

FROM THE EXECUTIVE DIRECTOR'S DESK...

It is indeed a pleasure to present the Annual Report for 2007-08. For this year we have named it as "Promoting Development Effectiveness". If we have to sum up the focus of FMSTF, it would be to promote development effectiveness. FMSTF exists to ensure that there are accountable systems and processes within the development sector which would lead to development effectiveness.

During the year FMSTF has undertaken a number of initiatives which have made significant impact on voluntary organizations in South Asia. Through our capacity Building training programs, monitoring initiatives, publications, websites and other initiatives we have tried to reach many voluntary organizations. We have also provided accompaniment process to organizations in South Asia.

With these words I invite you to go through the details of major initiatives for the year 2007-08



(Sanjay Patra)



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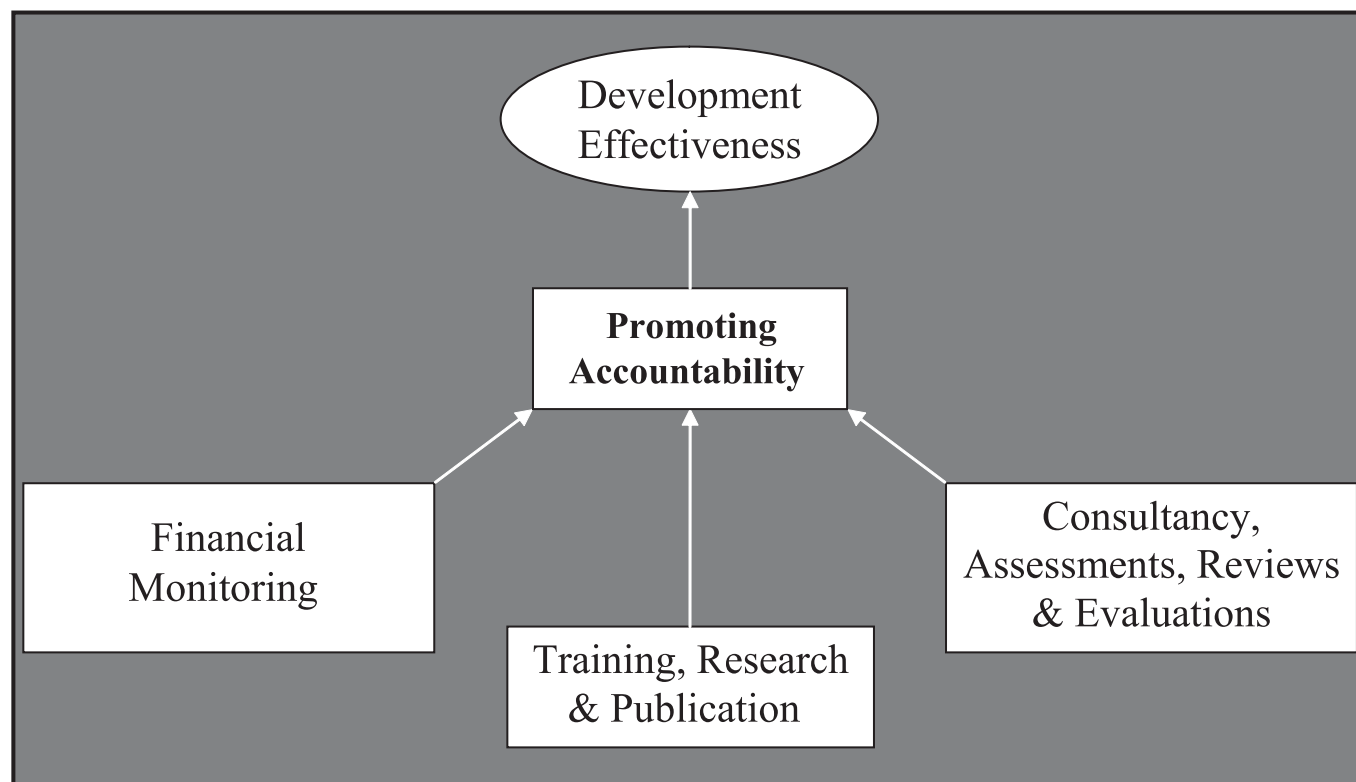
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1. FMSF - A Snapshot

Financial Management Service Foundation (FMSF) is a development resource organization working in the voluntary sector in South Asia. FMSF believes that “accountability” of development organizations is of paramount significance and strives for enhancing the same through its various initiatives and activities. All the activities of FMSF can broadly be categorized into three areas:

FMSF. The distance education program of FMSF was in the pipeline for some time. The course was opened for online registration on the 15th of October 2007. The response received was very over whelming. The course is scheduled to begin on the 1st of August 2008.

In the area of monitoring, FMSF has provided inputs on developing the PME (Plannning, Monitoring and Evaluation) systems of EED



1. Financial Monitoring (FM)
2. Training Research & Publications (TRP)
3. Consultancy Assessments, Reviews & Evaluations (CARE)

The activities under each core area will be dealt with in detail in the succeeding sections of the Annual Report.

Overall, the year has been very fulfilling for

(Evangelischer Entwicklungsdienst), Germany for Project Monitoring. During the period, FMSF has also identified certain key & crucial issues that emerged out of monitoring & evaluations of partner organizations which were taken up for further discussion and follow-up.

The Social Audit methodology developed by FMSF was further disseminated through training for the Christian Aid Partners in South

India. The training was very enriching for FMSF as well as responses from the partner organizations were very encouraging.

Apart from the above, various assignments were conducted by FMSF for both national as

well as international development agencies.

The journey through the year has been very enriching, and it has been made possible with the support & cooperation of our partners & affiliates.

I . Program



2. Financial Monitoring (FM)

One of the key activities of FMSF since its inception has been the financial monitoring of Development projects. The whole idea of financial monitoring at FMSF is to facilitate smooth transfer of funds from donor agencies to the implementing organizations for effective implementation of programs.

The process of financial monitoring involves:

- Close interaction with partner organizations through periodical visits to field areas and regular contacts.
- Ensuring regular submission of financial and progress reports.
- Analysis of Financial and Progress Reports and monitoring of the progress of the project.
- Facilitating timely and regular transfer of funds to the projects.

- And developing systems/procedures to ensure timely closure of projects.

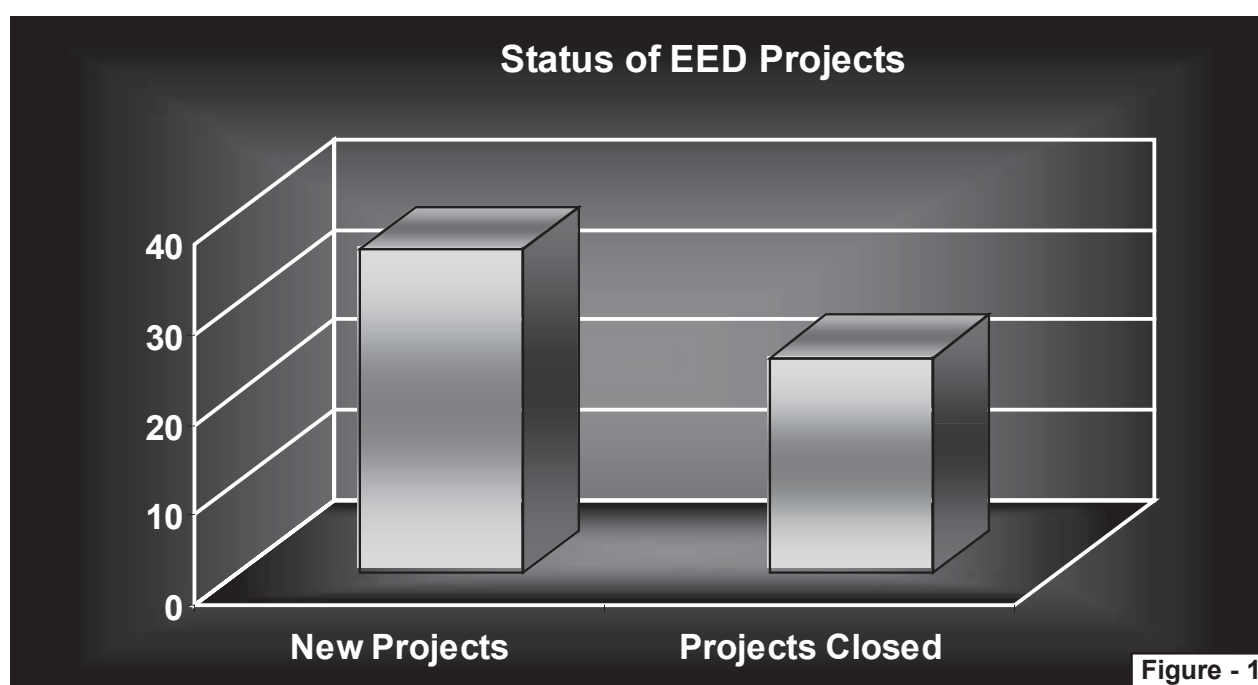
Effective monitoring tools are developed by FMSF as well.

The partner network of FMSF spreads across South Asia and covers countries like India Nepal, Bangladesh, Srilanka and Pakistan.

The total number of EED projects monitored by FMSF is 158.

During the Reporting period, FMSF received 167 Financial Reports & 143 Progress Reports. Many new projects were taken up & many projects were closed as well. In the year 2007-08, 36 new EED projects were taken up and 24 projects were closed.

Regular partner visits were undertaken by FMSF staff to get a deeper understanding of the ground realities.



FMSF has also provided inputs on developing the PME systems of EED for its partners. During this period, FMSF has developed closer interactions with EED program staff and finance staff and has helped in further improving the monitoring systems. FMSF has

also identified certain key & crucial issues that emerged out of monitoring & evaluations of partner organizations which were further taken up for discussion with EED.

Apart from EED Projects, FMSF also monitors 24 projects of Bread for the World (BftW).

3. Training, Research & Publications (TRP)

TRP includes the three distinct activities of Training, Research & Publications undertaken by FMSF. The idea behind the clubbing of these three activities is that these activities would feed into each other. Research activities provide the background for conducting trainings. Publications of FMSF are also the outcome of the Research at FMSF. These three activities will be dealt with more specificity in this section

Trainings: FMSF imparts trainings in two broad forms; one is through the long distance education mode and the other is through workshops.

Diploma in Financial Management & Accountability (DFMA): The DFMA program is a recent initiative of FMSF in partnership with the Tata Institute of Social Sciences (TISS), one of the premiere educational institutes of the Country. This program is a pioneering initiative as it marks the convergence of the academic realm and the Voluntary Sector. It caters to the unmet demand of sustained financial management trainings for the Voluntary Sector. The course is a blend of the online & long distance mode. This is the first and only diploma program on financial management of not-for-profit organizations.

The registration for the course was opened on the 15th of October 2007. The first batch is scheduled to commence from the 1st of August 2008.

Workshops: FMSF has been conducting various workshops on the areas of financial management, legal regulations & governance related areas. FMSF organizes workshops as well as facilitates session in workshops organized by other agencies.

During the reporting period, FMSF organized 3 workshops & facilitated various sessions in 7 workshops. The list of workshops organized as well as facilitated by FMSF is given below:

Research:

One of the pioneering efforts of FMSF in the field of Research was to develop a methodology of Social Audit. The aim of developing the methodology was to provide a step by step guide to NGOs in conducting a social audit which will enable them to enhance their accountability to stakeholders.

During the year 2007-08, the process of social audit was taken a step further. In the previous year 2007, the Research work was published in the form of a handbook. In 2008, FMSF conducted a training of Christian Aid partners



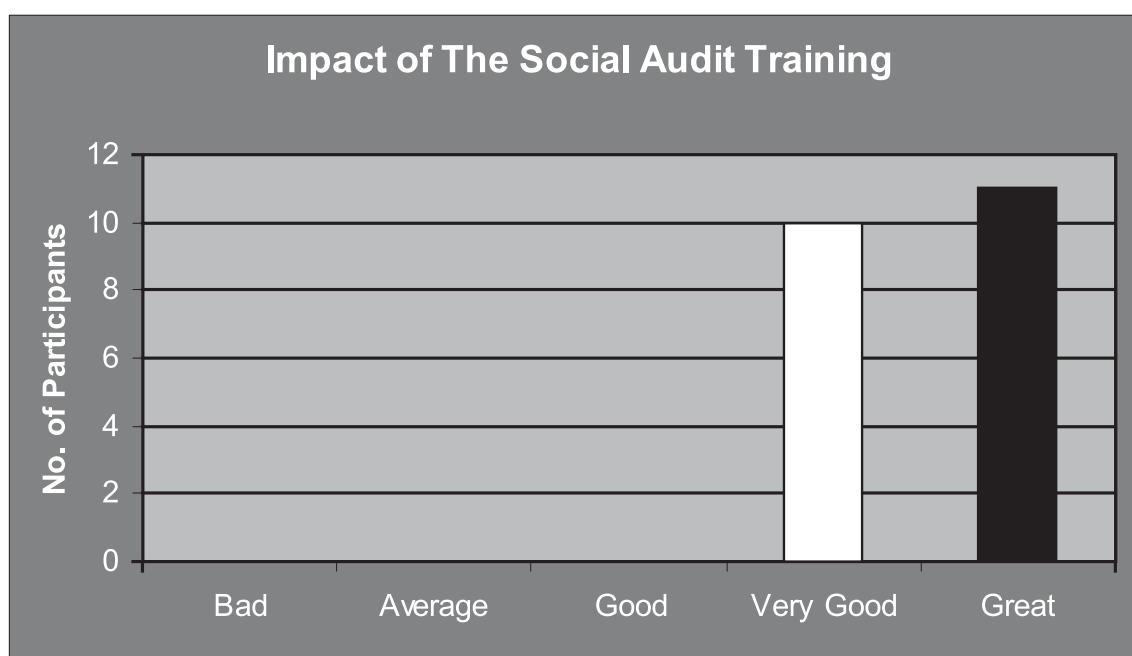
Workshops Organized by FMSF			
1.	Workshop on Social Accountability Standards	30 th & 31 st July 2007	NOIDA
2.	Workshop on Financial Management for EED Partners in Nepal & Pakistan	29 th & 30 th September, 2007	Kathmandu
3.	Workshop on Social Accountability Standards	7 th & 8 th March 2008	Bangalore

Workshops/Sessions Facilitated by FMSF			
1	Workshop on EU Reporting guidelines for Christian Aid EIDHR Partners	August 2007	New Delhi
2	Workshop on Governance & Leadership with particular reference to fundraising for SAFRG	23 rd August, 2007	Agra
3	Workshop facilitated for CARITAS India Diocese Directors	30 th November, 2007	New Delhi
4	Workshop on Financial Management for MISEREOR partners in Eastern India & Bangladesh	29 th & 30 th October 2007	Kolkatta
5	Workshop on Social Accountability Standards for Christian Aid partners	13 th & 14 th December 2007	Chennai
6	Session on Financial Management , Linking Programme & Finance for NIPCCD	8 th January 2008	New Delhi
7	Social Audit Training for Christian Aid Partners	February 2008	Chennai

in South India on the methodology of conducting Social Audit.

The success of any concept or process is largely determined by its relevance and usage. This training was significant because through the training, the methodology was shared with field officers who would further implement it

in their respective field areas. The training Program on Social Audit was attended by about 12 partner organizations of Christian Aid. The methodology used for the training was through case studies & role plays. The feed back received from the participants about the impact of the training on Social Audit was very encouraging.

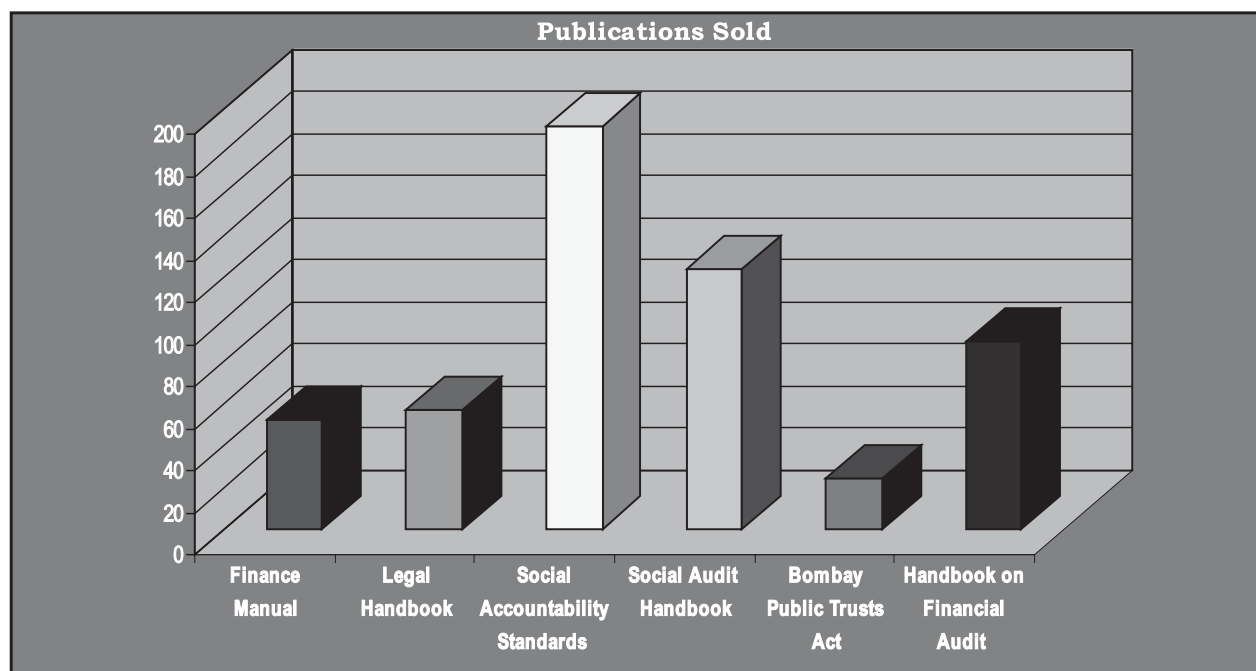


Publications:

FMSF till now has published six books. The

number of books sold during the year are as follows:

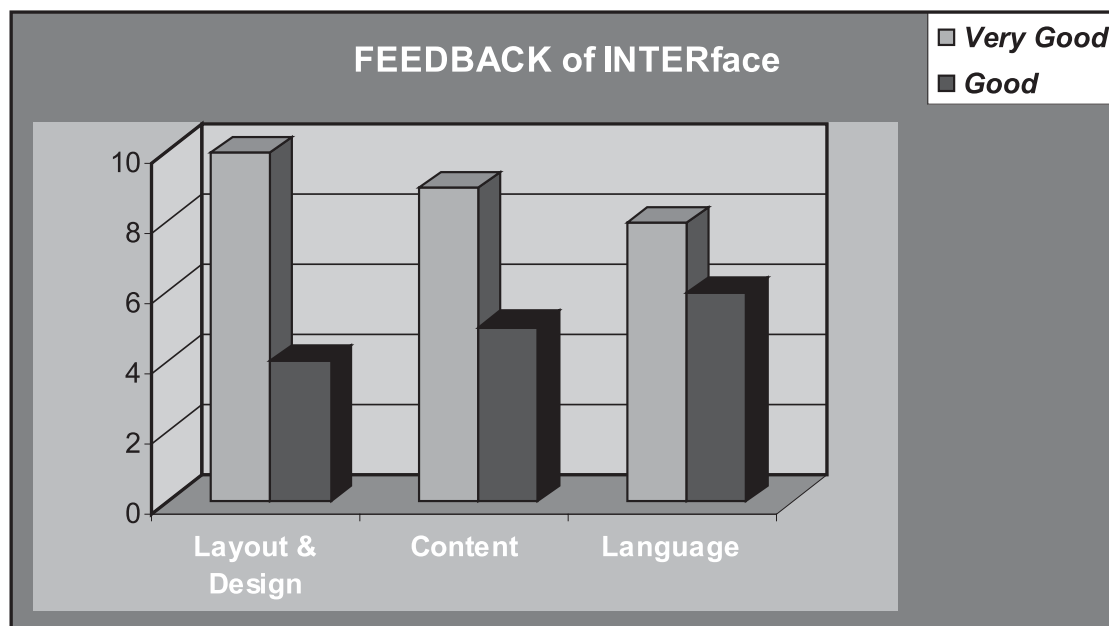
Sl. No	Name of the Publications	No. of Copies sold
1.	Manual of Financial Management & Legal Regulations	52
2.	Handbook on Financial Management & Legal Regulations	57
3.	Social Accountability Standards for Voluntary Organizations	192
4.	Handbook on Social Audit in NGOs	124
5.	Handbook on Bombay Public Trusts Act	24
6.	Handbook on Financial Audit & Reporting in NGOs	89



INTERface:

FMSF also publishes a quarterly journal that covers legal, financial & governance related issues pertaining to the Voluntary Sector.

During the year, *INTERface* completed seven years of its publication. Feedback was sought from readers on the journal. The feedback that was received was very encouraging. The feedback also included the topics on which



the readers wanted articles to be published.

The major sections focused in the journal are:

- **Financial Management**

- o Accrual Basis of Accounting
- o Accounting & Reporting
- o Plans & Budgets

- **Governance**

- o Roles & Responsibilities of the Chief Executive Officer
- o Designing Governance Processes

- o How to Design a Governance Manual

- **Current Issues**

- o Impact of the Finance Act 2008 on business Activities of NGOs
- o NGOs in the Wonderland of FCRA
- o National Policy on Voluntary Sector.
- o A Critique of the proposed



- Foreign Contribution Regulation bill, 2006
 - o Union Budget 2008
- **Legal Aspects**
 - o Basic Features of the Himachal Pradesh Societies Registration Act, 2006
 - o Office or Place of Profit in the backdrop of Voluntary Sector
 - o The Micro, Small & Medium Enterprises Development Act, 2006 An Overview
 - o Forms of Registration as a Non Profit Organization
 - o An overview of the Minimum Wages Act, 1948
 - o The Micro – Financial Sector (Development & Regulation Bill), 2007 – Key Features & Highlights

4. Consultancy, Assessments, Reviews and Evaluations (CARE)

CARE includes all the assignments related to evaluations, assessments reviews conducted by FMSF for other agencies. Various national as well as international development agencies approached FMSF during the period for various assignments.

The various assignments conducted by FMSF during the reporting period are as follows:

- **Project Accompaniment to Christian Aid (CA) for European Commission funded European Initiative for Democracy and Human Rights (EIDHR) project on "Civil Society approach towards achieving equality and the realization of the Rights of Scheduled Castes in India"**

The objective of the accompaniment was to enable Christian Aid and its partners to financially implement and report on the program according to the conditions set by the European Commission and Christian Aid. The accompaniment process started in December 2006. By the end of the year FMSF had already completed Pre-Funding Appraisal of 8 selected partners and in the coming year would be responsible for:

- ⇒ facilitation and capacity building of EIDHR partners regarding the conditions set by the European Commission;

⇒ monitoring of the Financial Accounting practices of the partners and accompaniment to be provided to partners regarding the conditions set by the European Commission and basic financial management of the organisation;

- **Project Monitoring and Capacity Building for 15 Indian Partner Organizations of Bread for the World (BftW)**

FMSF was approached by BftW, Germany for monitoring some of the projects funded by it. The services to be rendered to BftW by FMSF includes assessment of audit report, financial reports, narrative reports, requesting corrections or additional information from partner organizations whenever BftW reporting standards would not be fulfilled. Respective Project coordinators from FMSF would make field visits to the project partners. Training, coaching and capacity building for selected partner organizations would also be conducted by FMSF.

- **Assessment and Accompaniment in establishing Financial Management Systems and procedures: FMSF is**



facilitating the capacity building initiatives of MISEREOR which is a Resource Agency based in Germany. This includes the Assessment, Accompaniment and Mentoring in the areas of Financial Management, Compliance to Legal Requirements and Governance aspects of its selected partner organizations.

MCITRA, one of the partner organizations of MISEREOR in Kerala, has been provided the Assessment and Accompaniment service in establishing the financial management systems and procedures. Mentoring aspect is being worked out presently.

- **Assessment of Compliance of Minimum Standards laid down by Credibility Alliance for organizations in Bihar**

Credibility Alliance was undertaking the assessment of compliance of the Minimum Norms laid by them with their member organizations. FMSF was approached by Credibility Alliance to conduct the above assessment. The assessment included visit to 8 organisations based in Patna, Bihar for compliance of Minimum Standards during March 2008.

- **Caritas India Tsunami Evaluation:**

Caritas India, a National Organisation based in New Delhi, through the various Diocesan Social Service Societies located in Tamil Nadu, Kerala and Andhra had initiated relief, rehabilitation; reconstruction and development activities for Tsunami affected areas in Tamil Nadu, Pondicherry, Kerala, Andaman islands and Andhra Pradesh to meet their basic needs, rebuild their livelihoods and

resume their normal life. After the completion of the Tsunami Programme, an evaluation was organized by Caritas India on this programme in these 3 states. The evaluation aimed at looking into the 3 components of the Tsunami intervention – Shelter Programme (Housing), Financial Management and Social Equity.

FMSF was involved in undertaking the financial evaluation of the Tsunami programme in the above 3 states.

The objective of this evaluation was to review and report whether the project agreement between Caritas India and the implementing partners are adhered to and to undertake the financial management review of the books of account and other related records of this project. The assignment also included evaluation of the quality of accounting records and financial reporting and the related legal compliances.

FMSF carried out the evaluation during May & June 2007. This was followed by a debriefing meet with all the dioceses involved in August 2007 and the final report was brought out during October 2007.

- **Baptist World Aid Australia (BWAA):**

FMSF was approached by BWAA to undertake the organizational evaluation of its partner organization Baptist Aid – BBCF based in Dhaka, Bangladesh. The evaluation included financial as well as related governance aspects of the organization. One of the major recommendations of the evaluation process was to strengthen the financial management and organizational

management systems. FMSF is currently working on the accompaniment process as well.

- **Financial Review of NAVSARJAN:**
Financial Evaluation of MISEREOR's partner organisation Navsarjan was also undertaken during the period. The objective of the evaluation was to to assess the organizational capacity and management systems and to assess the effectiveness of Governance of and the financial management Review of financial systems was undertaken during september 2007 which was followed by a db by a debriefing meet during early october 2007. The final report was also brought out during october 2007.
- **Swiss Development Cooperation(SDC) - Financial Review of TVSG:**
Financial Review of Trust for Village Self Governance (TVSG) for Swiss Development Co-operation (SDC) was carried out by FMSF during February, 2008. The objective is to carry out a financial management review of the existing overall Financial Management System including accounting and book keeping, internal control and external audit system of TVSG in order to help the organisation strengthen itself in line with its context, size, own needs, various donor requirements, its present as well as potential area of development work.

- **Interchurch Organisation for Development Co-operation (ICCO), Netherlands-Dishari Project**

FMSF cooperated with ICCO Netherlands for providing them accompaniment in preparation of budget of a project called DISHARI which involved 5 partners. The budget was prepared for submission of a project proposal to European Union. The budget was prepared in consultation with ICCO and the partners.

- **Christian AIDS/HIV National Alliance (CANA):**

During this period, FMSF was approached by The Christian AIDS/HIV National Alliance (CANA) to help them prepare a Finance Manual for their organisation. This manual was prepared and submitted to CANA.

- **Janvikas, Ahmedabad**

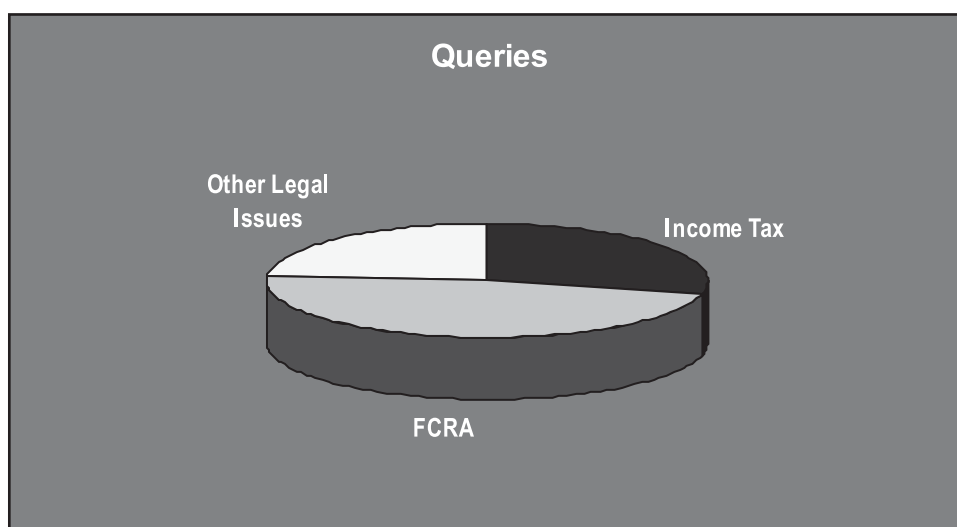
FMSF also conducted a brief financial appraisal of the governance and the financial systems of Janvikas an organisation based in Ahmedabad for Swiss Development Cooperation (SDC).

Apart from these specific assignments, a number of other queries relating to, income-tax, registration, FCRA etc were received and



replied through e-mails. The total number of queries received during the year was 63 out of which 18 queries were regarding Income Tax,

30 queries were regarding the Foreign Contribution Regulation Act (FCRA) & 15 were regarding other legal aspects relating to development organisation.



5. Other Areas of Involvement

Apart from the three core areas, FMSF is involved in other areas of work which are:

- **Lobby & Advocacy**
- **Websites**
- **FEAT**
- **NAN**

- **Lobby & Advocacy:**

- o **Section 2(15):** In the Union Budget 2008, there was an amendment proposed under section 2(15) for change in the definition of charitable purpose. Since this proposed amendment directly affected the not for profit sector, FMSF drafted a memorandum for circulation among the partner constituency to appeal to the finance ministry to reconsider the amendment for the cause of the sector.

- **Websites:** FMSF is engaged in disseminating relevant and useful information in the voluntary sector through its various websites. It has five highly informative websites. Apart from the organizational website (www.fmsfindia.org) there are four other specialized sites.

They provide information on various issues like

- o Legal

(www.legalissuesforngos.org),

- o income tax related matters

(www.incometaxforngos.org)

- o Procedures relating to Foreign Contribution.

(www.fcraforngos.org)

- o Social Accountability Aspects (www.socialaccountability.net)

- **FEAT:** FEAT is a network of finance consultants engaged in the voluntary sector in providing necessary consultancies in the area of financial management and related areas. The membership of FEAT has remained the same as in the previous year. The services of FEAT members are used from time to time in other advocacy initiatives. Some of the FEAT members are also involved in the DFMA (Diploma in Financial Management & Accountability) Program as faculty. Many of them also act as accompaniers and consultants to various partners that FMSF works with.

- **NAN:** NGO Accountants Network (NAN) was formed during January 2005 with the following objectives:

- o to build a pool of expertise
- o to sensitize on the field realities



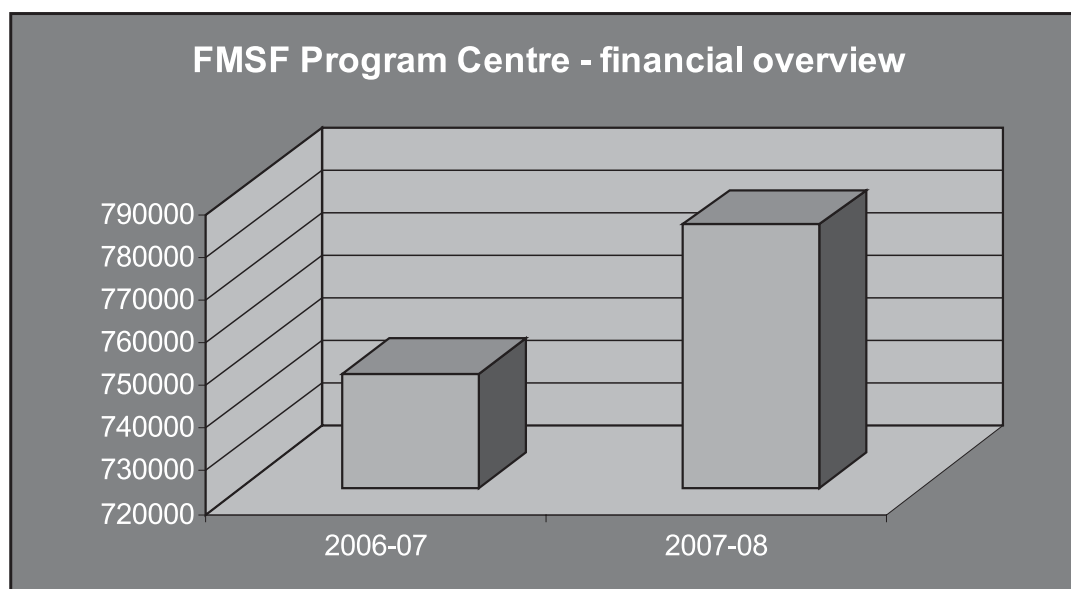
- o to enable mutual learning
- o To capacitate NGO Accountants on new methodologies in Financial Management.

At present, there are 120 NAN members. As the membership of this network is constantly growing, efforts are now being made to make it a subscription based network with a minimal subscription fee.

6. FMSF Programme Centre

FMSF also runs a Program Centre in its office premises. It is an initiative to provide support to various development organizations and like minded agencies in conducting workshops and organizing training programs. It also offers

accommodation facilities at reasonable contribution. Various NGOs and development organizations during the year have sought the services of FMSF Program Centre.



Some of the organizations that availed the facilities of the FMSF Program Centre during the year are:

- CNI-SBSS
- Rotary International
- Habitat for Humanity
- EED, Germany
- BftW, Germany (Bread for the world).
- India Habitat Centre
- MCAS (Murray Culshaw Advisory Services).
- EFAC
- Light Foundation
- CNI Evaluation Commission
- IGSSS (Indo Global Social Service Society).
- EFICOR (Evangelical Fellowship of India Commission on Relief).
- TISS (Tata Institute of Social Sciences).



7. Other Events

Visit of Mr. Mawuli Akpaki: During July, 2007, Mr Mawuli Akpaki from EED Local Support service-GESURI in Togo visited FMSF in order to understand FMSF, its work, the process of monitoring at FMSF & other processes. He also visited some of the EED partner organizations during his visit.

Strategic Planning Meeting: The strategic Planning Meeting of FMSF was held during the month of October 2007. The overall objective of the Strategic Planning Meeting was to review the activities of FMSF & discover

synergies, strengths and weakness and finally envision the future of FMSF. Mr. Ashok Chako was the facilitator of the process. The entire process included various exercises, discussions and deliberations. It started with a review of activities which was followed by a session on discovering strength, weaknesses and synergies. The dreams of the various people involved in FMSF were also discussed and based on the above three activities, the vision and mission of FMSF was revisited and re-looked into. The meeting was very enriching as it provided a lot of valuable insights about FMSF and its future course of action.

II. Governance



8. Governance - an overview

1. Board of Trustees:

The Board leads the organization. It has the ultimate authority for directing the affairs of the organization and to ensure that the objective for which it has come into being is achieved.

- **Composition:** FMSF has a highly multi-skilled Board of Trustees. EED is always represented in the Board of Trustees.

a. **Chairman – Bishop (Dr.) C.L. Furtado** is a retired Bishop of Church of South India. He has rich experience of governance of faith based as well as secular Voluntary Organizations. He has an outstanding track record of management of various organizations.

b. **Trustee - Ms. Rosemary Viswanath** is an Organizational Development expert having rich experience in the Voluntary Sector. She has been involved in many study and evaluation processes that has contributed in strengthening organizational processes of NGOs and has wider knowledge of the grassroots realities of the development organizations.

c. **Trustee - Dr. Cornelius S. Walter** is the former Director (South Asia) of the Leprosy Mission, a charity based in U.K and operating in many parts of the world. He is experienced in governance of many hospitals and other community health organizations.

d. **Trustee - Dr. (Ms.) Nalini Abraham** is presently working as advisor to Plan International in India. She is a renowned consultant in community health and is

into governance of many Voluntary Organizations in India.

e. **Trustee - Mr. C.B. Samuel** is an experienced resource person and is heading a network of voluntary organizations known as PRABHAAV. He has been involved in various mentoring and counseling processes in the Leadership Development in NGOs. He has also been involved in building capacities in the areas of programme and governance matters in the development organizations.

f. **Trustee - Prof. (Dr.) Vidya Rao** is from the academic background and is the professor of the Department of Social Welfare Administration in the Tata Institute of Social Sciences, Mumbai. She brings in rich academic background and contributes in FMSF's capacity building initiatives to be more effective.

- **Board Meetings:** The Board of Trustees meets once in six months to review the work of the organization and in making

2. Audit: FMSF has a clear policy for audit. The Statutory Auditors are appointed in the Annual General Meeting of the Board of Trustees and their remuneration is fixed. The Audit Report along with the Management Report is received by the Board of Trustees. The Internal Audit is also carried out at regular intervals and the recommendations are considered by the strategic core team.

3. The Staff Team:

The staff team consists of people from various backgrounds like chartered accountants, I.T professionals, rural management professionals etc. The staff team at FMSF is led by Mr. Sanjay

Patra, Executive Director. During the year, Ms. Ruhy Narang & Mr. Sameer Thapa left the organization & Esha Sharma & Kshitij Thakur joined FMSF. The staff team of FMSF as on 31st March 2008 is give below:

- Aarti Sharma
- Amit Choudhry
- Anil Sharma
- Anuradha Singh
- Dharmendra Singh Rawat
- Esha Sharma
- Kshitij Thakur
- Madhuchhanda Mishra
- Pooja Bagga
- Prashant Sahoo
- Rajman Yadav
- Ram Bahadur
- Renu Arora
- S.P.Selvi
- Sandeep Sharma
- Sanjay Patra
- Sapna Singh
- Sougat Sarkar

4. Performance Appraisal - The Board evaluates the performance of the Executive Director once in three years. The process includes feed-backs from the Board Members, EED and certain staff members. The performance of the staff is also evaluated every year. For this purpose, a structured format is used. The appraisal is participatory in nature.

5. Legal & Donor Compliance - FMSF is a registered Public Charitable Trust. It is also registered under the Income Tax Act, 1961 and

the Foreign Contribution (Regulation) Act, 1976. Filing of audited reports and returns are regularly made as required under the legal framework. Further, FMSF also complied with the reporting requirements of the resource sharing agencies like EED, BftW, ICCO, Christian Aid, Miserear., with whom it has participated during the year.

6. Additions to Fixed Assets: During the year, the fixed assets that were acquired basically included computers, furniture and other office equipments and vehicles worth Rs. 4,31,238/-

7. Sustainability:

7.1. Financial Sustainability: The sources of resources continue to be derived out of services rendered against the major thrust areas. Some of the specific aspects that contribute in resource mobilization of FMSF are:

- **Working with other donors:** FMSF, primarily, receives support from EED for the financial monitoring of development projects supported by it. However, it is also working with other funding agencies such as Bread for the World (BftW), ICCO, Christian Aid, MISEREOR., etc. This has enabled FMSF to receive support from these agencies for the services rendered to them.



- **Training fees from workshop:** FMSF receives contribution towards course fees from the participants for the workshops and trainings organized by it.
- **Income from “Programme Centre”:** FMSF offers conference / meeting facilities as well as accommodation facilities in its Programme Centre at nominal contribution to like-minded organizations and agencies. Through this facility, FMSF raises income.

7.2 Programmatic sustainability – FMSF believes that sustainability is not only linked with financial resources but it also includes organizational and programmatic sustainability. The recent initiative of DFMA would also provide programmatic sustainability. The follow-up of the recommendations of the FEAT (Forum for Ethics Accountability & Transparency) Confluence on aspects such as standardizing the Reporting

Format for NGOs, Accrual Basis of Accounting for NGOs, and Specific Accounting Standards for NGOs etc. will contribute towards programme sustainability.

8. Conclusion:

FMSF is stepping into another year wherein the various initiatives are to be taken forward. At the same time, the achievements of the past year would not have been possible without the co-operation and hard work of FMSF team who exhibited enormous commitment.

The continuing support and co-operation extended by EED and other agencies like Bread for the World, ICCO, Christian Aid, MISEREOR has enabled FMSF reach new heights.

The Board of Trustees of FMSF has been very supportive and encouraging in all our endeavors.

With renewed spirits, FMSF is entering into a new year of emerging challenges.

III. Finance

Responsibility Statement

FMSF Confirms:

1. That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed.
2. Sufficient care has been taken for maintenance of adequate Accounting Records in accordance with the necessary requirements of Income Tax Act, 1961 as well as Foreign Contribution (Regulation) Act, 1976.
3. The Statutory Auditors have performed their task in an independent manner and every care has been taken to ensure their independence. The management report submitted by the Statutory Auditors has been considered by the management.
4. Internal Audit has been conducted on a periodic basis and the recommendations have been incorporated duly.
5. During the day-to-day operations of the organization, ethical accountability, value for money and environmental concerns has been given highest priority.
6. None of the members of Board of Trustees has been given any honorarium and none of them occupies a place of profit in the organization.
7. That no part of its income during the previous year has been applied or used directly for the benefit of:
 - (a) The Author or Founder of the Institution
 - (b) Any person who has made a substantial contribution to the trust
 - (c) Any trustee of the trust
 - (d) Any relative of the Founder or Trustees
 - (e) Any concerns in which the above mentioned category of persons have substantial interest.
(As required under Sec. 13(3) of Income Tax Act, 1961)

KUMAR MITTAL & CO.
CHARTERED ACCOUNTANTS

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E-mail : kumarmittalco@gmail.com

**AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF
FINANCIAL MANAGEMENT SERVICE FOUNDATION**

We have audited the attached Balance Sheet of **FINANCIAL MANAGEMENT SERVICE FOUNDATION** as at **March 31, 2008** and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of **FINANCIAL MANAGEMENT SERVICE FOUNDATION**. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 reasonable basis for our opinion.

We report that

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of account as required by law have been kept by **FINANCIAL MANAGEMENT SERVICE FOUNDATION** so far as it appears from our examination of those books.
3. The Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account.
4. The Balance Sheet, and Income and Expenditure Account dealt with by this report are prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Accounting Policies and Notes to Accounts (Schedule – XIII) give the information required, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of Balance Sheet, of the state of affairs of the Trust as at **March 31st, 2008** ; and
 - (b) in the case of the Income and Expenditure Account, of the excess of income over expenditure for the year ended on that date.

For **KUMAR MITTAL & CO.**
Chartered Accountants


(**AMRISH KUMAR**)
Partner
M. No.90553



Date : 17.07.2008
Place : New Delhi

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

BALANCE SHEET AS AT 31ST MARCH 2008

	Schedule	As at 31.03.08 Amount (Rs.)	As at 31.03.07 Amount (Rs.)
<u>SOURCES OF FUNDS</u>			
Unutilised Grants	I	2,276,914	3,405,475
Corpus Fund	II	8,795	8,498
General Fund	III	10,159,273	7,296,519
Assets Fund Account	IV	18,497,316	20,658,071
TOTAL		30,942,298	31,368,563
<u>APPLICATION OF FUNDS</u>			
Fixed Assets	V		
Gross Block		30,630,138	30,299,300
Less : Depreciation		12,132,822	9,641,229
Net Block		18,497,316	20,658,071
Investments	VI	7,598,083	4,300,000
Current Assets, Loans & Advances			
Cash and Bank Balances	VII	3,924,475	5,998,460
Other Current Assets	VIII	500,380	83,554
Loans and Advances	IX	642,252	509,888
		5,067,107	6,591,902
Less: Current Liabilities & Provisions	X		
Expenses Payable		188,446	159,908
Other Liabilities		31,762	21,502
Net Current Assets		4,846,899	6,410,492
TOTAL		30,942,298	31,368,563

Significant Accounting Policies and Notes
forming an integral part of accounts

XIII

As per our report of even date
For **KUMAR MITTAL & CO.**
Chartered Accountants


(AMRISH KUMAR)
Partner
M. No. 90553



For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**


EXECUTIVE DIRECTOR

CHAIRMAN



TRUSTEES



Place : Noida
Date : 17.07.2008

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

**FOREIGN CONTRIBUTION ACCOUNT
EED MAIN GRANT**

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>INCOME</u>			
Grant Received		9,318,375	15,890,856
Bank Interest		97,082	98,219
Sale of Fixed Assets		1,500	171,580
		<u>9,416,957</u>	<u>16,160,655</u>
<u>EXPENDITURE</u>			
<u>Programme Costs</u>	XI		
Salary and Expenses		4,331,645	3,850,150
Documentation, Information, Study and Action Research		2,266,381	2,463,643
Workshops and Consultations		241,136	1,310,992
Networking		189,329	542,819
Travel Costs		158,537	373,400
Capacity Building		746,377	382,929
<u>Co-ordination and Administration Costs</u>	XII		
Office Running Expenses		1,866,715	2,243,062
Capital Costs		155,273	1,196,884
Salary and Benefits		966,696	836,364
Vehicle Running and Maintenance		174,425	182,874
Payments to Auditors		78,652	78,634
		<u>11,175,166</u>	<u>13,461,751</u>
Unspent / (Overspent) during the year transferred to Grant Account	I	(1,758,209)	2,698,904

Significant Accounting Policies and Notes forming an integral part of accounts

XIII

As per our report of even date

For KUMAR MITTAL & CO.

Chartered Accountants

(AMRISH KUMAR)

Partner

M. No. 90553



For FINANCIAL MANAGEMENT SERVICE FOUNDATION

EXECUTIVE DIRECTOR

CHAIRMAN

TRUSTEES

Sanjay Kumar

Bidya Rao

Bidya Rao *Amrith*

Place : Noida

Date : 17.07.2008

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

**FOREIGN CONTRIBUTION ACCOUNT
EED OTHER GRANTS**

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>INCOME</u>			
Grant / Services		134,791	687,278
		<u>134,791</u>	<u>687,278</u>
<u>EXPENDITURE</u>			
Travel and Conveyance		229,073	151,333
Boarding and Lodging		-	298,810
Other Expenses		-	32,185
		<u>229,073</u>	<u>482,328</u>
Unspent / (Overspent) during the year transferred to Grant Account	I	(94,282)	204,950

Significant Accounting Policies and Notes
forming an integral part of accounts

XIII

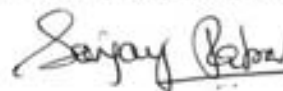
As per our report of even date
For **KUMAR MITTAL & CO.**
Chartered Accountants


(**AMRISH KUMAR**)
Partner
M. No. 90553



For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**

EXECUTIVE DIRECTOR



CHAIRMAN



TRUSTEES



Place : Noida
Date : 17.07.2008

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

**FOREIGN CONTRIBUTION ACCOUNT
CHRISTIAN AID**

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>INCOME</u>			
Grant / Services		269,530	296,004
		<u>269,530</u>	<u>296,004</u>
<u>EXPENDITURE</u>			
Travel and Conveyance		65,691	203,233
Boarding and Lodging		3,092	37,730
Expenses for use of facilities		12,500	-
Other Expenses		330	718
		<u>81,613</u>	<u>241,681</u>
Unspent / (Overspent) during the year transferred to Grant Account	I	187,917	54,323

Significant Accounting Policies and Notes
forming an integral part of accounts

XIII

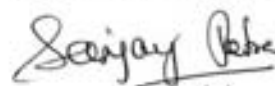
As per our report of even date
For **KUMAR MITTAL & CO.**
Chartered Accountants


(**AMRISH KUMAR**)
Partner
M. No. 90553

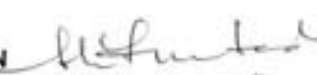


For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**

EXECUTIVE DIRECTOR



CHAIRMAN



TRUSTEES



Place : Noida
Date : 17.07.2008

FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA

FOREIGN CONTRIBUTION ACCOUNT
MISEREOR

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>INCOME</u>			
Grant Received		415,155	95,101
		<u>415,155</u>	<u>95,101</u>
<u>EXPENDITURE</u>			
Travel and Conveyance		119,523	62,516
Boarding and Lodging		6,085	3,592
Honorarium		13,483	12,000
Printing and Stationery		962	-
Other Expenses		50	-
		<u>140,103</u>	<u>78,108</u>
Unspent / (Overspent) during the year transferred to Grant Account	I	275,052	16,993

Significant Accounting Policies and Notes
forming an integral part of accounts

XIII

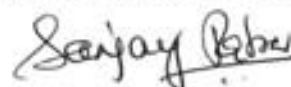
As per our report of even date
For KUMAR MITTAL & CO.
Chartered Accountants


(AMRISH KUMAR)
Partner
M. No. 90553



For FINANCIAL MANAGEMENT SERVICE FOUNDATION

EXECUTIVE DIRECTOR



CHAIRMAN



TRUSTEES



Place : Noida
Date : 17.07.2008

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

**FOREIGN CONTRIBUTION ACCOUNT
SPAR**

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>INCOME</u>			
Grant Received		204,040	441,904
		<u>204,040</u>	<u>441,904</u>
<u>EXPENDITURE</u>			
Travel and Conveyance		74,935	277,679
Boarding and Lodging		114,355	156,709
Printing and Stationery		4,960	7,016
Other Expenses		8,300	500
		<u>202,550</u>	<u>441,904</u>
Unspent / (Overspent) during the year transferred to Grant Account	I	1,490	-

Significant Accounting Policies and Notes
forming an integral part of accounts

XIII

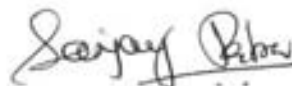
As per our report of even date
For **KUMAR MITTAL & CO.**
Chartered Accountants


(AMRISH KUMAR)
Partner
M. No. 90553



For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**

EXECUTIVE DIRECTOR



CHAIRMAN



TRUSTEES



Place : Noida
Date : 17.07.2008

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

**FOREIGN CONTRIBUTION ACCOUNT
BREAD FOR THE WORLD**

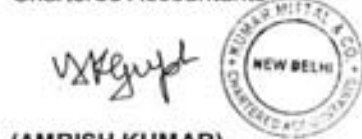
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>INCOME</u>			
Grant Received		1,480,000	373,797
		<u>1,480,000</u>	<u>373,797</u>
<u>EXPENDITURE</u>			
Salaries and Benefits		381,034	266,400
Expenses for use of facilities		165,000	20,000
Travel and Conveyance		47,959	42,467
Boarding and Lodging		7,804	2,476
Other Expenses		1,665	-
		<u>603,462</u>	<u>331,343</u>
Unspent / (Overspent) during the year transferred to Grant Account	I	876,538	42,454

Significant Accounting Policies and Notes
forming an integral part of accounts

XIII

As per our report of even date
For KUMAR MITTAL & CO.
Chartered Accountants



(AMRISH KUMAR)
Partner
M. No. 90553

For FINANCIAL MANAGEMENT SERVICE FOUNDATION

EXECUTIVE DIRECTOR

CHAIRMAN

TRUSTEES

Place : Noida
Date : 17.07.2008

Sanjay Rishi

[Signature]

Vidya Rao @ Mahan Kumar

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

**FOREIGN CONTRIBUTION ACCOUNT
BAPTIST WORLD AID**

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>INCOME</u>			
Grant Received		-	-
		-	-
<u>EXPENDITURE</u>			
Travel and Conveyance		105,047	-
Boarding and Lodging		43,770	-
Other Expenses		678	-
		<u>149,495</u>	<u>-</u>
Unspent / (Overspent) during the year transferred to Grant Account	I	(149,495)	-

Significant Accounting Policies and Notes
forming an integral part of accounts

XIII

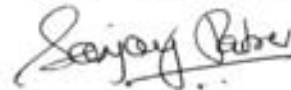
As per our report of even date
For **KUMAR MITTAL & CO.**
Chartered Accountants


(AMRISH KUMAR)
Partner
M. No. 90553

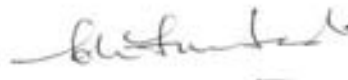


For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**

EXECUTIVE DIRECTOR



CHAIRMAN



TRUSTEES



Place : Noida
Date : 17.07.2008

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

**FOREIGN CONTRIBUTION ACCOUNT
CARITAS INDIA**

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>INCOME</u>			
Grant Received		250,210	-
		<u>250,210</u>	<u>-</u>
<u>EXPENDITURE</u>			
Travel and Conveyance		220,287	-
Boarding and Lodging		29,253	-
Other Expenses		370	-
		<u>-</u>	<u>-</u>
		<u>249,910</u>	<u>-</u>
Unspent / (Overspent) during the year transferred to Grant Account	I	300	-

Significant Accounting Policies and Notes forming an integral part of accounts

XIII

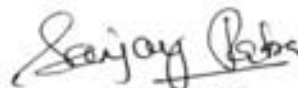
As per our report of even date
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Chartered Accountants


(**AMRISH KUMAR**)
Partner
M. No. 90553



For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**

EXECUTIVE DIRECTOR



CHAIRMAN



Place : Noida
Date : 17.07.2008

TRUSTEES



**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

**FOREIGN CONTRIBUTION ACCOUNT
OTHER MISCELLANEOUS GRANTS**

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>INCOME</u>			
Grant / Services			
- SASY		180,000	-
- SDPSJ		122,500	-
- TNVHA		92,819	-
- ICCO		53,567	
		<u>448,886</u>	<u>-</u>
<u>EXPENDITURE</u>			
Travel and Conveyance		81,439	-
Boarding and Lodging		9,731	-
Honorarium		12,000	-
		<u>103,170</u>	<u>-</u>
Unspent / (Overspent) during the year transferred to Grant Account	I	345,716	-

Significant Accounting Policies and Notes
forming an integral part of accounts

XIII

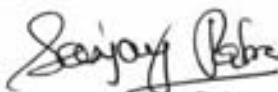
As per our report of even date
For **KUMAR MITTAL & CO.**
Chartered Accountants


(**AMRISH KUMAR**)
Partner
M. No. 90553



For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**

EXECUTIVE DIRECTOR



CHAIRMAN



TRUSTEES



Place : Noida
Date : 17.07.2008

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

LOCAL CONTRIBUTION ACCOUNT

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>INCOME</u>			
Workshops / Consultations		592,160	224,650
Rent		529,600	509,271
Facilities for Conference		129,070	97,900
Income for other facilities provided		122,769	139,553
Sale of publications		94,895	74,050
Bank Interest		318,334	167,838
Sale of old asset		-	201,420
		<u>1,786,828</u>	<u>1,414,682</u>
<u>EXPENDITURE</u>			
Expenses on facilities provided		180,992	161,595
Workshops / Consultations		96,431	-
Travel and Conveyance		14,072	-
Purchase of Furniture and Office Equipment		26,300	-
Amount written off		-	4,000
Bank Charges		247	29
		<u>318,042</u>	<u>165,624</u>
Surplus / (Deficit) during the year transferred to General Fund	III	1,468,786	1,249,058

Significant Accounting Policies and Notes
forming an integral part of accounts

XIII

As per our report of even date
For **KUMAR MITTAL & CO.**
Chartered Accountants


(AMRISH KUMAR)
Partner
M. No. 90553





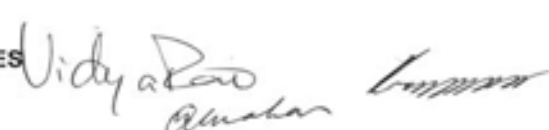
For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**

EXECUTIVE DIRECTOR

CHAIRMAN

TRUSTEES

Place : Noida
Date : 17.07.2008

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

SCHEDULE - I

**FOREIGN GRANTS UNUTILISED / RECEIVABLE FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2008**

Funding Agency	Opening balance as on 01.04.2007	Transactions during the year			Surplus/ (Deficit) transferred to General Fund	Closing balance as on 31.03.2008	
		Income	Expenditure	Unspent / (Overspent)		Unutilised	Receivable
EED							
- Main Grant	2,896,707	9,416,957	11,175,166	(1,758,209)	-	1,138,498	-
- Other Grant / Services	204,950	134,791	229,073	(94,282)	62,770	47,898	-
Christian Aid	72,845	269,530	81,613	187,917	260,762	-	-
Misereor	16,993	415,155	140,103	275,052	292,045	-	-
SPAR	-	204,040	202,550	1,490	1,490	-	-
Bread for the World	213,980	1,480,000	603,462	876,538	-	1,090,518	-
Baptist World Aid	-	-	149,495	(149,495)	-	-	149,495
Caritas India	-	250,210	249,910	300	300	-	-
Other Misc.Grants	-	448,886	103,170	345,716	374,570	-	28,854
TOTAL	3,405,475	12,619,569	12,934,542	(314,973)	991,937	2,276,914	178,349



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Vidya Rao

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

SCHEDULE - II

**CORPUS FUND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2008**

Corpus Fund	As at 31.03.08 Amt. (Rs.)	As at 31.03.07 Amt. (Rs.)
<u>Contribution made by the Settler Trustees</u>		
Opening Balance	8,498	8,211
Add : Interest thereon	297	287
Closing Balance	8,795	8,498

SCHEDULE - III

**GENERAL FUND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2008**

General Fund	As at 31.03.08 Amt. (Rs.)	As at 31.03.07 Amt. (Rs.)
Opening Balance	7,296,519	4,796,584
Add : Income during the year		
<u>Foreign Contribution Account</u>		
Surplus as per Grant Account		
- ICCO (EU)	-	384,346
- Tear Fund (UK)	-	545,585
- German Agro Action	-	40,090
- EED Other Grants	62,770	-
- Christian Aid	260,762	-
- Misereor	292,045	-
- SPAR	300	-
- Caritas India	1,490	-
- Other Miscellaneous Grants	374,570	-
Consultancies		
- Workshop on Fund Management	-	5,000
- Workshop on Financial Management and Accountancy Skills	-	120,000
- Services for opening Liaison Office	-	66,195
Interest on Fixed Deposit with Bank	224,531	41,911
Income for use of common facilities	177,500	20,000
Sale of old project assets	-	27,750
<u>Local Contribution Account</u>		
Surplus as per Income and Expenditure Account	1,468,786	1,249,058
	2,862,754	2,499,935
Closing Balance	10,159,273	7,296,519



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Vidya Rao

FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA

SCHEDULE - IV

ASSETS FUND ACCOUNT FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2008

Assets Fund Account	As at 31.03.08 Amt. (Rs.)	As at 31.03.07 Amt. (Rs.)
Opening Balance	20,658,071	22,362,488
<u>Add:</u>		
Assets purchased during the year	431,238	1,685,506
	21,089,309	24,047,994
<u>Less :</u>		
Value of assets sold/discarded	255	493,336
Depreciation for the current year	2,591,738	2,896,587
Closing Balance	18,497,316	20,658,071



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**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

SCHEDULE - V

**FIXED ASSETS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2008**

Fixed Assets		Rate of Dep. %	Gross Block			Depreciation Block			Amount (Rs.)			
			Cost as at 01.04.2007	Additions during the year	Sales / discarded during the year	Cost as at 31.03.2008	Dep. upto 01.04.2007	Adj. for sales/ discarded during the year	Dep. for current year	Dep. upto 31.03.2008	W.D.V. as on 31.03.2008	W.D.V. as on 31.03.2007
FOREIGN CONTRIBUTION ACCOUNT												
Office Premises(EED)												
Office Building	10		15,935,570	-	-	15,935,570	4,052,124	-	1,188,345	5,240,469	10,695,101	11,883,446
Electric Installations and Fittings	15		1,125,237	-	-	1,125,237	443,994	-	102,186	546,180	579,057	681,243
Furniture and Fixtures	10		1,224,054	-	-	1,224,054	272,534	-	95,152	367,686	856,368	951,520
EED Main Grant												
Computers	60		1,493,317	217,425	(100,400)	1,610,342	1,286,982	(100,145)	245,757	1,432,594	177,748	206,335
Furniture and Fixtures	10		3,318,487	77,700	-	3,396,187	916,311	-	244,838	1,161,149	2,235,038	2,402,176
Office Equipments	15		5,041,376	90,053	-	5,131,429	2,004,393	-	466,072	2,470,465	2,660,964	3,036,983
Vehicles												
- Cars	15		1,742,936	-	-	1,742,936	307,249	-	215,353	522,602	1,220,334	1,435,687
- Cycle	15		3,600	-	-	3,600	1,202	-	360	1,562	2,038	2,398
- Motorcycle	15		43,283	-	-	43,283	6,492	-	5,519	12,011	31,272	36,791
Intangible Assets												
- Softwares	60		371,440	19,760	-	391,200	349,948	-	24,751	374,699	16,501	21,492
LOCAL CONTRIBUTION ACCOUNT												
- Office Equipments	15		-	20,900	-	20,900	-	-	3,135	3,135	17,765	-
- Furniture and Fixtures	10		-	5,400	-	5,400	-	-	270	270	5,130	-
Total			30,299,300	431,238	(100,400)	30,630,138	9,641,229	(100,145)	2,591,738	12,132,822	18,497,316	20,658,071
Previous year			29,637,620	1,685,506	(1,023,826)	30,299,300	7,275,132	(530,490)	2,896,587	9,641,229	20,658,071	








**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

SCHEDULE - VI

**INVESTMENTS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2008**

Investments	As at 31.03.08 Amt. (Rs.)	As at 31.03.07 Amt. (Rs.)
<u>Fixed Deposits with Scheduled Banks</u>		
<u>Bank of Baroda</u>		
- General Fund	3,134,091	1,800,000
<u>Standard Chartered Bank</u>		
- General Fund	3,000,000	2,000,000
<u>ICICI Bank</u>		
- General Fund	513,992	500,000
<u>HDFC Bank</u>		
- General Fund	950,000	-
TOTAL	7,598,083	4,300,000

SCHEDULE - VII

**CASH AND BANK BALANCES FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2008**

Cash and Bank Balances	As at 31.03.08 Amt. (Rs.)	As at 31.03.07 Amt. (Rs.)
<u>Cash in hand</u>		
- EED Main Grant	7,928	812
- General Fund	1,876	7,258
<u>Balance in Saving Accounts with Scheduled Banks (including cheque in hand)</u>		
<u>Bank of Baroda</u>		
- EED Main Grant	830,610	2,458,152
- EED Other Grants	47,898	409,900
- Christian Aid	-	127,168
- Misereor	-	33,986
- Bread for the World	1,090,518	256,434
- Tearfund (UK)	-	1,050
- General Fund	1,091,905	937,022
<u>Standard Chartered Bank</u>		
- General Fund	2,480	805,876
- Corpus Fund	8,795	8,498
<u>ICICI Bank</u>		
- EED Main Grant	99,398	434,211
- General Fund	161,116	518,093
<u>HDFC Bank</u>		
- General Fund	581,951	-
TOTAL	3,924,475	5,998,460



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**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

SCHEDULE - VIII

**OTHER CURRENT ASSETS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2008**

Other Current Assets	As at 31.03.08 Amt. (Rs.)	As at 31.03.07 Amt. (Rs.)
Interest accrued but not due		
- Foreign Contribution Account	174,162	43,273
- Local Contribution Account	195,071	16,500
Tax Deducted at Source		
- Foreign Contribution Account	47,570	6,120
- Local Contribution Account	83,577	17,661
TOTAL	500,380	83,554

SCHEDULE - IX

**LOANS AND ADVANCES FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2008**

Loans and Advances	As at 31.03.08 Amt. (Rs.)	As at 31.03.07 Amt. (Rs.)
Security Deposits		
- EED Main Grant	64,245	64,245
Prepaid Expenses		
- EED Main Grant	95,950	67,808
Grant Receivable	178,349	-
Amount Recoverable in cash or kind or value to be received		
- Foreign Contribution Account	180,658	104,999
- Local Contribution Account	123,050	272,836
TOTAL	642,252	509,888



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Vidya Rao

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

SCHEDULE - X

**CURRENT LIABILITIES AND PROVISIONS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2008**

Current Liabilities and Provisions	As at 31.03.08 Amt. (Rs.)	As at 31.03.07 Amt. (Rs.)
<u>Expenses payable</u>		
EED Main Grant		
- Audit Fees	55,433	58,712
- Telephone and Internet Expenses	32,727	30,406
- Electricity Charges	21,492	21,852
- Office Maintenance	1,300	10,651
- Staff Welfare	8,050	8,518
- Honorarium/Professional Fees	16,146	7,592
- Printing and Stationery	2,199	7,236
- Salaries Support Staff	350	6,948
- Courier Charges	16,701	5,524
Baptist World Aid		
- Travel and Conveyance	26,526	-
Terfund (UK)		
- Travel and Conveyance	-	1,050
Local Contribution Account		
- Travel and Conveyance	7,522	1,419
Sub Total	188,446	159,908
<u>Other Liabilities</u>		
EED Main Grant		
- Security Deposit Received	16,549	16,548
- TDS Payable	14,213	3,954
Local Contribution Account		
- Membership fees received in advance	1,000	1,000
Sub Total	31,762	21,502
GRAND TOTAL	220,208	181,410



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Vidya Rao

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

SCHEDULE - XI

**PROGRAMME COSTS FORMING PART OF EED MAIN GRANT
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008**

Programme Costs	Current Year Amt.(Rs.)	Previous Year Amt.(Rs.)
Salary and Expenses		
Director and Core Staff	4,331,645	3,850,150
Sub Total	4,331,645	3,850,150
Documentation, Information, Study and Action Research		
Salary and Expenses(Communication & Research Associates)	883,665	651,064
Cost of Publications (Book)		
- Paper and Printing	174,700	361,300
- Honorarium to Authors	-	110,000
Cost of Newsletter	280,557	337,719
Computers	217,425	176,849
Softwares	19,760	-
Telephone Equipments	12,480	110,870
Cellular Phone	-	70,547
Computers Maintenance	201,577	82,758
Travel and Conveyance	9,125	58,072
Boarding and Lodging	-	4,255
Membership Fees	11,267	42,527
Telephone, Internet and Website Expenses	353,725	348,032
Printing of Annual Report and Brochures	97,600	108,150
Other Expenses	4,500	1,500
Sub Total	2,266,381	2,463,643
Workshops and Consultations		
Travel and Conveyance	159,527	288,065
Boarding and Lodging	41,080	773,105
Printing & Stationery	7,079	99,218
UPS for Photocopier	-	59,850
Honorarium	32,225	63,000
Gift Articles and Felicitation	-	27,754
Other Expenses	1,225	-
Sub Total	241,136	1,310,992
Networking		
Travel and Conveyance	119,326	128,429
Boarding and Lodging	5,438	189,568
Professional Fees and Honorarium	50,944	-
Documentary	-	135,650
Printing of Souvenir	-	66,200
Printing and Stationary	12,650	14,400
Other Expenses	971	8,572
Sub Total	189,329	542,819
Travel Costs		
Director and Core Staff	82,384	292,515
Trustees Meetings	76,153	80,885
Sub Total	158,537	373,400
Capacity Building		
Travel and Conveyance	418,137	145,434
Boarding and Lodging	130,270	149,856
Professional Fees and Honorarium	164,700	-
Multigrade Water Filter Systems	-	70,506
Courses and Workshop Participat'ion	10,325	11,000
Other Expenses	22,945	6,133
Sub Total	746,377	382,929
GRAND TOTAL	7,933,405	8,923,933



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FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA

SCHEDULE - XII

COORDINATION AND ADMINISTRATION COSTS FORMING PART OF EED MAIN GRANT
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

Coordination and Administration Costs	Current Year Amt.(Rs.)	Previous Year Amt.(Rs.)
Office Running Expenses		
Electricity and Water Charges	136,805	350,007
Printing and Stationary	177,688	187,123
Courier and Postage Charges	75,117	84,262
Generator Running and Maintenance	161,609	263,174
Professional Charges	-	68,950
Staff Welfare	361,854	284,202
Insurance	46,872	94,774
Building Maintenance	312,773	152,336
Office Maintenance	275,758	261,643
Office Equipments Maintenance	260,567	403,860
Other Expenses	57,672	92,731
Sub Total	1,866,715	2,243,062
Capital Costs		
Office Equipments	77,573	19,350
Furniture and Fixtures	77,700	109,878
Car	-	1,024,373
Motorcycle	-	43,283
Sub Total	155,273	1,196,884
Salary and Expenses		
Support Staff	966,696	836,364
Sub Total	966,696	836,364
Vehicle Running and Maintenance		
Fuel	115,788	128,206
Maintenance	58,637	54,668
Sub Total	174,425	182,874
Payments to Auditors		
Audit Fees	15,730	15,730
Income Tax Matters	22,472	22,472
Certification	40,450	40,432
Sub Total	78,652	78,634
GRAND TOTAL	3,241,761	4,537,818



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**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

**LOCAL CONTRIBUTION ACCOUNT
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008**

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
RECEIPTS			
<u>Cash and Bank Balances as on 1st April 2007</u>			
Cash in Hand		7,258	904
Balance in Saving Accounts with Scheduled Banks			
- Standard Chartered Bank		814,374	2,089,435
- ICICI Bank		518,093	390,924
Workshops / Consultations		558,440	212,685
Rent		529,600	508,476
Facilities for Conference		128,126	97,900
Receipts for other facilities provided		125,605	139,553
Sale of publications		91,845	74,050
Sale of old assets		-	201,420
Advance recovered from staff		150,000	150,000
Bank Interest			
- On Corpus Fund		297	287
- On Others		108,511	137,132
TOTAL		3,032,149	4,002,766
PAYMENTS			
Expenses on facilities provided		182,411	160,176
Workshops / Consultations		96,431	-
Advance to Staff / Others		-	2,836
Travel and Conveyance		6,550	-
Purchase of Furniture and Office Equipment		26,300	-
Bank Charges		247	29
Fixed Deposits with Scheduled Banks			
- Standard Chartered Bank		1,000,000	2,000,000
- ICICI Bank		-	500,000
- HDFC Bank		950,000	-
<u>Cash and Bank Balances as on 31st March 2008</u>			
Cash in Hand		1,876	7,258
Balance in Saving Accounts with Scheduled Banks			
- Standard Chartered Bank		11,275	814,374
- ICICI Bank		175,108	518,093
- HDFC Bank		581,951	-
TOTAL		3,032,149	4,002,766

Significant Accounting Policies and Notes
forming an integral part of accounts

XIII

As per our report of even date
For **KUMAR MITTAL & CO.**
Chartered Accountants

(**AMRISH KUMAR**)
Partner
M. No. 90553



For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**

EXECUTIVE DIRECTOR

CHAIRMAN

TRUSTEES

Place : Noida
Date : 17.07.2007

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

**FOREIGN CONTRIBUTION ACCOUNT
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008**

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
RECEIPTS			
<u>Cash and Bank Balances as on 1st April 2007</u>			
Cash in Hand - EED Main Grant		812	3,510
Balance in Saving Accounts with Scheduled Banks			
- EED Main Grant		2,892,363	128,225
- Ecumenical Visit(EED)		204,950	-
- Christian Aid		72,845	18,522
- Misereor		16,993	-
- Bread for the world		213,980	171,526
- Tear Fund (UK)		1,050	-
- General Fund		1,255,742	1,849,836
<u>Grants Received</u>	Sub Total	4,658,735	2,171,619
<u>EED</u>			
- Main Grant		9,318,375	15,890,856
- Other Grants		134,791	687,278
Tear Fund(UK)		-	897,766
Christian Aid		258,818	296,004
Bread for the World		1,480,000	373,797
ICCO (EU)		-	579,742
German Agro Action		-	51,128
Misereor		415,155	95,101
SPAR & CWS		204,040	441,904
Caritas India		250,210	-
Other Misc. Grants		418,148	-
<u>General Fund</u>			
Consultancies			
- Workshop on Fund Management		-	5,000
- Workshop on Financial Management and Accountancy Skills		59,999	116,940
- Services for opening Liaison Office		-	66,195
Income for use of common facilities		-	20,000
Sale of old project assets		-	27,750
Interest on Fixed Deposit with Bank		134,091	-
<u>Other Receipts</u>			
Interest on Saving Bank Accounts		56,633	96,857
Sale of Fixed Assets		1,500	171,580
Amount recovered from others		710	26,175
	Sub Total	12,732,470	19,844,073
GRAND TOTAL		17,391,205	22,015,692



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PAYMENTS**EED MAIN GRANT****Salary and Expenses**

Director and Core Staff	4,335,558	3,851,389
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Documentation, Information, Study and Action Research

Salary and Expenses(Communication & Research Associates)	884,034	651,189
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Cost of Publications(Book)

- Paper and Printing	174,700	361,300
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- Honorarium to Authors	-	110,000
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Cost of Newsletter	273,107	337,730
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Computers	217,425	176,849
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Softwares	19,760	-
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Telephone Equipments	12,480	110,870
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Cellular Phone	-	70,547
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Computers Maintenance	224,745	86,768
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Travel and Conveyance	9,125	58,072
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Boarding and Lodging	-	4,255
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Membership Fees	425	53,369
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Telephone, Internet and Website Expenses	342,950	348,483
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Printing of Annual Report and Brochures	97,600	108,150
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Other Expenses	4,500	1,500
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Workshops and Consultations

Travel and Conveyance	155,537	288,065
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Boarding and Lodging	40,980	773,105
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Printing & Stationery	14,315	91,834
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UPS for Photocopier	-	59,850
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Honorarium	39,817	55,000
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Gift Articles and Felicitation	-	27,754
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Other Expenses	1,025	-
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Networking

Travel and Conveyance	119,326	128,429
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Boarding and Lodging	5,438	189,568
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Professional and Honorarium	50,944	-
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Documentary	-	135,650
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Printing of Souvenir	-	66,200
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Printing and Stationary	12,650	14,400
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Other Expenses	971	8,572
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Travel Costs

Director and Core Staff	82,384	292,515
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Trustees Meetings	76,153	80,885
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Capacity Building

Travel and Conveyance	418,137	145,434
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Boarding and Lodging	130,270	149,856
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Professional Fees and Honorarium	148,554	-
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Multigrade Water Filter Systems	-	70,506
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Courses and Workshop Participation	10,325	11,000
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Other Expenses	22,945	6,133
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Misereor

Travel and Conveyance	119,523	62,516
Boarding and Lodging	6,085	3,592
Honorarium	13,483	12,000
Printing and Stationery	962	-
Other Expenses	50	-

SPAR

Travel and Conveyance	74,935	277,679
Boarding and Lodging	114,355	156,709
Printing and Stationery	4,960	7,016
Other Expenses	8,300	500

BAPTIST WORLD AID

Travel and Conveyance	78,521	-
Boarding and Lodging	43,770	-
Other Expenses	678	-

CARITAS INDIA

Travel and Conveyance	220,287	-
Boarding and Lodging	29,253	-
Other Expenses	370	-

OTHER MISC. GRANTS

Travel and Conveyance	81,439	-
Boarding and Lodging	9,731	-
Honorarium	12,000	-

Investments

Fixed Deposits with Bank of Baroda		
- General Fund	1,334,091	1,800,000

Sub Total 14,222,948 17,356,957

Cash and Bank Balances as on 31st March 2008

Cash in Hand - EED Main Grant	7,928	812
Balance in Saving Accounts with Scheduled Banks		
- EED Main Grant	930,008	2,892,363
- EED Other Grants	47,898	204,950
- Christian Aid	-	72,845
- Misereor	-	16,993
- Bread for the World	1,090,518	213,980
- Tearfund (UK)	-	1,050
- General Fund	1,091,905	1,255,742

Sub Total 3,168,257 4,658,735

GRAND TOTAL 17,391,205 22,015,692

Significant Accounting Policies and Notes
forming an integral part of accounts

XIII

As per our report of even date
For **KUMAR MITTAL & CO.**
Chartered Accountants

(AMRISH KUMAR)
Partner
M. No. 90553

Place : Noida
Date : 17.07.2008

For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**

EXECUTIVE DIRECTOR

CHAIRMAN

TRUSTEES

**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

**SCHEDULE – XIII : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART
OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2008.**

A. SIGNIFICANT ACCOUNTING POLICIES

1. The accounts are prepared on historical cost basis as a 'going concern'. Income and expenses are accounted for on accrual basis following generally accepted accounting principles and practices and Accounting Standards issued by the Institute of Chartered Accountants of India for NGOs, wherever applicable, except otherwise stated.
2. Fixed Assets acquired / received in kind are directly charged to expenses accounts and stated in the Balance Sheet through Assets Fund Account.
3. Fixed Assets are stated as under:
 - a) Assets directly acquired – at purchase cost less accumulated depreciation.
 - b) Assets received in kind – at stated / estimated cost less accumulated depreciation.
4. Depreciation on fixed assets is provided as per written down value method as per the rates prescribed in Income Tax Act, 1961 but not charged to expense accounts as per the provisions of Income Tax Act applicable to Trust.
5. Only those Grants / Donations are accounted for as Income which have been received or have accrued and become due as per the sanctions of the funding / donor agencies.
6. Inventories are valued and disclosed as under:
 - a) Acquired / self produced – at cost.
 - b) Received free of cost or at a nominal charge – at market price or estimated net realizable value.
7. Accounts for the purpose of submission to FCRA are compiled on cash basis.


Vidya Rao

B. NOTES TO ACCOUNTS

1. Trust has taken Group Gratuity Scheme with Life Insurance Corporation of India which has been approved by Income Tax Authorities hence no provision for gratuity has been made in the books of accounts and premium paid has been charged to expense accounts.
2. a) Trust has provided the facilities / services to the programmes of the other funding agencies from the infrastructure / resources created out of the funds of main funding agency.

b) The funding agencies from whom no grants have been received during the year, no previous years figures have been provided as the same are not comparable.
3. The incomes generated out of the assets other than bank deposits acquired from Foreign Contributions are accounted for as local income.
4. As per the management policy the surplus / (deficit) of the completed projects are transferred to General Fund and the remaining balances of continuing projects are reported under Unutilized Grants.
5. No provision for leave encashment entitlement has been made since as per Trust policy, the leaves are to be availed and can not be encashed.
6. In terms of AS-2, the details of the inventories of the items (purchased / received free of cost), in hand at the close of the accounting year are valued as under:

Name of the Publications	Opening Stock as on 01.04.07	Receipts during the year	Sales during the year	Complimentary Distribution during the year	Closing stock as on 31.03.08	Valued at (Rs.)	Total Value (Rs.)
Finanace Manual	484	-	51	1	432	500	216,000
Legal Handbook	483	-	56	1	426	500	213,000
Social Accountability Standards	851	-	154	38	659	250	164,750
Handbook on Social Audit	887	-	78	46	763	200	152,600
Bombay Public Trust Act	-	500	18	6	476	100	47,600
Handbook on Financial Audit and Reporting in NGO's	-	500	88	1	411	200	82,200



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FMSF Program Centre - financial overview

