

**Hoda Vasi  
Chowdhury & Co**

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To  
The members of Governing Body  
Manusher Jonno Foundation  
House no.122, Road no.1, Block-F  
Banani Model Town  
Dhaka-1213

May 2009

**Audited Financial Statements  
of  
Manusher Jonno Foundation (MJF)  
For the year ended 31 December 2008**

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Independent Correspondent Firm to **Deloitte Touche Tohmatsu**

**Manusher Jonno Foundation  
For the year ended 31 December 2008**

**Table of Contents**

<b><u>Particulars</u></b>	<b><u>Page no</u></b>
Auditors' Report	1
<b>Financial Statements:</b>	
Balance Sheet	2
Income and Expenditure Account	3
Receipts and Payments Account	4
Notes to the Financial Statements	5-10
Annexure -A (Schedule of Fixed Assets )	11
<b>NGO Bureau's Requirements:</b>	
FD-4 certificate	12
Statement of Fund Reconciliation	13
Annexure A/1-Details of Expenditures	14-15
Notes to the Form FD-4	16-18
Additional Information and particulars-as required by NGO Affairs Bureau	19-21

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

Independent Correspondent Firm to Deloitte Touche Tohmatsu

### Independent Auditors' Report To

#### The Members of Governing Body - Manusher Jonno Foundation

We have audited the accompanying Balance Sheet of Manusher Jonno Foundation (registered in Bangladesh with Registrar of Joint Stock Company as company limited by guarantee and registered with NGO Affairs Bureau bearing registration no.2175) as of 31 December 2008, the related statement of Income & Expenditure and the statement of Receipts & Payments for the year then ended.

#### Management Responsibilities for the Financial Statements

Management is the responsible for preparation and fair presentation of this financial statement in accordance with Bangladesh Accounting Standards and Bangladesh Financial Reporting Standard and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to preparation and fair presentation of financial statements of Manusher Jonno Foundation (MJF).

#### Auditors' Responsibilities

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 international auditing standards adopted as Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any 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 presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

#### Opinion

In our opinion the financial statements prepared in accordance with Bangladesh Financial Reporting Standard (BFRS), give a true and fair view of the state of the Manusher Jonno Foundation's affairs as of 31 December 2008 and the results of its operation and the Receipts and Payments statement for the year then ended and comply with the applicable laws and regulations.

Dhaka, 18 May 2009

  
Chartered Accountants

**MANUSHER JONNO FOUNDATION (MJF)**  
Balance sheet  
As at 31 December 2008

	<u>Notes</u>	<u>2008</u> <u>Taka</u>	<u>2007</u> <u>Taka</u>
<b>Assets</b>			
<b>Non Current Assets</b>			
Furniture, Fixture & Equipments-Annexure-A		— 15,586,911	13,161,029
<b>Current Assets</b>			
Cash and Bank Balances	3	33,907,691	25,969,120
Advances & Prepayments	4	299,217,241	225,918,440
Deposit with Bank against Gratuity Fund- Savings Account		1,113,213	3,257,166
Deposit with Bank against Gratuity Fund- FDR Account		4,500,000	-
		5,613,213	3,257,166
		<u>338,738,145</u>	<u>255,144,726</u>
<b>Current liabilities</b>			
Payable to donor-Bank interest	9	3,425,828	-
South Asian for Human Rights		36,926	(53,826)
Accrued Expenses	10	527,437	495,288
Liabilities to CARE Bangladesh		-	2,248,722
		<u>3,990,191</u>	<u>2,690,184</u>
<b>Net Current Assets</b>		<u>334,747,954</u>	<u>252,454,542</u>
<b>Total Assets</b>		<u>350,334,865</u>	<u>265,615,571</u>
<b>Represented By:</b>			
<b>Fund and Liabilities</b>			
Capital Fund	5	— 9,355,437	262,358,405
Donor Fund Received in Advance	6	329,134,741	-
Deferred Income	7	— 6,231,474	-
Gratuity Fund-Funded	8	5,613,213	3,257,166
		<u>350,334,865</u>	<u>265,615,571</u>

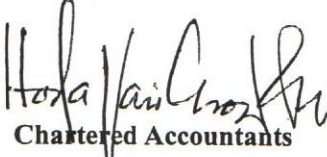
These Financial statements should be read in conjunction with the annexed notes

  
Director, Finance & Administration

  
Executive Director

Auditors' Report-See annexed report of date


Dhaka, 18 May 2009

  
Chartered Accountants

**MANUSHER JONNO FOUNDATION (MJF)  
Income and Expenditure Statements  
For the year ended 31 December 2008**

	<u>Notes</u>	<u>2008 Taka</u>	<u>2007 Taka</u>
<b>Income</b>			
Donor Fund	11	692,653,215	594,971,609
Interest earned on bank accounts		-	1,423,979
Bank Interest earned from PNGOs		-	2,571,484
<b>Total income</b>		<b><u>692,653,215</u></b>	<b><u>598,967,072</u></b>
<b>Expenditure</b>			
MJF's Expenses-			
Personnel Cost	13	44,350,057	29,576,533
Programme Monitoring cost	14	3,639,058	2,249,986
Programme Operating cost	15	7,192,838	5,895,460
Training ,Workshop, Seminars	16	3,746,643	5,840,777
Technical Support Consultancy		2,369,863	4,502,128
Advocacy, Publication & Campaign	17	3,129,471	1,118,244
Partners Capacity Building		7,315,400	6,854,470
Activity Fund - Networking, Alliance Building		7,151,646	6,502,998
Audit Fee	18	2,055,132	999,825
Depreciation (Annexure-A)		3,941,987	4,975,111
		84,892,095	68,515,532
Programme Expenses-PNGOs	2.2	607,761,120	573,608,245
<b>Total expenditure</b>		<b><u>692,653,215</u></b>	<b><u>642,123,777</u></b>
Excess of expenditure over income		-	(43,156,705)

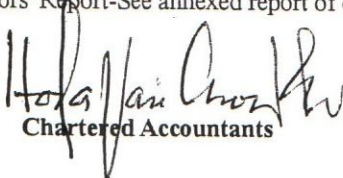
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Director, Finance & Administration

  
Executive Director

Auditors' Report-See annexed report of date

Dhaka, 18 May 2009

  
Chartered Accountants

**MANUSHER JONNO FOUNDATION (MJF)**  
**Statements of Receipts and Payments**  
**For the year ended 31 December 2008**

	Note	2008 Taka	2007 Taka
<b>Receipts</b>			
<b>Opening Balance as on 1 January</b>			
Cash in hand		10,000	5,000
Cash at Bank		25,959,120	-
		<b>25,969,120</b>	<b>5,000</b>
Fund Received	12	774,908,086	594,971,609
Received from South Asian for Human Rights		471,572	-
Bank interest earned		1,589,570	1,423,979
<b>Total</b>		<b>802,938,348</b>	<b>596,400,588</b>
<b>Payments</b>			
Personnel Cost		44,377,237	29,513,329
Programme Monitoring cost		3,719,439	2,157,605
Programme Operating cost		6,580,471	5,034,615
Furniture, Fixture & Equipment (Annexure -A)		6,367,868	1,618,585
Training ,Workshop, Seminars		3,746,643	5,751,697
Technical Support Consultancy		1,259,782	4,232,202
Advocacy, Publication & Campaign		3,129,471	1,118,244
Partners Capacity Building		7,315,400	6,809,373
Activity Fund - Networking, Alliance Building		6,651,646	6,244,873
Audit Fee		1,829,132	884,825
Advance to Partners		675,922,209	505,518,881
<b>Sub total (A)</b>		<b>760,899,298</b>	<b>568,884,229</b>
Payment to CARE		2,140,371	5,000
Advance to Vendors		4,525,074	530,000
Advance to Consultants		1,003,428	906,213
Advance to South Asian for Human Rights		380,821	53,826
Advance to Employees		81,665	52,200
<b>Sub total (B)</b>		<b>8,131,359</b>	<b>1,547,239</b>
<b>Grand total (A+B)</b>		<b>769,030,657</b>	<b>570,431,468</b>
<b>Closing balance</b>			
Cash in hand	3	10,000	10,000
Cash at Bank	3	33,897,691	25,959,120
		<b>33,907,691</b>	<b>25,969,120</b>
<b>Total</b>		<b>802,938,348</b>	<b>596,400,588</b>

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

*Alau*  
Director, Finance & Administration

*Shabeen Anam*  
Executive Director



**MANUSHER JONNO FOUNDATION  
Notes to the Financial Statements  
For the year ended 31 December 2008**

**1 Background**

The Manusher Jonno Foundation was established in 25 January 2006. Human Rights and Governance (HUGO) project, later renamed as 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 a 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 from the Register of 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 on 25 January 2006 and 2175 in December 2006 respectively. These registrations made MJF to start working as a separate entity in 2007, when it assumed the assets and liabilities of the former project of CARE Bangladesh namely Manusher Jonno. Since its inception as an independent NGO, MJF engages itself to achieve the social and development objectives by the way of implementing human rights and governance support programs as inherited from the former project 'Manusher Jonno' through funding the PNGOs' and self operated activities. In 2008 MJF has undergone a separate agreement with DFID for channeling necessary resources for the project. The core objective of the project 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 Policies & other material information**

**2.1 Basis of preparation of financial statements**

MJF maintains its books of account and records on activity basis. As MJF works mainly through Partner NGOs, the quarterly/monthly returns submitted by the PNGOs are combined together and incorporated in the financial statements of the organization as a whole. MJF's accounting records and financial statements are prepared and presented in accordance with the Generally Accepted Accounting principles.

MJF has introduced IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance in maintaining its donor fund accounts from 2008. As required by this accounting standard, a retrospective effect in the prior period's financial statements should be made, but due to impracticability in quantification, previous year's figures could not be reinstated to that extent.

**2.2. Programme Expenses of PNGOs**

Programme expenses of PNGOs comprise of expenses relating to personnel cost, travel, fuel, training and maintenance cost etc required for implementation of the project. These expenses are incurred against the funds provided to PNGOs in advance for accomplishing the program activities and charged to the Income and Expenditure Statements on the basis of returns submitted by the individual PNGO.

**2.3 Bank interest**

Bank interest received by the way of depositing the Donors Fund into the savings bank account is treated as liability of the Foundation as this is payable to the Donors, as per grant agreement.



#### **2.4 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**. Full year's depreciation is charged on the fixed assets which are used for more than six months in the year of purchase. Half yearly depreciation is charged when the date of procurement of an asset lapses less than six months in the year of purchase.

#### **2.5 Donors Fund**

All donor funds received during 2008 by MJF for implementing programs are initially recorded as liability under the head ' **Donor Fund Received in Advance** ' account. For utilization of donor fund for fixed assets, donor fund is transferred to a separate head of account namely '**Deferred Income**' which is adjusted with the amortization of fixed assets charged for a particular period and the corresponding amount of amortization is recognized as Income for that period in which it is so applied. For utilization of donor fund for accomplishing program activities, income is recognized only when it equates to the expenditure incurred for the program in a particular period.

#### **2.6 Taxation**

In accordance with the provisions of ITO 1984, all NGOs working in Bangladesh are assessable entities and submission of Income Tax return is mandatory. Whether the income of any NGO for any year is taxable or not is decided only after regular assessment to be made by the assessing authority. As MJF is a NGO incorporated under the Companies Act ,1994, the applicable tax rate for MJF is currently 37.5% on the income as to be decided after assessment by the tax authority.

#### **2.7 Employees Benefit Plans**

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

#### **2.8 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.

#### **2.9 Foreign currency transactions**

Manusher Jonno Foundation (MJF) maintains its books of account in Bangladeshi 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**

The financial statements of MJF cover one calendar year from 1 January to 31 December, which is followed consistently.

#### **2.11 General**

The figures appearing in the Financial Statements are rounded off to the nearest Taka.



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	<u>2008</u>	<u>2007</u>
	<u>Taka</u>	<u>Taka</u>
<b>3 Cash and Bank Balance</b>		
Cash in hand	10,000	10,000
Cash at Bank with Standard Chartered Bank		
-Savings A/C No.01 2885913 01	33,897,691	946,953
- Current A/C No.02 2885913 01	-	25,012,167
	33,897,691	25,959,120
	<b>33,907,691</b>	<b>25,969,120</b>
 <b>4 Advances and Prepayments</b>		
PNGOs	293,219,874	223,222,527
Vendors	4,525,074	530,000
Consultants	1,003,428	1,178,713
Employees	133,865	52,200
Prepaid Office Rent	335,000	935,000
	<b>299,217,241</b>	<b>225,918,440</b>
 <b>5 Capital Fund</b>		
Opening Balance	262,358,405	288,997,555
Fixed Assets received from CARE Bangladesh	-	16,517,555
Add: Excess (deficit) of income over expenditure	-	(43,156,705)
	<b>262,358,405</b>	<b>262,358,405</b>
<b>Less: Transfer to Income</b>		
<b>Adjustment relating to prior years</b>		
Advances to PNGOs	223,222,527	-
Depreciation on Assets	3,805,592	-
Bank interest utilized	3,995,463	-
Cash in hand and Bank balance utilized by MJF	21,979,386	-
	<b>253,002,968</b>	-
	<b>9,355,437</b>	<b>262,358,405</b>
This represents the written down value of the fixed assets as received from CARE Bangladesh ,which together with the deferred income accounts shown in note# 7 for the total amount of fixed assets .		
 <b>6 Donor Fund Received in Advance</b>		
Fund Received during the year (Note # 12)	774,908,086	-
	774,908,086	-
Less: Transfer to income for incurring expenditure	439,513,852	-
Less: Transfer to deferred income against purchase of fixed assets	6,367,868	-
	445,881,720	-
Add: Unclaimed liabilities to CARE-written back	108,375	-
	<b>329,134,741</b>	-
	<b>329,134,741</b>	-



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	<u>2008</u> <u>Taka</u>	<u>2007</u> <u>Taka</u>
<b>7 Deferred Income</b>		
Transfer from Donors fund received in Advance	6,367,868	-
	6,367,868	-
Less: Amortization of Fixed Assets	136,394	-
	<b>6,231,474</b>	<b>-</b>
<b>8 Gratuity Fund</b>		
Opening Balance	3,257,166	-
Add: Provision during the year	2,487,373	3,238,677
Bank interest	4,587	58,166
	5,749,126	3,296,843
Less: Final payment to employees	134,215	35,441
Bank charge and tax	1,698	4,236
	135,913	39,677
Closing Balance	<b>5,613,213</b>	<b>3,257,166</b>
<b>9 Payable to Donor- Bank interest</b>		
Interest received from MJF account during the year	1,589,570	-
Interest received from PNGOs bank during the year	1,836,258	-
	<b>3,425,828</b>	<b>-</b>

Prior to year 2008 bank interest was treated as income and charged to capital fund. But as per agreement between DFID and MJF executed in 2008, bank interest earned is treated as liability which is payable to the donor after completion of the program. However MJF might utilize any interest accrued from the investment of the grant with the donor's prior written consent. To offset against administration costs for the project or to fund additional project activities.

<b>10 Accrued Expenses</b>		
Newspaper Bill	2,870	2,904
Telephone Maintenance	2,080	2,080
WASA Bill	23,783	16,371
IT Support Services	16,374	16,374
Security Services Bill	36,000	36,000
Internet service bill	34,500	34,500
Fuel for Vehicles	56,022	69,502
CNG for Vehicles	1,908	1,794
Mineral Water	2,726	3,480
Audit Fee	341,000	115,000
Courier service Bill	10,174	-
Income Tax payable for Executive Director	-	11,305
Casual Staff Salary	-	1,339
Overtime - Permanent Staff	-	3,176
Overtime - Casual Staff	-	460
Subsidy Allowance - Guards	-	2,400
Research Consultant	-	68,632
Cleaning Services Bill	-	8,500
Electricity Bill	-	21,066
Other payable	-	24
Vehicle Rental Cost	-	80,381
	<b>527,437</b>	<b>495,288</b>



# Hoda Vasi Chowdhury & Co

	<u>2008</u> <u>Taka</u>	<u>2007</u> <u>Taka</u>
<b>11 Donor Fund</b>		
<b>Transfer from</b>		
Capital Fund	253,002,968	-
Donor Fund Received in Advance to the extent of expenditure incurred	439,513,852	-
Deferred Income	136,394	-
	<u>692,653,214</u>	<u>-</u>
<b>12 Fund Received</b>		
<b>From DFID</b>		
<u>Date of Receipt</u>		
April 27, 2008	120,780,000	203,858,296
July 23, 2008	269,100,000	169,368,862
October 19, 2008	218,827,562	103,000,000
December 22, 2008	39,932,974	-
	<u>648,640,536</u>	<u>476,227,158</u>
<b>From Norwegian Government</b>		
<u>Date of Receipt</u>	<u>Kroner</u>	
February 26, 20008	5,000,000	63,455,800
August 28, 2008	5,000,000	62,811,750
	<u>10,000,000</u>	<u>126,267,550</u>
	<u>126,267,550</u>	<u>118,744,451</u>
<b>Total Fund Received</b>	<u>774,908,086</u>	<u>594,971,609</u>
<b>13 Personnel Cost</b>		
Basic Salary	22,198,593	13,963,812
House Rent	11,017,823	7,015,146
Overtime	265,778	168,844
Transportation Allowance	1,659,776	1,182,402
Employee Gratuity	2,637,516	2,200,010
Hospitalization/ Maternity Benefit	43,083	281,352
Medical Allowance	683,094	490,020
Leave Encashment	73,116	281
Employers' Contribution to PF	2,126,134	1,290,570
Recruitment Cost	52,620	121,736
Staff Uniforms & Others	16,120	5,150
Festival Bonus	2,798,254	2,366,088
Casual/ Temporary Staff Individual	147,820	77,059
Casual/ Temporary Staff Agency	605,330	414,063
Telephone Allowance	25,000	-
	<u>44,350,057</u>	<u>29,576,533</u>
<b>14 Programme Monitoring Cost</b>		
Travel in country	829,613	750,211
Perdiem	788,759	376,339
Lodging	940,556	418,672
Vehicle Rent	1,080,130	704,764
	<u>3,639,058</u>	<u>2,249,986</u>



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	<u>2008</u> <u>Taka</u>	<u>2007</u> <u>Taka</u>
<b>15 Programme Operating Cost</b>		
Office Rent	1,200,000	900,000
Utilities	711,549	604,221
Telephone, Mobile & Fax	367,166	352,681
Postage & Courier	132,105	70,521
Office Stationery	356,578	365,138
Office Supplies	307,099	246,253
Fuel for Vehicle	1,494,497	1,062,417
Office Maintenance	341,535	257,049
Books & Periodicals	58,300	85,436
Local Conveyance	63,381	46,772
Internet & Website, Cable TV	463,067	315,723
Printing	359,100	46,130
Vehicle Maintenance	376,288	419,103
Office Equipments Maintenance	274,014	97,841
Furniture Maintenance	4,870	33,143
Building Repairing & Renovation	59,045	444,684
Computer Software	201,675	25,000
Refreshment	35,106	26,270
Mileage/ Tolls/ Other Transportation	71,854	47,857
Legal Fees (including MJF tax payment Tk. 79,647)	98,199	29,918
Other Costs	8,369	14,294
Tax on Interest	-	399,546
Bank Services Charge	17,879	5,463
Insurance for property	182,227	
Office furniture& equipments	8,935	-
	<u><b>7,192,838</b></u>	<u><b>5,895,460</b></u>
<b>16 Training, Workshop &amp; Seminar</b>		
Training, WS Materials	40,804	330,292
Meeting Cost	51,541	18,428
Meeting with Counterpart	127,231	45,198
Employee Training - In country	17,000	1,800
Employee Training - Overseas	515,475	650,124
Workshop/ Seminars/ Conference - In country	2,120,595	1,841,176
Workshop/ Seminars/ Conference - Overseas	851,588	1,884,816
Workshop/ Seminars for Organizational Dev.	22,409	1,068,943
	<u><b>3,746,643</b></u>	<u><b>5,840,777</b></u>
<b>17 Advocacy, Publication &amp; Campaign</b>		
Publicity & Communication	2,676,169	315,932
Documentation & Publication	453,302	802,312
	<u><b>3,129,471</b></u>	<u><b>1,118,244</b></u>
<b>18 Audit Fees</b>		
Audit Fees - PNGOs	1,414,050	884,825
Audit Fees (Internal & External Audit)	641,082	115,000
	<u><b>2,055,132</b></u>	<u><b>999,825</b></u>

*Alam*

Director, Finance & Administration

*Shabeen Anam*  
Executive Director



**Manusher Jonno Foundation**  
**Schedule of Fixed Assets**  
**As of 31 December 2008**

Particulars	Cost				Depreciation				Written Down Value	
	Balance as on 1 January 2007	Addition During the Year	Adjustment During the Year	Balance as on 31 December	Rate	Balance as on 1 January	Charged During the Year	Adjustment During the Year		Balance as on 31 December
Air Conditioner	695,150	69,000	-	764,150	15%	174,282	109,448	-	283,730	480,421
Furniture Fixture	1,419,072	56,606	-	1,475,678	15%	318,986	219,638	-	538,624	937,054
Office Equipment	1,207,748	25,000	-	1,232,748	25%	297,178	308,187	-	605,365	627,383
Telephone & Mobile Set	56,673	-	-	56,673	20%	27,575	11,335	-	38,910	17,763
Computer Equipment	4,473,742	519,262	-	4,993,004	25%	1,431,131	1,234,828	-	2,665,959	2,327,045
Vehicles	10,283,755	** 5,680,000	-	15,963,755	20%*	2,725,959	2,056,751	-	4,782,710	11,181,045
Electrical & other equipments	-	18,000	-	18,000	20%	-	1,800	-	1,800	16,200
<b>2008</b>	<b>18,136,140</b>	<b>6,367,868</b>	<b>-</b>	<b>24,504,008</b>		<b>4,975,111</b>	<b>3,941,987</b>		<b>8,917,098</b>	<b>15,586,911</b>
<b>2007</b>	<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>

**Hoda Vasi**  
**Chowdhury & Co**

\* Depreciation on Vehicles is now 20% as per Operational Procedures -Financial Management which was approved in the board meeting held on 25 March 2008.

\*\* No depreciation was charged on additional vehicle since it was purchased 31 December 2008.

