innovative management system.

2 Basis of preparation and summary of significant accounting policies

a) Statement of Compliance

The financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

b) Accounting convention

The financial statements have been prepared in accordance with the historical cost convention.

c) Functional and presentation currency

These financial statements are presented in Afghani (AFN), which is the organizations' functional currency. Further these financial statements have also been presented in US Dollars (US\$). The figures in AFN have been translated into US\$ using the exchange rate prevailing at the date of Statement of financial position.

d) Critical accounting estimates and judgments

The preparation of Financial Statements in conformity of International Financial Reporting Standards (IFRSs) requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

e) Operating fixed assets

CAF Owned Operating fixed assets are recognized as assets in the financial statements but the operating fixed assets for the projects sites are charged to donor and reported as expenditure in the financial statements. At the closure of projects assets are handed back to the donor or as may be specified in the donor's agreement.

Depreciation charge is based on the straight line method. Cost of an asset is written off to the income statement over its estimated useful life. Full year's depreciation is charged in the year the assets are available for use while no depreciation is charged in the year in which the assets are disposed off.

	Annual Rate (%)
Communication Equipments	15
Furniture and Fixtures	15
Computer and Accessories	30
Office Equipments	20
Electrical Equipments	15
Office vehicles	15

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any loss arising on derecognition of assets (calculated as difference between the net disposal proceeds and carrying amount of assets) is included in the income statement.

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Care of Afghan Families

Kabul - Afghanistan

Notes to the financial statements for the year ended December 21, 2015

f) Revenue Recognition

Grants are recognized when the following conditions are met;

- i) the organization will comply with the conditions attaching to them; and
- ii) the grants will be received.

Government grants are recognized in the income statement on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. It is fundamental to the income approach that grants is recognized in the income statement on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grant is intended to compensate.

g) Grants Receivable

A grant may become receivable by the organization as compensation for expenses or losses incurred in a previous period. Such a grant is recognized in the income statement of the period in which it becomes receivable, with disclosure to ensure that its effect is clearly understood.

h) Deferred Grant Income

The grant received during the year is charged to deferred grant income and further grouped as restricted and un-restricted funds. The deferred grant income is amortized over the period for which the grant received and charged to income statement.

i) Financial Instruments

Non-Derivative Financial Assets

CAF initially recognized financial assets on the date that they are originated.

To receive the contractual cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.

Financial assets and liabilities are offset and the net amount presented in the financial statement when, and only when, CAF has a legal rights to offset the amount and intends either to settle on a net basis or to realized the assets and settles the liabilities simultaneously.

Loans and receivables financial assets with fix or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus and directly attributable transaction costs. Subsequent to initial recognitions loans and receivable are measured at amortized costs using effective interest method, less and impairment losses.

Cash and cash equivalents comprises cash balances and balances with bank.

Non-Derivative Financial Liabilities

CAF initially recognize financial liabilities on date that are originated.

CAF derecognizes a financial liabilities when it is contractual obligation and discharged or canceled or expire.

Impairment

Financial assets

A financial asset is impaired if objectives evidence indicates that a loss event has occurred after the initial recognition of the assets, and that the loss event had negative effect on the estimated future cash flows of that assets that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or liquidity problem of a debtor or

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Care of Afghan Families

Kabul - Afghanistan

Notes to the financial statements for the year ended December 21, 2015

indications that a debtor will enter bankruptcy.

CAF considers evidence of impairment for receivables at both specific assets and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been occurred but not yet identified receivable that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment losses in respect of financial assets measured at amortized cost is collected as the difference between its carrying amount, and the present value of the estimate future cash flows discounted at the asset's original effective interested rate. Losses are recognized in income statement and reflected in allowance account against receivable.

Non-Financial assets

The Carrying amount of the CAF's non-financial assets are reviewed at each reporting date to determine whether there is any indications of impairment. If any such indication exist then the assets recoverable amount is estimated. An impairment losses recognized if the carrying amount of an assets exceed its recoverable amount. Impairment losses are recognized in income statement.

j) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

l) Taxation

The organization is not liable to tax in accordance with the Income Tax Law 2009 subject to specific private ruling on exemption from ministry of finance, Government of Afghanistan.

m) Off-setting

Financial assets and liabilities are offset and the net amount reported at the end of reporting period when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

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Care of Afghan Families

Kabul - Afghanistan

Notes to the financial statements for the year ended December 21, 2015

n) Finance cost

Finance cost comprise bank charges which are recognized in income statement.

o) Account Receivable

Accounts receivable are stated at their nominal value as a reduced by appropriate allowance for estimated doubtful amounts. Bad debts are written off as and when they are arise.

p) Account Payables

Accounts payables being financial liabilities are initially recognized at fair value and are carried at nominal value.

q) Cash and cash equivalents.

Cash and cash equivalents comprise cash balance and balance at banks.

01/12/15

Care of Afghan Families (CAF)

Kabul - Afghanistan

Notes to the financial statements for the year ended December 21, 2015

Note	1394		1393	
	21 December 2015		21 December 2014	
	AFN	US\$	AFN	US\$
3 RECEIVABLE FROM DONORS				
MOPH M-Health Badakhshan	-	-	2,933,687	50,607
MOPH BPHS PCH Badakhshan	-	-	9,696,429	172,555
MOPH BPHS PCH Takhar	-	-	30,666,599	519,043
World Bank RBF Takhar	-	-	361,680	6,239
MSH TB DOTS Takhar and Badakhshan	-	-	419,033	7,228
GF (BRAC) Malaria Takhar	-	-	347,288	5,991
MOPH (SCI) BPHS SEIAT Kunduz	-	-	650,896	11,228
WFP (SCI) TSFP Takhar	-	-	495,096	8,541
WFP (SCI) TSFP Badakhshan	-	-	180,641	3,116
MOPH (AKF) CME Takhar	-	-	1,008,210	17,007
GF (HINTPO) LLIN Takhar	-	-	2,644,897	45,625
GF (HNTPO) LLIN Badkhshan	-	-	2,667,088	46,008
GF (HNTPO) LLIN Logar	-	-	1,364,964	23,546
GF (BRAC) Malaria Logar	-	-	365,313	6,302
WHO MHT Logar	-	-	835,626	14,416
WHO MHT-SHC Logar	-	-	82,872	1,430
Account Recivable CME Project Takhar	<i>Annex-1</i>	4,602,714	72,829	-
Ac/R from SFP Project Badakhshan	<i>Annex-2</i>	1,559,636	22,953	-
Account Recivable of CHASS Project	<i>Annex-3</i>	215,421	3,651	-
Account Recivable SLEC Project Badkhshan	<i>Annex-4</i>	455,653	6,706	-
		6,833,424	106,139	54,720,320
				938,882

4 SECURITY DEPOSITS

	AFN	USD	AFN	USD
Roshan Afghanistan	187,413	2,758	105,626	1,822
UNHAS/WFP	340,000	5,004	-	-
	527,413	7,762	105,626	1,822

The amount (AFN 187,413 converted into US\$ by applying Da Afghanistan Bank exchange rate of AFN: 67.95 per US\$) represents the amount deposited by Care of Afghan Families (CAF) with Roshan Afghanistan (a telecommunications operator) as a security against postpaid SIM cards.

The amount (AFN 340,000 converted into US\$ by applying Da Afghanistan Bank exchange rate of AFN: 67.95 per US\$) represents the amount deposited by Care of Afghan Families (CAF) to UNHAS/WFP Kabul, Afghanistan as advance payment for flight bookings.

5 OTHER ASSETS

Fund advance with;				
Receivable from Employee	5.1	-	-	35,000
		-	-	35,000
				515

CAF/Co.

Care of Afghan Families (CAF)

Kabul - Afghanistan

Notes to the financial statements for the year ended December 21, 2015

Note	1394		1393		
	21 December 2015		21 December 2014		
	AFN	US\$	AFN	US\$	
6 CASH AND CASH EQUIVALENTS					
Cash in hand	6.1	3,480,036	51,215	4,888,904	84,335
Cash at Bank	6.2	206,006,349	3,031,693	96,948,265	1,672,387
		<u>209,486,386</u>	<u>3,082,908</u>	<u>101,837,169</u>	<u>1,756,722</u>
6.1 Cash in Hand					
Cash in US\$		67,678	996	57,738	996
Cash in Afghanistan		3,412,358	50,219	4,831,166	83,339
		<u>3,480,036</u>	<u>51,215</u>	<u>4,888,904</u>	<u>84,335</u>
6.2 This amount is converted into USD by applying the exchange rate of AFN 57.97 as of Dec 21, 2014 from Da Afghanistan Bank.					
6.3 Cash at Bank - Current Accounts					
AIB USD A/C 0500302000002518	Kabul	4,007,588	58,978	956,089	16,493
AIB USD A/C 0500302000002526	Kabul	32,296	475	29,601	511
AIB USD A/C 0500302000002534	Kabul	1,720,980	25,327	26,922	464
AIB USD A/C 0500302000002550	Kabul	77,335	1,138	68,025	1,173
AIB USD A/C 05003020000025 A1	Kabul	35,476	522	32,314	557
AIB EURO A/C 0500303000002515	Kabul	38,286	522	39,039	673
AIB AFN A/C 0500301000002510	Kabul	9,719,861	143,044	16,782,361	289,501
AIB AFN A/C 0500301000002537	Kabul	99,158,461	1,459,286	103,526	1,786
AIB AFN A/C 0500301000002545	Kabul	2,273	33	1,976,845	34,101
AZIZI AFN A/C 000101102557655	Kabul	941,874	13,861	61,114	1,054
AZIZI AFN A/C '000101102568678	Kabul	3,954,213	58,193	149,154	2,573
AIB AFN A/C 0500301000002500	Kabul	-	-	1,250	22
AIB AFN A/C 0500301000002501	Kabul	52,507,578	772,738	54,859,768	946,348
AIB AFN A/C 0500301000002502	Kabul	19,675,049	289,552	12,678,860	218,714
AIB AFN A/C 0500301000002503	Kabul	20,600	303	22,650	391
AIB AFN A/C 0500301000002504	Kabul	433	6	948,124	16,355
AZIZI AFN A/C 001201100064478	Takhar	-	-	7,911	136
AZIZI AFN A/C 001101100040257	Badakhsha	3,364,196	49,510	38,289	660
AIB AFN A/C 0511301005978811	Kunduz	5,699,947	83,884	4,376,258	75,492
FMFB AFGHANISTAN 21-31-0600098	Kabul	-	-	-	-
AZIZI AFN A/C 001101100226583	Badakhsha	1,955,384	28,777	178,718	3,083
AZIZI AFN A/C 001201100211186	Takhar Oti	45,598	671	189,580	3,270
AZIZI AFN A/C 001101100163320	Mhealth B	-	-	-	-
NEW KABUL BANK AFN A/C 6869	Kabul	15,850	233	21,850	377
AZIZI AFN A/C 1201101233356	CME Takh	145,271	2,138	471,041	8,126
AZIZI AFN A/C 004901100683847	Logar	1,552,066	22,841	238,424	4,113
NEW KABUL BANK AFN A/C 66849912	Daikundi	1,181,311	17,385	686,900	11,849
AZIZI AFN A/C 004901100278133	Logar	154,424	2,273	2,003,652	34,564
		<u>206,006,349</u>	<u>3,031,693</u>	<u>96,948,265</u>	<u>1,672,387</u>

The bank balances in Afghanistan, EURO and US\$ are converted by applying exchange rate of Da Afghanistan Bank as of December 21, 2014.

Care of Afghan Families (CAF)

Kabul - Afghanistan

Notes to the financial statements for the year ended December 21, 2015

Note	1394		1393		
	21 December 2015		21 December 2014		
	AFN	US\$	AFN	US\$	
7 OPERATING FIXED ASSETS					
Cost	7.1	11,483,342	168,997	9,918,071	171,090
Less: Accumulated Depreciation	7.1	(7,832,171)	(115,264)	(6,732,291)	(116,134)
Net Book Value	7.1	<u>3,651,171</u>	<u>53,733</u>	<u>3,185,781</u>	<u>54,956</u>
8 DEFERRED GRANT INCOME					
Restricted:					
MOPH EPHS SEHAT-I Daikundi	Annex.5	12,569,460	184,981	19,850,760	342,432
MOPH BPHS SEHAT-I Logar	Annex.6	45,776,377	673,677	66,161,739	1,141,310
MOPH BPHS SEHAT-I Kunduz	Annex.7	4,548,906	66,945	-	-
MOPH BPHS SEHAT-I Badkshshan	Annex.8	74,936,776	1,102,822	-	-
MSH Challenge TB Badakhshan	Annex.9	19,772	1,101	-	-
World Bank RBF-SEHAT Badakhshan	Annex.10	3,614,242	53,190	-	-
World Bank RBF Badakhshan		-	-	463,986	8,004
GF (BRAC) Malaria Badakhshan		-	-	318,066	5,487
GF (BRAC) TB Takhar		-	-	29,971	517
USAID PCH Badakhshan		-	-	-	-
World Bank RBF Takhar		-	-	-	-
Merlin-CAF EC Project Kunduz 1 & 2		-	-	-	-
MSH TB-DOTS Project		-	-	-	-
CMAM PND TKR & Badakhshan		-	-	-	-
Nutrition & Hygiene Project		-	-	-	-
GF (BRAC) Malaria Project		-	-	-	-
Other Outstanding		5,687,735	83,705	5,419,021	93,480
		<u>147,153,267</u>	<u>2,166,421</u>	<u>92,243,544</u>	<u>1,591,229</u>
8.1 <i>Deferred grant income, which are in Afghanis are converted into US\$ and projects which are US\$ or EURO are converted in to Afghanis by applying of Da Afghanistan Bank Rate as of Dec 21, 2015.</i>					
9 OTHER PAYABLE					
Payable BPHS SEHAT Logar		167,621	2,467	151,662	2,616
Payable EPHS SEHAT Daikundi		3,751,895	55,216	72,045	1,243
Payable to community		1,280,806	18,849	1,322,306	22,810
Salaries payable		16,458,441	242,214	21,231,769	366,254
Payable against Medical Equipment & Supplies		-	-	-	-
Vehicle rent payable		1,329,600	19,567	3,202,964	55,252
Payable office rent		1,850,503	27,233	1,045,840	18,041
Payable trainings		5,242,231	77,148	-	-
Payable against supplies		7,293,905	107,342	8,165,561	140,858
Payable against fuel		922,233	13,572	59,500	1,026
Other payables		11,613,130	170,907	1,942,040	33,501
Payable against equipment		41,660	613	801,306	13,823
Payable against SHDP FOR PCH Takhar		-	-	7,524,640	129,802
Payable against BARAN FOR PCH Badkshshan		-	-	1,149,275	19,825
Payable against PCH Project		1,054,019	15,512	1,054,019	18,182
Payable Utilities bills		26,500	390	-	-
Payable to SHDP Daikundi Pro		1,703,800	25,074	-	-

Care of Afghan Families (CAF)

Kabul - Afghanistan

Notes to the financial statements for the year ended December 21, 2015

Note	1394		1393	
	21 December 2015		21 December 2014	
	AFN	US\$	AFN	US\$
Payable to SHDP logar Projec	4,157,740	61,188	-	-
Payable to BARAN	1,882,987	27,711	-	-
Income tax payable	-	-	6,303	109
	58,777,071	865,005	47,729,229	823,344

10 AMORTIZATION OF DEFERRED INCOME

MOPII (AKF) CME Takhar	Annex.1	14,861,609	246,855	7,106,973	123,536
SFP Project Badakhshan	Annex.2	13,766,785	202,602	-	-
CHASS Project	Annex.3	959,372	16,261	-	-
SLEC Project Badkhshan	Annex.4	455,653	6,706	-	-
MOPH EPHS SEHAT-I Daikundi	Annex.5	67,690,834	996,186	59,610,405	1,011,002
MOPH BPHS SEHAT-I Logar	Annex.6	166,915,172	2,456,441	117,294,468	1,989,333
MOPH BPHS SEHAT-I Kunduz	Annex.7	42,221,774	621,365	35,639,205	604,447
MOPH BPHS SEHAT-I Badkhshaan	Annex.8	67,159,879	988,372	-	-
MSH Challenge TB Badakhshan	Annex.9	883,958	14,589	-	-
World Bank RBF-SEHAT Badakhshan	Annex.10	-	-	-	-
PCH Project Badkhshan	Annex.11	81,029,050	1,389,148	146,866,265	2,564,446
MOPH BPHS PCH Takhar	Annex.12	119,833,291	2,050,792	232,681,952	4,056,478
World Bank RBF Takhar	Annex.13	8,850,180	130,245	14,823,009	251,401
World Bank RBF Badakhshan	Annex.14	6,501,453	95,680	4,912,323	83,314
GF (BRAC) Malaria Takhar	Annex.15	33,310	490	1,943,639	33,252
WFP (SCI) TSFP Takhar	Annex.16	103,515	1,523	3,904,642	66,223
WFP (SCI) TSFP Badakhshan	Annex.17	31,918	470	2,435,071	41,299
GF (BRAC) Malaria Logar	Annex.18	55,838	822	480,634	8,152
WHO MHT Logar	Annex.19	2,140,457	37,309	1,974,440	34,416
WHO MHT-SHC Logar	Annex.20	2,186,654	37,720	82,872	1,430
WFP (SCI) TSFP Takhar 2	Annex.21	6,003,932	88,358	-	-
MSH CB-DOT	Annex.22	1,516,560	22,319	3,950,304	66,998
IYCN Survey MI	Annex.23	1,434,760	24,999	-	-
GF (HNTPO) LLIN Takhar		-	-	5,597,241	94,930
GF (HNTPO) LLIN Badkhshan		-	-	4,822,314	81,787
GF (HNTPO) LLIN Logar		-	-	2,664,468	45,190
GF (BRAC) Malaria Badakhshan		-	-	774,430	13,178
GF (BRAC) TB Takhar		-	-	562,485	9,540
Merlin-CAF EC Project Kunduz		-	-	12,986,868	224,027
WFP (Merlin) TSFP Takhar		-	-	74,441	1,263
WFP (Merlin) TSFP Badakhshan		-	-	147,180	2,496
WHO Daikundi		-	-	140,700	2,447
WHO Growth monitoring logar		-	-	572,679	9,982
		604,635,955	9,429,253	662,049,008	11,420,565

11 OTHER INCOME

Membership fee	11.1	671,476	9,882	1,099,186	18,961
Others	11.2	2,452,279	36,089	2,661,912	45,899
Disposal of assets		-	-	91,550	1,579
Exchange gain		1,124,530	16,549	167	3
		4,248,286	62,521	3,852,815	66,442

Care of Afghan Families (CAF)

Kabul - Afghanistan

Notes to the financial statements for the year ended December 21, 2015

Note	1394		1393	
	21 December 2015		21 December 2014	
	AFN	US\$	AFN	US\$

11.1 It represents the membership fee paid by the employees whose salaries are greater than 12,500 AFN.

11.2 It represents the donation and adjustment from different sources.

12 DIRECT OPERATING COST

Salaries and benefits	185,603,809	2,731,476	233,692,689	4,031,269
Goods and services	336,915,475	4,958,285	143,302,433	2,472,010
Fixed assets	712,539	10,486	687,500	11,860
	<u>523,231,823</u>	<u>7,700,248</u>	<u>377,682,622</u>	<u>6,515,139</u>

13 INDIRECT OPERATING COST

Salaries, wages and benefits	36,386,696	535,492	33,305,594	574,532
Travel, transportation and per diem	3,191,903	46,974	2,992,656	51,624
Communication	704,873	10,373	988,793	17,057
Repair and maintenance	789,906	11,625	1,450,227	25,017
Utilities	685,888	10,094	1,326,194	22,877
Audit fee	264,770	3,897	260,348	4,491
Rent	3,435,485	50,559	2,184,822	37,689
Depreciation	1,099,880	16,187	945,889	16,317
Bank charges	221,248	3,256	156,766	2,704
Miscellaneous			2,282,348	39,371
HQ Goods and services	1,271,688	18,715	-	-
Training	5,936,993	87,373	-	-
	<u>53,989,330</u>	<u>688,457</u>	<u>45,893,636</u>	<u>791,679</u>

14 EXPENSES OF SUB-GRANT

SHDP PCH Project	19,667,702	289,444	39,496,132	681,320
BARAN PCH Project	12,902,985	189,889	22,409,840	386,577
BARAN EC Project	-	-	3,370,072	58,135
	<u>32,570,688</u>	<u>479,333</u>	<u>65,276,044</u>	<u>1,126,031</u>

15 EXPENSES OF SEHAT PROJECTS

Diakundi EPHS Project	-	-	59,610,405	1,028,297
Logar BPHS Project	-	-	117,294,468	2,023,365
Other Expenses	10,059,626	148,045	-	-
	<u>10,059,626</u>	<u>148,045</u>	<u>176,904,873</u>	<u>3,051,662</u>

16 Corresponding figures

No significant reclassification / rearrangements of corresponding figures have been made in these financial statements. Further the corresponding figures are not entirely comparable due to different reporting periods.

17 General

Figures have been rounded off to nearest Afghani (AFN) and nearest Dollar (US\$).

Waqar

Notes to the financial statements for the year ended December 21, 2015

7.1 Operating fixed assets

Particulars	Communication Equipment		Furniture and fixture		Computer & Accessories		Office Equipment		Electric Equipment		Office Vehicles		Total		
	AFS	US \$	AFS	US \$	AFS	US \$	AFS	US \$	AFS	US \$	AFS	US \$	AFS	US \$	
Period ended 21 December 2014															
Opening cost	1,001,128	17,564	1,430,012	25,292	2,391,994	46,122	827,842	14,817	1,195,624	21,147	2,405,455	42,544	6,079,916	107,533	
Addition during the year	162,049	2,527	48,000	841	434,910	7,617	10,000	175	11,058	194	-	-	3,172,138	56,104	
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,163,177	20,091	1,478,012	26,133	2,826,904	53,739	837,842	14,817	1,206,682	21,341	2,405,455	42,544	9,918,071	178,665	
Depreciation for the year	(73,874)	(1,294)	(74,279)	(1,301)	(334,204)	(5,853)	(57,914)	(1,014)	(41,800)	(785)	(360,818)	(6,319)	(945,889)	(16,566)	
Adjustment of depreciation	(726,985)	(12,858)	(1,244,457)	(22,010)	(2,017,810)	(35,688)	(607,307)	(10,741)	(1,639,502)	(18,385)	(150,341)	(2,659)	(5,786,402)	(102,341)	
Cost	1,163,177	20,402	1,478,012	26,133	2,826,904	53,739	837,842	14,817	1,206,682	21,341	2,405,455	42,544	9,918,072	178,976	
Accumulated depreciation	(800,859)	(14,152)	(1,318,736)	(23,311)	(2,352,014)	(41,541)	(665,221)	(11,755)	(1,684,302)	(19,170)	(511,159)	(8,978)	(6,732,291)	(118,907)	
Written down value at 21 December 2014	362,318	6,250	159,276	2,748	474,890	8,195	172,621	2,978	122,379	2,111	1,894,296	32,677	3,185,780	54,959	
Period ended 21 December 2015															
Opening cost	1,163,177	20,091	1,478,012	26,133	2,826,904	53,739	837,842	14,817	1,206,682	21,341	2,405,455	42,544	9,918,071	171,090	
Addition/Adjustment during the period	144,309	2,527	-	-	181,009	3,170	163,253	2,859	1,076,700	18,856	-	-	1,565,271	27,001	
Disposals during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1,307,486	22,618	1,478,012	26,133	3,007,913	56,909	1,001,095	17,676	2,283,382	40,197	2,405,455	42,544	11,483,342	198,091	
Depreciation for the period	(95,955)	(1,412)	(55,687)	(820)	(313,268)	(4,610)	(77,218)	(1,136)	(196,935)	(2,898)	(360,818)	(5,310)	(1,099,880)	(16,187)	
Adjustment of depreciation	(800,859)	(14,152)	(1,318,736)	(23,311)	(2,352,014)	(41,541)	(665,221)	(11,755)	(1,684,302)	(19,170)	(511,159)	(8,978)	(6,732,291)	(118,907)	
Cost	1,307,486	22,618	1,478,012	26,133	3,007,913	56,909	1,001,095	17,676	2,283,382	40,197	2,405,455	42,544	11,483,342	198,091	
Accumulated depreciation	(896,814)	(15,564)	(1,374,423)	(24,131)	(2,665,282)	(46,151)	(742,439)	(12,892)	(1,281,237)	(22,068)	(871,977)	(14,288)	(7,832,171)	(135,093)	
Written down value at 21 December 2015	410,672	6,044	103,589	1,524	342,631	5,042	258,656	3,807	1,002,144	14,718	1,533,478	22,568	3,651,172	53,733	
Depreciation rate	15%		15%		30%		20%		15%		15%		15%		

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INDEPENDENT AUDITORS' REPORT ON COMPUTATION OF TAX CALCULATION

General Director
Care of Afghan Families (CAF)
Kabul
Afghanistan

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of computation of tax contained that the organization collected tax is AFN 2,4512,937 and paid tax is AFN 24,519,240/- presented for the purpose of additional analysis and is not required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Chartered Accountants

Kabul

February 09, 2016

Care of Afghan Families (CAF)

Kabul - Afghanistan

TAX REPORT FOR THE PERIOD FROM DECEMBER 22, 2014 TO DECEMBER 21, 2015


S/No	Description	Dec, 22 2014 to Dec 21, 2015			Dec 22, 2013 to Dec 21, 2014		
		Amount Collected	Amount Paid to Government	Balance with CAF	Amount Collected	Amount Paid to Government	Balance with CAF
Amounts in Afغانis (AFN)							
1	Payroll Tax						
	Kabul	4,741,555	4,744,059	-	4,459,518	4,457,014	(2,504)
	Takhar	4,079,684	4,079,684	-	5,236,766	5,236,766	-
	Badakhshan	3,796,184	3,796,184	-	3,558,506	3,558,506	-
	Kunduz	945,049	945,049	-	977,632	977,632	-
	Diakundi	1,398,651	1,398,651	-	1,419,425	1,419,425	-
	Logar	2,539,475	2,539,475	-	2,162,691	2,162,691	-
		17,500,598	17,503,102	-	17,814,538	17,812,034	(2,504)
2	Vehicle Tax						
	Kabul	320,132	320,132	-	237,434	237,434	-
	Takhar	1,119,706	1,122,705	-	1,588,887	1,585,888	(2,999)
	Badakhshan	626,919	626,919	-	459,664	459,664	-
	Kunduz	-	-	-	-	-	-
	Diakundi	145,295	145,295	-	101,853	101,853	-
	Logar	504,393	504,393	-	461,294	461,294	-
		2,716,445	2,719,444	-	2,849,132	2,846,133	(2,999)
3	Purchase Tax						
	Kabul	1,354,220.02	1,354,220.02	-	1,431,687.74	1,431,687.74	-
	Takhar	138,086	138,086	-	464,773	464,773	-
	Badakhshan	81,814	81,814	-	200,314	200,314	-
	Kunduz	-	-	-	-	-	-
	Diakundi	735,979	736,779	-	482,832	482,032	(800)
	Logar	398,044	398,044	-	223,670	223,670	-
		2,708,143	2,708,943	-	2,803,277	2,802,477	(800)
4	House Tax						
	Kabul	722,418	722,418	-	397,306	397,306	-
	Takhar	437,646	437,646	-	261,548	261,548	-
	Badakhshan	223,550	223,550	-	284,250	284,250	-
	Kunduz	-	-	-	-	-	-
	Diakundi	69,917	69,917	-	26,389	26,389	-
	Logar	134,220	134,220	-	70,994	70,994	-
		1,587,751	1,587,751	-	1,040,487	1,040,487	-
GRAND TOTAL		24,512,937	24,519,240	-	24,507,434	24,501,131	(6,303)

Note: An amount of 6,303 was paid less last year, which is paid this year to the government account.

INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF COMPUTATION OF INDIRECT COST RATE.

General Director
Care of Afghan Families (CAF)
Kabul
Afghanistan

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of computation of indirect cost rate is presented for the purpose for additional analysis and is not a required of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Usman Azeem & Co.
Chartered Accountants

Kabul

February 09, 2016

Care of Afghan Families (CAF)
Kabul - Afghanistan

**SCHEDULE OF COMPUTATION OF INDIRECT COST RATE
FOR THE PERIOD ENDED DECEMBER 21, 2015**

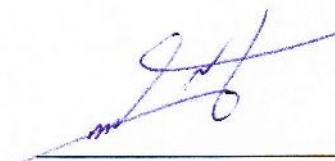
PARTICULARS

	AMOUNTS IN AFS			INDIRECT COST
	DIRECT COST	CAPITAL COST	SUB-GRANTEE COST	
SALARIES AND BENEFITS	185,603,809	-	-	36,386,696
GOOD AND SERVICES	336,915,475	-	-	17,602,635
ASSETS	-	712,539	-	-
SUB-GRANT EXPENSES BARAN	-	-	12,902,985	-
SUB-GRANT EXPENSES SHDP	-	-	19,667,702	-
CAF-BARAN CONSORTIUM EXPENSES	-	-	-	-
CAF DIRECT EXPENSES PORTION DAIKUNDI	-	-	-	-
CAF DIRECT EXPENSES PORTION LOGAR	-	-	-	-
DIRECT EXPENSE FIXED ASSET	-	-	-	-
TOTAL:	522,519,284	712,539	32,570,688	53,989,330

INDIRECT COST RATE (RATIO) = $\frac{\text{Indirect Cost}}{\text{Direct Cost}} = \frac{53,989,330}{522,519,284} = 10\%$ *CAF/CA*



Director General
M.Naim.Rassa



Operation Director
Dr.Nasir Ahmad Hamid

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

General Director
Care of Afghanistan Families (CAF)
Kabul, Afghanistan.

We are engaged to conduct the Audit of the financial statements of CAF for implementations of various project states under activities description from Annexure 1 to Annexure 23 for the period from 22 December 2014, to December 21, 2015 funded by different donors. The financial statements are the responsibility of the CAF's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement resulting from violations of agreement terms, laws and regulations that have a direct and material effect on the financial statements.

Compliance with agreement terms, laws and regulations applicable to CAF is the responsibility of CAF's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of CAF's compliance with certain provisions of agreement terms, laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The result of our tests disclosed no instances of non-compliance that are required to be report to be reported here under international Auditing standards.

This report is intended for the information of CAF and its stakeholders. However, upon release by CAF this report is a matter of public record and its distribution is not limited.

For and on behalf of



Usman Azeem & Co.
Chartered Accountants
Kabul
February 09, 2016