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# Hoda Vasi Chowdhury & Co

## Chartered Accountants

Independent Correspondent Firm to Deloitte Touche Tohmatsu

### Independent Auditors' Report

#### The members of Governing Body of Manusher Jonno Foundation

We have audited the accompanying Balance Sheet of Manusher Jonno Foundation (MJF) as at 31 December 2007, related Income & Expenditure Account and Receipts & Payments Account for the period then ended.

#### Respective Responsibilities of Management and Auditors

The preparation of these financial statements is the responsibility of the management of Manusher Jonno Foundation (MJF). Our responsibility is to express an independent opinion on these financial statements based on our audit.

#### Basis of Audit Opinion

We have conducted our audit of the Financial Statements in accordance with the Bangladesh Standards on Auditing (BSA) and Bangladesh Financial Reporting Standards (BFRS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

#### Opinion

In our opinion, subject to the fact that Taka 291,246,277 on account of advances given to partner NGOs and Taka 16,517,555 being the written down value of fixed assets transferred by CARE Bangladesh and shown in the books of MJF as taken over assets which could not be verified by us satisfactorily due to lack of certified audited accounts from CARE Bangladesh and supporting documents, the financial statements together with the notes thereon, presents fairly, in all material respects, the state of the MJF financial position as at 31 December 2007 and results of its operations for the year then ended, in conformity applicable laws and regulations and also in agreement with the books of account of the project with the accounting policies disclosed in the financial statements and comply with all applicable laws and regulations and also in the agreement with the books of accounts of the project.

Dhaka, 05 APR 2008

  
Chartered Accountants

**MANUSHER JONNO FOUNDATION (MJF)  
Balance sheet  
As at 31 December 2007**

	Note	2007 Taka
<b>Property &amp; Assets:</b>		
<b>Non Current Assets</b>		
Furniture, Fixture & Equipments-Annexure-A		13,161,029
		<u>13,161,029</u>
<b>Current Assets</b>		
Cash and Bank	3	25,969,120
Advances & prepayments	4	225,918,440
Gratuity savings Account		3,257,166
Receivable from SAHR		53,826
		<u>255,198,552</u>
<b>Total Assets</b>		<u><u>268,359,581</u></u>
<b>Capital Fund and Liabilities :</b>		
<b>Capital Fund</b>		
Capital Fund	5	262,358,405
Gratuity Fund-unfunded		3,257,166
		<u>265,615,571</u>
<b>Current liabilities</b>		
Accrued Expenses	6	495,288
Liabilities to CARE Bangladesh	7	2,248,722
		<u>2,744,010</u>
<b>Total Capital Fund and Liabilities</b>		<u><u>268,359,581</u></u>

These Financial statements should be read in conjunction with the annexed notes

*Alau*  
Finance Director

*Shabreen Khatun*  
Executive Director

Auditors' Report  
See annexed report of date

*Hoda Vasi Chowdhury*  
Chartered Accountants

Dhaka, 05 APR 2008

MANUSHER JONNO FOUNDATION (MJF)  
Income and expenditure Statements\*  
For the year ended 31 December 2007

	Note	2007 Taka
<b>Income</b>		
Fund Received from DFID	8	476,227,158
Fund Received from Norwegian Government	9	118,744,451
		594,971,609
Interest earned on bank accounts		1,423,979
Bank interest earned from PNGOs		2,571,484
<b>Total income</b>		<b>598,967,072</b>
<b>Expenditure</b>		
Personnel cost	11	29,576,533
Programme Monitoring cost	12	2,249,986
Programme Operating cost	13	5,895,460
Training, Workshop, Seminars	14	5,840,777
Technical Support Consultancy		4,502,128
Advocacy, Publication & Campaign	15	1,118,244
Partners Capacity Building		6,854,470
Activity Fund - Networking, Alliance Building		6,502,998
Audit fee	16	999,825
Depreciation (Annexure-A)		4,975,111
		68,515,532
Programme Expenses-PNGOs		573,608,245
<b>Excess of expenditure over income transferred to capital fund</b>		<b>(43,156,705)</b>
<b>Total</b>		<b>598,967,072</b>

642,237,777

\*As MJF worked as a project under CARE Bangladesh during the period from 1 January to 31 March 2007, income earned and expenditure incurred for the project have not been reflected in the accounts.

These Financial statements should be read in conjunction with the annexed notes

*Mlous*  
Finance Director

*Shabir Anwar*  
Executive Director

Auditors' Report  
See annexed report of date

*Hoda Vasi Chowdhury*  
Chartered Accountants

Dhaka, 05 APR 2008

MANUSHER JONNO FOUNDATION (MJF)  
Statements of Receipts and Payments  
For the year ended 31 December 2007

	Note	2007 Taka
<b>Receipts</b>		
<b>Opening Balance as on 1 January</b>		
Cash in hand from CARE		5,000
Fund Received from DFID	8	476,227,158
Fund Received from Norwegian Government	9	118,744,451
		594,971,609
Bank interest earned		1,423,979
<b>Total</b>		<b>596,400,588</b>
<b>Payments</b>		
Personnel cost		29,513,329
Programme Monitoring cost		2,157,605
Programme Operating cost		5,034,615
Furniture, Fixture & Equipment (Annexure -A)		1,618,585
Training ,Workshop, Seminars		5,751,697
Technical Support Consultancy		4,232,202
Advocacy, Publication & Campaign		1,118,244
Partners Capacity Building		6,809,373
Activity Fund - Networking, Alliance Building		6,244,873
Audit fee		884,825
Advance to partners		505,518,881
<b>Sub total (A)</b>		<b>568,884,229</b>
Refund petty cash to CARE		5,000
Advance to Vendors	17	530,000
Advance to Consultants	18	906,213
Advance to South Asian for Human Rights		53,826
Advance to Employees	19	52,200
<b>Sub total (B)</b>		<b>1,547,239</b>
<b>Grand total (A+B)</b>		<b>570,431,468</b>
<b>Closing balance</b>		
Cash in hand	3	10,000
Cash at Bank	3	25,959,120
		25,969,120
<b>Total</b>		<b>596,400,588</b>

These Financial statements should be read in conjunction with the annexed notes

  
Finance Director

  
Executive Director

**MANUSHER JONNO FOUNDATION**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2007**

## 1 Background

The Manusher Jonno Foundation, a company limited by guarantee was established in 25 January 2006. Human Rights and Governance (HUGO) project, later renamed Manusher Jonno (for the people) (MJ) was designed by DFID as an innovative local funding mechanism to support work in the area of human rights and governance in Bangladesh. It started implementation in July 2002 as project of CARE Bangladesh funded by DFID. From the outset, it was intended that MJ would become an independent organization by December 2005. As a result of which a separate organization under the name and style of the Manusher Jonno Foundation (MJF) was established. MJF got its registration under joint stock company and from the NGO Affairs Bureau under the Foreign Donations Act (Voluntary Activities) Regulations Ordinance 1978 bearing registration # C-643 (31)/06 and 2175 on 25 January 2006 and December 2006 respectively.

From 25 January 2006 to 31 March 2007 MJF worked as a project of CARE Bangladesh. During the period no separate accounts were maintained. MJF started its independent operational activities from 1st April 2007.

At present MJF operates as nationally owned and controlled funding instrument through DFID and Norwegian Government will channel resources for human rights and governance support. The core objective of MJF is to enhance the capacity of and opportunities for poor women, men and children to demand improved governance and recognition of their rights.

## 2 Significant Accounting Policy other material information

### 2.1 Basis of Accounting

The Financial statements have been prepared following International Accounting Standards (IAS) as adopted in Bangladesh.

### 2.2 Tangible Fixed assets

These are stated at cost less accumulated depreciation. Depreciation has been charged on straight line method at the rates given in Annexure-A and supposed to charge for six months or full year if uses of assets is less than six months or more respectively during the year of purchase of an assets. Besides this depreciation has been charged @ 50% on old fixed assets procured.

### 2.3 Grant

Grant are recognized as income when received with no consideration for the conditions on which they depend.

### 2.4 Programme Expenses

Programme expenses are charged in the Income Expenditure Account on the basis of certification made by the respective PNGOs management.

### 2.5 Cash and Bank balance

This includes cash on hand and bank deposits, which are held and available for use of the MJF without any restriction.

### 2.6 Employees benefit plans

Manusher Jonno Foundation operates an unfunded Gratuity and Provident Fund for its employees. MJF makes provision for Gratuity fund for the employees who have completed minimum one year service with MJF at the rate 1.25 times of last month's basic salary for each completed year.

### 2.7 Provisions for liabilities

Provisions for liabilities are recognized when Foundation has a present obligation resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

### 2.8 Taxation

Income tax assessment up to 31 December 2006 has already been completed. During the year 2007, no provision for tax was made in these financial statements.

### 2.9 Foreign currency transactions

Manusher Jonno Foundation (MJF) maintains its books of account in Bangladesh Taka. Transactions in foreign currencies are accounted for in Bangladeshi Taka (Taka) at the rate of exchange ruling on the date of transactions.

### 2.10 Reporting period

These financial statements covered one calendar year and followed consistently.

### 2.11 General

The figures appearing in these Financial Statements have been rounded off to the nearest Taka.

		<u>2007</u> <u>Taka</u>
<b>3</b>	<b>Cash and Bank balance</b>	
	Cash in hand	10,000
	Cash at Bank	
	Standard Chartered Bank      A/C No 01 2885913 01	946,953
	Standard Chartered Bank      A/C No 02 2885913 01	25,012,167
		25,959,120
		25,969,120
<b>4</b>	<b>Advances and prepayments</b>	
	PNGOs	223,222,527
	Khan Foundation	500,000
	Flora Ltd	30,000
	Consultants	1,178,713
	Employees	52,200
		224,983,440
	Prepayments	
	House rent	935,000
		225,918,440

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	2007 Taka
<b>5 Capital Fund</b>	
Opening Balance of PNGOs	288,997,555
Fixed Assets received from CARE Bangladesh	16,517,555
Less: Expenditure over income	<u>(43,156,705)</u>
	<u><u>262,358,405</u></u>
<b>6 Accrued Expenses</b>	
Research Consultant- Arifur Rahman	68,632
Newspaper Bill - Mohiuddin	2,904
Telephone Maintenance-Jasmine Ltd.	2,080
Cleaning Services Bill - CLEAN CO	8,500
IT Support Services - Syscom	16,374
Income Tax Reimburse - ED	11,305
Casual Staff Salary - Cook	1,339
Overtime - MJF Staff	3,176
Overtime - Casual Staff	460
Subsidy Allowance - Guards	2,400
Security Services Bill - Atandra	36,000
Internet service bill - BOL	34,500
Electricity Bill	21,066
Fuel for Vehicles	69,502
CNG for Vehicles	1,794
Other payable	24
Vehicle Rental Cost	80,381
WASA Bill	16,371
Mineral Water	3,480
Audit Fee	115,000
	<u><u>495,288</u></u>
<b>7 Liabilities to CARE Bangladesh - Subsequently paid</b>	
Outstanding Advances - Vendors	320,000
Outstanding Advances - Consultants	488,142
Outstanding Advances - Employees	70,580
Outstanding Advances - Land Lord	1,370,000
	<u><u>2,248,722</u></u>
<b>8 Fund Received From DFID in Bangladeshi Taka</b>	
March 27, 2007	203,858,296
July 30, 2007	169,368,862
October 1, 2007	103,000,000
	<u><u>476,227,158</u></u>
<b>9 Fund Received From Norwegian Government in Krone</b>	
September 6, 2007	57,471,265
December 9, 2007	61,273,186
	<u><u>118,744,451</u></u>



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	2007 Taka
<b>10 Personnel Cost:</b>	
Basic Salary	13,963,812
House Rent	7,015,146
Overtime	168,844
Transportation Allowance	1,182,402
Employee Gratuity	2,200,010
Hospitalization/ Maternity Benefit	281,352
Medical Allowance	490,020
Leave Encashment	281
Employers' Contribution to PF	1,290,570
Recruitment Cost	121,736
Staff Uniforms & Others	5,150
Festival Bonus	2,366,088
Casual/ Temporary Staff Individual	77,059
Casual/ Temporary Staff Agency	414,063
	<u>29,576,533</u>
<b>11 Programme Monitoring Cost</b>	
Travel In country	750,211
Perdiem	376,339
Lodging	418,672
Vehicle Rent	704,764
	<u>2,249,986</u>
<b>12 Programme Operating Cost</b>	
Rent	900,000
Utilities	604,221
Telephone, Mobile & Fax	352,681
Postage & Courier	70,521
Office Stationery	365,138
Office Supplies	246,253
Fuel for Vehicle	1,062,417
Office Maintenance	257,049
Books & Periodicals	85,436
Local Conveyance	46,772
Internet & Website, Cable TV	315,723
Printing	46,130
Vehicle Maintenance	419,103
Office Equipments Maintenance	97,841
Furniture Maintenance	33,143
Building repairing & renovation	444,684
Computer Software	25,000
Refreshment	26,270
Mileage/ Tolls/ Other Transportation	47,857
Legal Fees	29,918
Other Costs	14,294
Tax on Interest	399,546
Bank Services Charge	5,463
	<u>5,895,460</u>

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	2007 Taka
<b>13 Training, Workshop &amp; Seminar</b>	330,292
Training, WS Materials	18,428
Meeting Cost	45,198
Meeting with Counterpart	1,800
Employee Training - In country	650,124
Employee Training - Overseas	1,841,176
Workshop/ Seminars/ Conference - In country	1,884,816
Workshop/ Seminars/ Conference - Overseas	1,068,943
Workshop/ Seminars for Organizational Dev.	<u>5,840,777</u>
<b>14 Advocacy, Publication &amp; Campaign</b>	315,932
Publicity & Communication	802,312
Documentation & Publication	<u>1,118,244</u>
<b>15 Audit Fees</b>	884,825
Audit Fees - PNGOs	115,000
Audit fee 2007 & 2006	<u>999,825</u>
<b>16 Advance to vendors</b>	500,000
Khan Foundation	30,000
Flora Limited	<u>530,000</u>
<b>17 Advance to Consultants</b>	157,290
Mahbub Alam	399,840
Bangladesh Institute of Development Studies (BIDS)	140,750
Save the children- USA	75,000
National Forum of organizations working with Disabilities	133,333
Tanjib-ul-Alam	<u>906,213</u>
<b>18 Advance to Employees</b>	3,000
Mr. Ali Ahmed	100
Jafiu Hasan Sharif	3,000
Md. Arif Hossain Khan	4,000
Shoeb Sazzad Khan	7,000
Khandakar Rezawanul Karim	35,100
Md.Zahed Hasan	<u>52,200</u>

**Manusher Jonno Foundation**  
**Furniture, Fixture & Equipments**  
**As on 31 December 2007**

Particulars	Cost				Depreciation				Written Down Value	
	Balance as on 1 January 2007 *	Addition During the Year	Adjustment During the Year	Balance as on 31 Dec 2007	Rate	Balance as on 1 January 2007	Charged During the Year	Adjustment During the Year		Balance as on 31 Dec 2007
Air Conditioner	470,333	224,817	-	695,150	15%	-	174,282	-	174,282	520,868
Furniture Fixture	1,295,899	123,173	-	1,419,072	15%	-	318,986	-	318,986	1,100,086
Office Equipment	1,176,938	30,810	-	1,207,748	25%	-	297,178	-	297,178	910,570
Telephone & Mobile Set	48,673	8,000	-	56,673	20%	-	27,575	-	27,575	29,098
Computer Equipment	3,241,957	1,231,785	-	4,473,742	25%	-	1,431,131	-	1,431,131	3,042,611
Vehicles	10,283,755	-	-	10,283,755	15%	-	2,725,959	-	2,725,959	7,557,796
	<b>16,517,555</b>	<b>1,618,585</b>	<b>-</b>	<b>18,136,140</b>		<b>-</b>	<b>4,975,111</b>	<b>-</b>	<b>4,975,111</b>	<b>13,161,029</b>

\* Includes Fixed assets at cost less depreciation received from CARE Bangladesh .