

# PAFFREL

## ANNUAL REPORT | 2015



PAFFREL

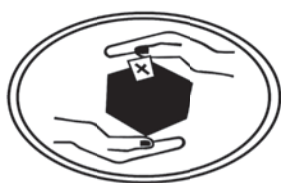
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**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS**

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CELEBRATING 28 YEARS OF CONTINUES SEVICE TO THE SOCIETY

# **PAFFREL ANNUAL REPORT 2015**



**PAFFREL**

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS**



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## **PAFFREL**

Paffrel was established by the representatives of several national-level civil society organizations in 1987. It has been registered as a company limited by guarantees under the Company Act No. 07 of 2007 and registered as a volunteer organization with the Ministry of Social Services and Social Welfare.

It was formed at a time when the need was there for the civil society to intervene to ensure the democratic nature of elections as the contests were affected by violence and violation of election laws. One of the main aims of setting up Paffrel was to promote a people's effort to prevent violence and malpractices before, during and after elections.

Since, its formation, Paffrel has observed and monitored all the elections held in the country- local authority, Provincial Council, Parliamentary and Presidential - in collaboration with a large number of civil society organizations. It has, throughout the years, conducted advocacy and awareness programmes in areas such as voters' rights, democracy, human rights, good governance and co-existence in different parts of the country. In all its activities Paffrel has maintained absolute neutrality.

### **The Vision**

A democratic Society with an empowered citizenry who ensure accountability and transparency in governance.

### **The Mission**

Implementation of a citizen-based and non-partisan programme of action for awareness creation, advocacy and observing and monitoring the elections in all parts of the country.

The prime objectives of Paffrel are;

- To motivate and encourage voters to exercise their basic democratic right to vote and cast their vote at all elections at which they are entitled to vote.
  - To promote a community effort that would prevent violence and malpractices before, during and after elections.
  - To undertake an election watch to observe the conduct of the poll throughout the country in as many areas as possible and record and document the abuse and violations of the election law.
  - To make recommendations for the improvement of the existing processes and institution pertaining to elections.
  - To educate the voters in order to promote civic consciousness that helps in establishing and maintaining standards of good governance in the country.
  - To propagate values and criteria for selection of candidates and voting that would help in electing a political leadership and representatives who are free of corruption and truly accountable to the people.
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# Board of Directors



Deshabandu Mrs. Jezima Ismail  
(Chairperson)



Dr. Jehan Perera  
(General Secretary)



Mrs. C. C. Senanayake  
(Treasurer)



Mr. Badree Hashim  
(Vice Chairman)



Dr. Vinya Ariyaratne  
(Vice Chairman)



Mrs. Saroja Sivachandran  
(Director)



Ven. Athkadawala Saddajeewa Thero  
(Director)



Mrs. Visaka Dharmadasa  
(Director)



Prof. K. Karunathilake  
(Director)



Mr. Abdul H. G. Ameen  
(Director)



Prof. M. S. Mookiah  
(Director)



Mr. H. M. Suriyabandara  
(Director)



## CHAIRPERSON'S MESSAGE

The year 2014 saw the provincial elections and PAFFREL naturally was actively involved in the monitoring. In the Western and Southern Provincial Councils also in the Uva Provincial Council PAFFREL was active in observing and monitoring the elections. A broad statement that could be made about the elections was what transpired at the elections motivated PAFFREL to think harder about facing such challenges to change the political culture.



There was a decrease in the spate of violence but the conditions certainly did not warrant a declaration that elections were free and fair. In spite of the Election Commission's Herculean efforts there was not only the blatant use of government resources but also misuse of officers, offices and vehicles. The consequences of the election and the context in which it took place naturally made PAFFREL look long and hard at this culture.

Hence the focus of PAFFREL in the field of election was on the challenges presented in effecting of changes the political culture and the reforms to be instituted in the electoral system. The efforts made by the Committee in charge of the changing political needs to be commended. It no doubt demanded much hard work as it involved innovative thinking, careful analysis and of course time to devote to such a challenging feature. This year also saw the implementation of training and education programmes for the in-service progress of the staff. One such programme was the exposure visit to Cambodia.

My appreciation goes out to all the members of the team; Congratulations to Rohana our Executive Director for a year well planned and expertly executed.

With blessing for a fruitful future.

A handwritten signature in black ink, which appears to read 'Jezima Ismail'. The signature is written in a cursive, flowing style.

**Deshabandu Mrs. Jezima Ismail**  
**Chairperson**

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## GENERAL SECRETARY'S MESSAGE

The importance of election monitoring organizations was borne out at the recently concluded Presidential and General elections. PAFFREL played a central role in the election monitoring process both prior to and during the election campaigns. These efforts yielded rich dividends with the general elections being acclaimed as the most peaceful and fair in many years. The strength of PAFFREL's work came due to the ground work it did during 2014 period under review in this Annual Report which sets out the impressive scale of the work done in detail.



PAFFREL believes that the protection of democracy requires not only the institutional facilities for citizens to participate in the electoral process. It also requires constant voter education. Accordingly, we worked with the Department of Election to support the revision of the electoral registers. We monitored the provincial elections in the Western, Southern and Uva provincial councils and mobilized thousands of volunteers. We also conducted a series of dialogues in different parts of the country to bring about a change in the political culture. At each of these dialogues we collected the ideas that emerged to prepare a report and an advocacy document.

The outcome of PAFFREL's work and leadership in the year under review led to the signing of the March 12 Declaration of the qualities expected of political candidates which was ratified by all major political parties. In the coming period, PAFFREL intends to carry out a campaign of public education with the support of the larger civil society and the Department of Elections so that democratic values are ever more deeply instilled in the voters.

As always we express our appreciation of the efforts of tens of thousands of citizens who rallied to our call to monitor the elections, to our partner organizations who join ranks with us to conduct our programmes on a large scale, to the members of our board and staff, and to our donors who continue to give priority to fostering the values and practices of good governance and democracy in our country.

A handwritten signature in black ink, which appears to read 'J. Perera'. The signature is written in a cursive style.

**Dr. Jehan Perera**  
**General Secretary**

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## EXECUTIVE DIRECTOR'S MESSAGE

I am happy to note that in 2014, PAFFREL actively involved in observing and monitoring the Western, Southern and Uva Provincial Council Elections. At these elections, PAFFREL was responsible for deploying the largest group of observers for the Observation Process.



During this period, good governance, bribery and corruption became dominant political topics, and many civil society organizations banded together to address these issues and ensure the basic values of democracy through a common platform.

As in the past Paffrel supported the annual revision of electoral register and carried out voter education initiatives on the importance of voting and establishment of identity at the polling centers. Further Paffrel extended its services to assist the voters who did not possess any identification paper to apply for obtaining either NIC or temporary identity card issued by the Department of Elections.

During the period under consideration, we laid the first steps to forge the path that PAFFREL should take to change the political culture in Sri Lanka. Accordingly, we succeeded in collecting and collating the opinion of people after conducting a series of systematic and methodical island wide surveys. We were able to establish dialogues among political veterans, religious clergy, civil society leaders, members of trade unions in the private and public sectors, representatives of media organizations, youth groups, and politicians. Through this exercise we identified the overarching factors which lead to the decline of socio-political culture and established the criteria to be followed when electing people's agents in the future. These activities have greatly helped shape PAFFREL's direction for 2015.

To this end, many have supported us because they believed in the integrity of the vote and the process by which we ensure free and fair elections in the country. I take this opportunity to thank the Commissioner of Elections and his officers, the Inspector General of Police and his staff who were instrumental in ensuring the integrity of the electoral process.

I take this opportunity to thank our donors, core support given by Diakonia and others the British High Commission, the Embassy of Royal Norway, The Asia Foundation, the High Commission of Canada, the Embassy of Germany, the Embassy of Japan and USAID for their trust in the work we carried out. I thank the Chairperson and Board of Directors of PAFFREL who guided our work, helped readily and mentored us when we needed support. The success of PAFFREL is due to the dedication of the staff and leadership given by the Director of Programmes, National Coordinator and District Coordinators who worked tirelessly during the year under consideration. I thank all civil society organisations that helped us carry out the work successfully.

I respectfully express my gratitude towards the entire citizenry of this country in making our efforts successful.

A handwritten signature in black ink, appearing to be 'Rohana Hettiarachchi', written over a horizontal line.

**Rohana Hettiarachchi**  
**Executive Director**

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# HIGHLIGHTS - 2014

## March

Observing and Monitoring the Conduct of Elections to Western and Southern Provincial Councils on 29<sup>th</sup> March 2014.



## April

A workshop on Assessing the Capacity of Paffrel was Conducted on 29<sup>th</sup> and 30<sup>th</sup> of April 2014.



## May

Dialogue with Religious Dignitaries on Transforming the Political Culture, Kandy



## June

1<sup>st</sup> of June 2014 was Celebrated as the Voter's day through out the Island with the Department of Elections.



## September

Observing and Monitoring the Conduct of Elections to Uva Provincial Council on 20<sup>th</sup> September 2014.



## November

The Proclamation was issued on 20<sup>th</sup> November 2014 by His Excellency The President to Conduct the 6<sup>th</sup> Presidential Election.





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# Overview

## 1. OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

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### 1.1. Observing and monitoring the conduct of Presidential Election 2015

The operations commenced with the deployment of 25 District Coordinators to take responsibility of organizing the observation and monitoring activities in their respective districts. They were selected from the collaborative organizations in Paffrel's network. The collaborative organizations included Lanka Jathika Sarvodaya Shramadana Sangama, HUDEC-Caritas- Jaffna, EHED-Caritas- Batticaloa, Valvudayam-Caritas -Mannar, Organization to Safeguard & Protect Human Rights- Ratnapura, Human Rights Organization Kurunegala, SEVO- Digamadulla, and Citizens' Committee- Galle. 25 Field Coordinators from the districts were selected and trained to work in the respective districts with the collaborating organizations. Care was taken in selecting them to ensure they were not affiliated to any political party.

160 Polling Divisional Coordinators were selected to work with the District Coordinators in mobilizing the volunteers for the observation process. They were instrumental in organizing training workshops for the observers. The trainings were conducted for postal voting observation, stationary observation and mobile observation on the day of the poll. Complaints from the public with regard to election violence and election malpractices were collected at the level of divisions and were relayed to the head office through the District Offices.

The observation had three phases; they are pre-election, day of the poll and post election. 10,086 stationary observers were trained and deployed on the 8th of January to observe the poll by staying inside the polling centre. 1,340 observers were trained and engaged as mobile observers in teams of four each for each DS Division. They observed the poll making use of the vehicle allocated to them in their respective area of responsibility.





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# Overview

## OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

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### 1.1.2. Managing a complaints receiving and intervening unit

A separate unit at the National Secretariat in Colombo functioned during the entire period of election observation. This unit received complaints from political parties, candidates, citizens, mobile observers and international observers. The information received by the unit was examined and responded quickly and appropriate action was initiated by referring them to the Commissioner of Elections, law enforcement authority and relevant agencies. The unit was headed by a Legal Officer with relevant experience and assisted by Documentation Assistants, Data Analysts and Linguistic Coordinators.

Paffrel assisted the Commissioner of Elections in establishing an All Party Operations Unit at the Elections Secretariat in Colombo. Senior representatives of contesting parties, officers from the Department of Police, senior officers of the Department of Elections and representatives of the observing groups took part in this exercise. The objective of this unit was to handle complaints effectively and resolve issues in order to arrest violence and violations of election laws. Also this unit worked as an early warning system to prevent major incidents from occurring. As usual Paffrel deployed two experienced officers on rotation for this exercise. Further the Commissioner of Elections organized similar units at the districts to receive complaints. Paffrel assigned experienced observers to each of these units.



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# Overview

## OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

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### 1.1.3. Deployment of 34 International Observers

These 34 IEOs were selected through the assistance of Asian Network of Free Elections (ANFREL) based in Bangkok of which PAFFREL is a member. Presently, the Executive Director of PAFFREL is the General Secretary of ANFREL.

The observers hailed from 20 organizations in 15 countries in Asia. The observers were deployed in 25 districts across the country on 26th December 2014 to 11th January 2015 to observe the pre – election period, Election Day, counting process and post-election environment.





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# Overview

## OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

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### 1.1.4. Media Advocacy on Voter Education

Paffrel implemented a series of voter education initiatives inclusive of media campaigns with the objectives of a) minimizing violations of election laws b) encouraging voters to cast their vote and c) reminding on the documents needed to establish their identity at the time of exercising their franchise.

1. Documents necessary to establish identity at the polling centres to cast their vote,
2. The alternate method available to them in case that they do not possess any of the identification documents required as per the directive of the Commissioner of Elections.

Press advertisements were also inserted in the widely circulated newspapers to disseminate the information to the voters in the country.

### 1.1.5. Press Conferences for Election monitoring

There were two media conferences held on the 1st and 9th of January 2015 for the Presidential election 2015. They were useful in disseminating information to the general public and interested stakeholders.

### 1.2. Observing and monitoring the conduct of Parliamentary General Election 2015

His Excellency the President proclaimed on 26th June 2015 dissolving the Parliament. The Commissioner of Elections fixed 17th August as the day of poll. Paffrel had been anticipating this election and advance preparation for the observation exercise commenced in June.

A series of preliminary meetings were held in the districts with the collaborating partners to discuss the operation and modalities involved in the observation exercise of the conduct of the Parliamentary General Election of 2015.

A total of 294 long term observers were trained and deployed in the divisions to contribute towards the observation process. They were trained in Colombo and in the Districts of Jaffna, Vauniya, Batticaloa and Digamadulla.

A total of 42 trainers on election observation were

trained on two occasions in Colombo, one in Sinhala medium and the next in Tamil.

The table on training and deployment of stationary, mobile and postal voting observers is as follows;

On the Election Day 338 mobile vehicles were deployed comprising 1,232 mobile observers. They monitored the Election Day process covering the 70 % -75% total polling centres island wide.

This election too, PAFFREL was received the accreditation for deploying the vote counting observers for observing and monitoring the vote counting process at counting centres. Hence, PAFFREL trained 114 counting observes and deployed 101 observers in 22 districts.

### 1.2.1. Managing of Complaint Receiving and Intervention Centre

A centre at the national secretariat in Colombo commenced operations from 29th June 2015 to 25th August 2015 receive and respond to complaints received through various channels. The centre received a total of 1,258 confirmed violations out of which 188 were of serious nature. A detail of the received complaints has been given under outcomes of the report.

### 1.2.2. Deployment of Foreign Observers

With the aim to provide unbiased neutral observations of Parliamentary General Elections in 2015 August, PAFFREL sought the expert intervention of ANFREL ( Asian Network for Free Elections) to send in an international team of observers to compliment and assist the electoral monitoring process carried out by PAFFREL during the conduct of 2015 August Parliamentary Elections in Sri Lanka. ANFREL was founded in 1997 with a mission to promote & support democratization at national & regional levels in Asia, through Election Observation and support for Observers and Electoral Processes via capacity building, research and advocacy. PAFFREL opted to invite a team from ANFREL as most of the organizations that were involved in ANFREL has been working in close collaboration with

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# Overview

## OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

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PAFFREL had a good understanding of the political and social context and developments in Sri Lanka. In addition the Executive Director of PAFFREL is the present General Secretary of ANFREL.

ANFREL deployed a team of 16 independent election observers, inclusive of 2 human rights focused observers, who were chosen from 12 organizations in 12 countries in Asia.

As this was a very short term project designed to achieve a specific purpose. Therefore, the project had only an overall goal and specific objectives.

Overall goal was to minimize election related violations during the conduct of Parliamentary General Election 2015 through unbiased reporting of Foreign Election observers. Each activity did not have goals per say but the sequence of activities were designed and planned to contribute towards achievement of the overall goal.

### 1.2.3 Press Conferences and review meetings

Just before the day of the poll on 12th August 2015 a media conference was held at Cinnamon Grand Hotel. A document prepared by Paffrel on the observation of pre election period was distributed among the members of the media. Further the updated observation process was made available to the general public through the media agencies present on this occasion.

A post election media detailing was held on 19th August 2015 at the Cinnamon Grand Hotel. The team of foreign observers presented their report at this conference.

A review meeting with the District Field Coordinators was held in Colombo to learn challenges and make improvement to the current process on 9th September 2015. The District Field Coordinators played an imminent role in maintaining link with our collaborating partner organizations.

### 2.1. Strengthen & Support the Revision of Electoral Register 2015

As in the past Paffrel issued media releases on the annual revision of electoral register to remind the eligible voters to register promptly to produce

a complete and accurate voter register of 2015. Paffrel printed 30,000 stickers and distributed through the district election offices to the general public. The national voter's day was celebrated at Badulla organized by the Department of Elections. Paffrel participated in this event.

Since 2015 was an election year Paffrel did not proceed with the routine cause of actions with regard to the revision of electoral register 2015. Anyhow we inserted press advertisements and gave voice cuts to electronic media at relevant instances.

### 3.1. Improving the Political Culture in Sri Lanka – The 12 March Declaration

Political parties are always concerned in getting into power. The credibility and good qualities of the candidates are ignored or given low priority in nominating candidates for elections. This has resulted in corrupt politicians elected as people's representatives. Their actions leading to malpractices and violations of rule of law in the existing political culture affect all of us. Corrupt political culture is the prime cause for community unrest and ethnic violence.

During 2014 Paffrel had dialogues with different sectors namely; civil society organizations, youth, religious dignitaries, trade unions, politicians, business community, professionals, media, academics and university teachers on the topic of transforming the existing political culture in Sri Lanka. The dialogues helped us to identify six main root causes for the state of affairs. They are;

1. Education available to citizens on democracy and governance (Political Literacy) is inadequate in terms of quality and access, and consequently citizens are uncritical.
2. Economic disparities in society (inequitable wealth distribution) and dysfunctional systems (mainly due to politicization/nepotism) for service provision by duty bearers result in the inability of rights holders (citizens) to satisfy essential needs by themselves and consequently make them dependent on politicians and others wielding power for satisfying them.

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# Overview

## 2. ADVOCACY AND AWARENESS CREATIONS

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3. The social fabric i.e. social institutions and systems (civil society organisations, opinion leaders, activists, change agents and others) have deteriorated and hence do not function at optimum levels.
4. The concentration and centralization of power in the executive presidency without adequate checks and balances (independent judiciary; law enforcement; public service etc.) and the lack of political will during the last 36 years makes participatory, parliamentary democracy very difficult to practice and to take root as a characteristic feature of our political culture.
5. The existing political culture gives room for corrupted politicians to meddle with characteristics of Good Governance specially with the rule of law. Such politicians exercise excessive power over the law enforcement authorities and other agencies ignoring the values of good governance.

As a result a document was finally prepared on the criteria that should be used by the political parties to select their nominees to contest in elections to represent the people. This document has 8 criteria. Paffrel and likeminded citizens brought leaders of political parties on March 12th, 2015 at the BMICH to sign and endorse this document. A large gathering from different sectors was present to witness this historic event. Paffrel team worked hard to bring the political leaders in agreement to support and promote the cause.

The following are the eight criteria agreed by the political parties;

1. Should not be a person who had served a jail sentence for a crime or a person who has received a suspended sentence.
2. Should not be a person who had been proven guilty of bribery or corruption and should be acceptable to society and a person of good character. Be cautious when considering those alleged of bribery or corruption.
3. Should not be a person who is engaging or had engaged in the past in trades such as alcohol, drugs, gambling, casinos and prostitution that are detrimental to the wellbeing of the country.
4. Should not be a person who is engaging or had engaged in trade which destroys the ecological life support system that causes destruction to the environment.
5. Should not be a person who has abused and misused political power.
6. Should not be a person who had entered into financial agreements prejudicial to the country before becoming a people's representative and as a people's representative who has abused power and entered into financial agreements with the government or has been a party to such an agreement.
7. Candidate should be either a resident or have an amiable relationship with residents of the area they represent.
8. Should provide adequate opportunities for representation of women and youth when nominating candidates.

The following signed for their respective parties.

1. Hon. President Maithripala Sirisena on behalf of SLFP
2. Hon. Ranil Wickramasinghe on behalf of UNP
3. Hon. Nimal Siripala De Silva on behalf of SLFP
4. Hon. Susil Premajayantha on behalf of UPFA
5. Hon. Sunil Handunhetti on behalf of JVP
6. Hon. Rev. Thero Aturaliye Rathana on behalf of JHU
7. Hon. Nishantha Sri Warnasinghe on behalf of JHU
8. Hon. R. Sampanthan on behalf of TNA
9. Hon. M.A Sumanthiran on behalf of TNA
10. Hon. Douglas Devananda on behalf of EPDP
11. Hon. M.T Hasan Ali on behalf of SLMC



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# Overview

## ADVOCACY AND AWARENESS CREATIONS

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12. Hon. Sirithunga Jayasooriya on behalf of USP
13. Hon. G.V Thilakasiri on behalf of NSSP
14. Hon. Raja Collure on behalf of SCP
15. Hon. S.A. Manawadu on behalf of DP
16. Hon. Mano Ganeshan on behalf of DPF
17. Hon. Dinesh Gunawardana on behalf of MEP

Although the leaders of the political parties have endorsed the document containing the 8 criteria Paffrel strongly believes that they have to be pressurized to ensure that they will fulfill their commitment. Hence, Paffrel envisages in carrying out a series of initiatives in the near future

### **3.2.Campaign to promote the March 12 Declaration island wide**

An initiative was designed to give publicity for the March 12 declaration throughout the island through the networking collaborators in the districts with the support of the national level partners in Colombo. At national level Sarvodaya, Caritas-Sedec, Chamber of Commerce, Sanasa, OPA, Trade unions etc. actively involved in designing the campaign. It was decided to take the M12 to the nine provinces in the island. The campaign commenced on 25th June from Independence Square with religious ceremony with signing in support of the declaration by the citizens who thronged the venue. A decorated motor lorry served the purpose of mobile stage. The motorcade left Colombo by noon and proceeded through the major towns in the districts of Wayamba, North Central, North, East, Uva, Central Sabaragamuwa and Southern provinces and ended up in Colombo. The collaborating partners and well wishers looked after the welfare of the team of volunteers who went around the country to propagate the M12 movement. Also they organised events drawing large crowds and came forward to support the campaign. Also sub programmes were organised and conducted in the towns of Nuwara Eliya, Talawakelle and Hatton to add strength to the campaign. On the afternoon of 6th of July around 2,000 gathered at the Vihara Mahadevi Park to witness the handing over of the signed books of M12 declaration to representatives of the political

parties.

### **3.3.Functioning of the M12 Movement's steering committee**

The steering committee comprises representatives from the following organizations;

1. PAFFREL
2. Transparency International Sri Lanka
3. Sarvodaya Shramadana Sangamaya
4. Federation of Thrift and Credit Cooperative Societies Ltd Sri Lanka (SANASA)
5. Rights Now Democracy for Collective
6. Centre for Policy Alternatives
7. Federation of Sri Lankan Local Government Authorities

The steering committee met on last Wednesday of the month at member's offices during the period of reporting. The future activities were planned for implementation taking into consideration the prevailing situation.

The following initiatives were carried out during the period under consideration;

- On 30th of July 2015 a dialogue was arranged and conducted at HARTI, Colombo with the representatives of the trade unions of the Government Officers since they were the persons who were trained and deployed by the Department of Elections as election officers. The topic of discussion was how to contribute to conduct a free and fair election.
- A media conference was held on 7th August 2015 at Sri Lanka Foundation Institute with the objective of promoting the eligible voters and other stakeholders to contribute to conduct fair and free election and elect representatives who confirm to M12 criteria.

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# Overview

## 3. CITIZEN'S ACTIVATION FOR TRANSFORMING THE EXISTING POLITICAL CULTURE IN SRI LANKA

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- On 11th of August 2015 a media conference was held at HARTI handled by the representatives of the trade unions of the government officers, organized by the M12 movement and Paffrel calling on the officers to discharge their duties for a free and fair election and requesting the voters to come forward and cast their votes without fear.
- Days before the Parliamentary General Election, on 14th August 2016 at Sri Lanka Foundation Institute a press conference was organized by the M12 movement which was well attended by the representatives of the media institutions. The purpose of the event was to analyse the situation prevailed in the country in the pre-election period and propagate free voting without fear among the electors.
- The Honourable Speaker of the Parliament granted an appointment to the steering committee of the M12 movement to meet him and discuss various issues related to governance. The team met him 13th October 2015. The discussion was centred about the preparation of code of conduct for the elected members, their role in parliament in making policy decisions and improving attendance at parliamentary sessions. Honourable Speaker gave his concern to continue with the discussions in future.
- On 14th October 2015 a press conference was held organized by the M12 Movement at the Centre for Society and Religion. It was emphasized that the elected members should attend the parliamentary sessions regularly, concentrate more on making policy decisions and discharge their commitments in a responsive manner.

### 4. Facilitating to Obtaining Legal Document

### 5. Operations of PAFFREL Resource Centre

The unit distributed Paffrel's publications on local governance, vote counting, polling agents' role and election laws to community based organizations and political parties.

The undergraduates of various universities visited the centre to collect information for their studies.

### 6. Legal Intervention

### 7. Preparation of a strategic plan for the period of 2016-2020

On 20th September 2015 the first meeting participated by the staff was held at Shanthi Nikethana, the exercise was facilitated by the Strategic Planner Dr.Charika Marasinghe. The second workshop in relation to this exercise was held at the Diakonia office. It was planned to go for a workshop with the other stakeholders to get more inputs to produce a good plan.

### 8. Participation of PAFFREL staff at foreign missions

1. The Executive Director went to Oslo, Norway to take part in the observation of the Norwegian Municipal and Country Council Elections from 10th to 15th September 2015. He was joined by the Additional Commissioner of Elections (Local Government).
2. The Executive Director was invited to go as a member of the Commonwealth Observer group to Tanzania for the General Election. He participated in the observation exercise from 19th to 31st of October 2015.
3. The Executive Director as a member of the ANFREL team was involved in the observation of the conduct of General Election in Myanmar from 1st to 9th November 2015. The Programme Assistant, Rishard was in Myanmar as a Long Term Observer from 8th October to 20th November 2015.

### 9. Membership in International Organizations

### 10. Other Activities

### 11. Outcomes of Paffrel Initiatives of 2014

### 12. Publication of Paffrel during the period

### 13. News paper articles on Paffrel Initiatives

### 14. Paffrel staff – some vignettes

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## Overview

### 16. FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

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**PEOPLE'S ACTION FOR FREE AND FAIR  
ELECTIONS (GUARANTEE) LIMITED  
(PAFFREL)  
FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER 2015**

# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

### **Jayasinghe & Co**

CHARTERED ACCOUNTANTS

Correspondent Firm of Russell Bedford International

94/12, Kirulapone Avenue, Colombo 05.

Tel/Fax: +94 11 2512069, 2512400, 2512514

Website: www.aajco.lk, E-mail: audit@aajco.lk

### INDEPENDENT AUDITORS' REPORT

#### TO THE MEMBERS OF PEOPLE'S ACTION FOR FREE & FAIR ELECTIONS (GUARANTEE) LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of the People's Action for Free & Fair Elections, which comprise the statement of financial position as at 31<sup>st</sup> December 2015, the statements of comprehensive income, changes in reserves and the cash flow for the year then ended and notes comprising a summary of significant accounting policies and other explanatory notes.

#### Board's Responsibility for the Financial Statements

The Board of Directors (Board) of the Guarantee Company is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Government Organizations). This responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 Board, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Page 1 of 2



**Russell Bedford International**  
Global network of independent accountancy firms,  
business consultants and specialist legal advisers

L.D.A. Jayasinghe FCA,FCMA

R.K.A. Ranaweera B.Sc(Spe.),FCA,FCMA

G.V.M. Nanayakkara FCA,FCMA(UK)

Indranee Jayasinghe FCA, MPA (Harvard) - USA

G.D.N. Mendis B.Sc.(Spe.),ACA

PG Dip. (ISS) - Netherlands

P.I.S. Jayathilaka B.Sc.(Spe.), ACA



# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

### **Jayasinghe & Co**

CHARTERED ACCOUNTANTS

Correspondent Firm of Russell Bedford International

94/12, Kirulapone Avenue, Colombo 05.

Tel/Fax: +94 11 2512069, 2512400, 2512514

Website: www.aajco.lk, E-mail: audit@aajco.lk

### *(Independent Auditors' Report Contd...)*

#### **Opinion**

In our opinion, so far as appears from our examination, the Guarantee Company maintained proper accounting records for the year ended 31<sup>st</sup> December 2015. The financial statements give a true and fair view of the Guarantee Company's state of affairs as at 31<sup>st</sup> December 2015 and its financial performance for the year then ended in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Government Organizations).

#### **Report on Other Legal and Regulatory Requirements**

As required by section 163(2) of the Companies Act No. 07 of 2007, we state the following:

- a) The basis of opinion and scope and limitation of the audit areas stated above.
- b) In our opinion:
  - We have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Guarantee Company,
  - The financial statements of the Guarantee Company give a true and fair view of its financial position as at December 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Government Organizations),
  - The financial statements also comply with the requirements of Section 151 (2) of the Companies Act No. 07 of 2007.



**JAYASINGHE & CO.**

20<sup>th</sup> May, 2016

Chartered Accountants

Colombo - 05

(AR/597/670/680/771)

Page 2 of 2



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Global network of independent accountancy firms,  
business consultants and specialist legal advisers

L.D.A. Jayasinghe FCA,FCMA R.K.A. Ranaweera B.Sc(Spe.),FCA,FCMA  
Indraneel Jayasinghe FCA, MPA (Harvard) - USA  
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G.D.N. Mendis B.Sc.(Spe.),ACA  
P.I.S. Jayathilaka B.Sc.(Spe.), ACA

# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

<b>PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)</b>			
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER</b>			
<i>(All Amounts Are In Sri Lanka Rupees)</i>			
	Note	2015	2014
<b>OPERATING INCOME</b>			
Restricted Revenue	03	152,784,650.57	44,494,509
Unrestricted Revenue	04	8,451,897.96	6,922,404
<b>Total Operating Income</b>		<b>161,236,548.53</b>	<b>51,416,912</b>
<b>OPERATING EXPENDITURE</b>			
<b>Project Expenditure</b>			
Personnel Cost	05	(10,319,413.47)	(9,339,337)
Programme Cost	05	(134,342,134.63)	(30,356,562)
Support Cost	05	(8,123,102.47)	(4,798,609)
Total Project Expenses		(152,784,650.57)	(44,494,509)
<b>General Expenses</b>			
Administration Cost	06	(4,461,647.61)	(5,081,808)
Other Expenditure	07	(16.00)	-
Total General Expenses		(4,461,663.61)	(5,081,808)
<b>Total Operating Expenditure</b>		<b>(157,246,314.18)</b>	<b>(49,576,316)</b>
<b>Net Surplus/(Deficit) On Operating Activities</b>		<b>3,990,234.35</b>	<b>1,840,596</b>
Other Income	08	267,169.00	127,285
Finance Income	09	249,920.09	109,201
<b>Net Surplus/(Deficit) Before Tax</b>		<b>4,507,323.44</b>	<b>2,077,082</b>
Income Tax	10	-	-
<b>Net Surplus/(Deficit) For The Year</b>		<b>4,507,323.44</b>	<b>2,077,082</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Surplus On Defined Benefit Obligation		340,679.19	-
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>4,848,002.63</b>	<b>2,077,082</b>

Notes on pages 05 to 19 form an integral part of these Financial Statements.



# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31<sup>ST</sup> DECEMBER**

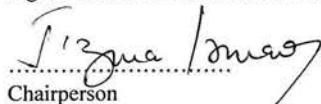
*(All Amounts Are In Sri Lanka Rupees)*

	Note	2015	2014
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	11	1,257,274.22	1,694,637
Intangible Assets	12	-	13,541
Fixed Deposits	13	8,548,514.88	1,064,177
<b>Total</b>		<b>9,805,789.10</b>	<b>2,772,356</b>
<b>Current Assets</b>			
Advances, Receivables & Prepayments	14	201,998.48	29,320,190
Cash & Cash Equivalents	15	17,304,351.01	66,531,519
<b>Total</b>		<b>17,506,349.49</b>	<b>95,851,709</b>
<b>Total Assets</b>		<b>27,312,138.59</b>	<b>98,624,065</b>
<b>FUNDING &amp; LIABILITIES</b>			
<b>Accumulated Fund</b>			
Restricted Funds	16	14,689,730.22	85,835,086
Unrestricted Funds	16	7,506,441.59	2,660,147
Capital Reserves	16	1,572,221.70	1,572,222
<b>Total</b>		<b>23,768,393.51</b>	<b>90,067,454</b>
<b>Non Current Liabilities</b>			
Deferred Income	17	1,767.12	3,017
Defined Benefit Obligation	18	1,782,322.77	1,771,498
<b>Total Non Current Liabilities</b>		<b>1,784,089.89</b>	<b>1,774,515</b>
<b>Current Liabilities</b>			
Accrued Expenses	19	897,255.19	5,919,712
Other Payables	20	862,400.00	862,384
<b>Total</b>		<b>1,759,655.19</b>	<b>6,782,096</b>
<b>Total Accumulated Fund &amp; Liabilities</b>		<b>27,312,138.59</b>	<b>98,624,065</b>


Notes on pages 05 to 19 form an integral part of these Financial Statements.

The Board of Directors is responsible for the preparation & presentation of these Financial Statements.

Signed for and on behalf of the Board of Directors ;

  
Chairperson

18<sup>th</sup> May 2016  
Colombo

  
V. Cham - General Secretary

Chairperson / General Secretary / Vice Chairman / Treasurer  
People's Action for Free and Fair Elections (PAFFREL)





# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)  
STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015  
*(All Amounts Are In Sri Lanka Rupees)*

Description	Restricted Funds	Unrestricted Funds	Capital Reserve	Total
<b>Balance As At 01<sup>st</sup> January 2014</b>	<b>5,557,240.98</b>	<b>466,698.65</b>	<b>439,080.64</b>	<b>6,463,020.27</b>
Funds Received For The Year	108,740,188.10	6,468,322.30	-	115,208,510.40
Funds Transferred To/From Unrestricted Funds	(116,366.40)	116,366.40	-	-
Funds Receivable From Donors	17,047,793.00	-	-	17,047,793.00
Net Surplus/(Deficit) For The Year	-	2,077,081.51	-	2,077,081.51
Assets Capitalized From Projects	-	-	1,327,812.50	1,327,812.50
Depreciation On Capitalized Assets From Projects	-	-	(194,671.44)	(194,671.44)
Funds Returned To Respective Donors	(899,261.55)	-	-	(899,261.55)
Funds Transferred To Statement Of Comprehensive Income	(44,494,508.58)	(6,468,322.30)	-	(50,962,830.88)
<b>Balance As At 31<sup>st</sup> December 2014</b>	<b>85,835,085.55</b>	<b>2,660,146.56</b>	<b>1,572,221.70</b>	<b>90,067,453.81</b>
Funds Received For The Year	83,754,295.64	3,121,897.96	-	86,876,193.60
Funds Transferred To/From Unrestricted Funds	1,707.60	(1,707.60)	-	-
Net Surplus/(Deficit) For The Year	-	4,848,002.63	-	4,848,002.63
Prior Year Adjustment *	4,000.00	-	-	4,000.00
Funds Written Off	(779,229.00)	-	-	(779,229.00)
Funds Returned To Donors	(1,341,479.00)	-	-	(1,341,479.00)
Funds Transferred To Statement Of Comprehensive Income	(152,784,650.57)	(3,121,897.96)	-	(155,906,548.53)
<b>Balance As At 31<sup>st</sup> December 2015</b>	<b>14,689,730.22</b>	<b>7,506,441.59</b>	<b>1,572,221.70</b>	<b>(66,299,060.30)</b>

\* Prior year adjustment has been done to correct the following error.

Funds received from donors as per accounts	17,043,792.00
Funds received from donors as per schedule	17,047,792.00
<b>Net Difference</b>	<b>(4,000.00)</b>

Notes on pages 05 to 19 form an integral part of these Financial Statements.





# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

**PEOPLE'S ACTION FOR FREE & FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**  
*(All Amounts Are In Sri Lanka Rupees)*

	Note	2015	2014
Net Surplus/(Deficit) Before Tax		4,507,323.44	2,077,082
<b>Adjustments</b>			
Depreciation		540,362.85	100,235
Provision For Gratuity		351,503.96	622,302
Amortisation Of Intangible Assets		13,541.00	18,750
Payable Balance Written Off		16.00	-
Prior Year Adjustment		4,000.00	-
Unclaimed Cheques Written Off		-	(44,382)
Interest Income		(249,920.09)	(109,201)
<b>Operating Profit / (Loss) Before Working Capital Changes</b>		<b>5,166,827.16</b>	<b>2,664,785</b>
<b>Add/ (Less) : Working Capital Changes</b>			
(Increase)/Decrease In Deferred Income		(1,250.00)	-
(Increase)/Decrease In Advances, Receivables & Prepayments		29,118,191.30	(27,966,189)
(Decrease)/Increase In Accrued Expenses & Other Payables		(5,022,457.08)	4,177,088
<b>Net Cash Inflow / (Outflow) From Operating Activities</b>		<b>29,261,311.38</b>	<b>(21,124,316)</b>
<b>Cash Flow From Investing Activities</b>			
Acquisition Of Property, Plant & Equipment		(103,000.00)	(57,134)
Interest Received		249,920.09	109,201
Investment In Fixed Deposits		(7,484,337.46)	(1,064,177)
<b>Net Cash Inflow / (Outflow) From Investing Activities</b>		<b>(7,337,417.37)</b>	<b>(1,012,111)</b>
<b>Cash Flow From Financing Activities</b>			
Funds Received During The Year		86,876,193.60	81,293,473
Funds Returned To Donors		(1,341,479.00)	(899,262)
Funds Written Off		(779,229.00)	-
Funds Utilised During The Year		(155,906,548.53)	-
<b>Net Cash Inflow / (Outflow) From Financing Activities</b>		<b>(71,151,062.93)</b>	<b>80,394,211</b>
Net Increase / (Decrease) In Cash & Cash Equivalents		(49,227,168.05)	58,257,785
Cash & Cash Equivalents At The Beginning of The Year		66,531,519.06	8,273,734
<b>Cash &amp; Cash Equivalents At The End Of The Year</b>	15	<b>17,304,351.01</b>	<b>66,531,519</b>

Notes on pages 05 to 19 form an integral part of these Financial Statements.



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# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

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**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED  
(PAFFREL)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

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### **1. REPORTING ENTITY**

#### **1.1 General information**

People's Action for Free and Fair Elections (Guarantee) Limited (PAFFREL) is a Non Governmental Organization as per the definition provided in the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations issued by the Institute of Chartered Accountants of Sri Lanka.

The Company is registered with the Department of Social Services and has been established under the Voluntary Social Service Organization (Registration and Supervision) Act, No. 31 of 1980 as amended by Act, No. 8 1998.

The Company has been incorporated initially under the Companies Act, No. 17 of 1982 and re-registered under the Companies Act, No. 7 of 2007 on 27<sup>th</sup> November 2008 as a Company Limited by Guarantee. In the event of Guarantee Company winding up, the liability of members is limited to Rs. 1,000/= per member.

#### **1.2 Principal Activities & Objectives**

The principal activities of PAFFREL are monitoring free and fair elections, motivating and encouraging voters to exercise their basic democratic rights.

Activities are conducted in accordance with relevant terms of reference, as per agreements entered into with the donors. Except for certain activities that will conclude on the realization of their objectives, the Company will continue activities in furtherance of their prime objectives discussed above with donor funding. Accordingly the financial statements have been prepared on a going concern basis.



(Contd...)

# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED  
(PAFFREL)  
NOTES TO THE FINANCIAL STATEMENTS (Contd...)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

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### 1.3 Governing Body

The Directors present herewith the audited financial statements for the year ended 31<sup>st</sup> December 2015. The Directors are responsible for preparing and presenting the financial statements. The Directors of the Company as at 31<sup>st</sup> December 2015 were,

Mr. Abdul Hameed Ghouzul Ameen  
Mr. Hashim Budree  
Dr. Jehan Perera  
Dr. Vinya Ariyaratna  
Ms. Saroja Sivachandran  
Ms. Jezima Ismail  
Ven. Saddhajeewa Ethkaduwawa  
Ms. Yvonne Visaka Darmadasa  
Mr. Mariapillai Sellamuthupillai Mookiah  
Mr. Kankanige Karunathilake  
Mr. Herath Mudiyansele Victor Sooriyabandara  
Ms. Cressida Carmen Senanayake

### 1.4 Company Secretaries

Turnkey Services (Private) Ltd,  
No.85/1A, Senanayake Avenue,  
Nawala,  
Rajagiriya.

### 1.5 Registered Office

No.12/3,  
Robert Terrace,  
Robert Gunawardana Mawatha,  
Colombo 06.

### 1.6 Auditors

Jayasinghe & Co.,  
Chartered Accountants,  
No. 94/12, Kirulapone Avenue,  
Colombo 05.



(Contd...)

# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED  
(PAFFREL)  
NOTES TO THE FINANCIAL STATEMENTS (Contd...)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

---

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

The statement of financial position as at 31<sup>st</sup> December 2015 and statements of comprehensive income, changes in accumulated fund and the cash flows together with the notes to the financial statements for the year then ended comply with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations issued by the Institute of Chartered Accountants of Sri Lanka.

#### 2.2 Foreign Currency Translations

All the foreign exchange transactions are converted to Sri Lanka rupees, which is the reporting currency, at the rate exchange prevailing at the time the transaction was effected. Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lanka rupee equivalent using year ended spot rate. Non-monetary assets and liabilities are translated using exchange rates that existed when values were denominated. The resulted gains and losses are accounted for in the statement of comprehensive income.

#### 2.3 Property, Plant & Equipment

Property, plant and equipment are measured at cost or valuation less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of each asset, to their residual values over their estimated useful life as follows;

Office Equipment	4 years
Furniture & Fittings	4 years
Computers & Computer Software	4 years
Motor Vehicles	4 years

Where the carrying amount of an asset is greater than its estimate recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining excess of income over expenditure.

(Contd...)





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# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

---

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED  
(PAFFREL)  
NOTES TO THE FINANCIAL STATEMENTS (Contd...)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

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### 2.4 Intangible Assets

#### Computer Software

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met.

- It is technically feasible to complete the software product, so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- Ability to use or sell the software product;
- It can be demonstrated how the software product will generate future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Other development expenditure that do not meet these criteria are recognized as expenses as incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period. Computer software development costs recognized as assets are amortized over their estimated useful lives, not exceeding four years.

### 2.5 Receivables

Receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Irrecoverable values are written off during the period in which they are identified.

### 2.6 Cash & Cash Equivalents

The Company considers cash on hand, amounts due from banks and short-term deposits with an original maturity of three months or less to be "cash and cash equivalents". Bank borrowings that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(Contd...)



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# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

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**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED  
(PAFFREL)  
NOTES TO THE FINANCIAL STATEMENTS (Contd...)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

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### 2.7 Funds

#### *Unrestricted Funds*

Unrestricted funds are those that are available for use by PAFFREL at the discretion of the Board, in furtherance of the general objectives of the Organization and which are not designated for specific purposes.

Surplus funds are returned to the relevant donors or transferred from restricted funds to unrestricted funds in terms of the relevant donor agreements or with the subsequent approval of the donor.

Contributions received from the general public are recognized in the statement of financial activities on a cash basis.

#### *Restricted Funds*

Where grants are received for use in identified project or activity, such funds are held in a restricted fund account and transferred to the statement of financial activities to match with expenses incurred in respect of that identified project. Unutilized funds are held in their respective fund accounts and included under accumulated fund in the statement of financial position until such time as they are required.

Where approved grant expenditure exceeds the income received and there is certainty the balance will be received such amount is recognized through "receivables" in the statement of financial position.

The activities for which these restricted funds may and are being used are identified in the notes to the financial statements.

### 2.8 Liabilities & Provisions

Liabilities are recognized in the statement of financial position when there is a present obligation arising from a past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor or within one year of the statement of financial position date are treated as current liabilities in the statement of financial position. Liabilities payable after one year from the statement of financial position date are treated as non-current liabilities in the statement of financial position.

(Contd...)



# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED  
(PAFFREL)  
NOTES TO THE FINANCIAL STATEMENTS (Contd...)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

A provision is recognized in the statement of financial position when the Organization has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits for which a reliable estimate could be made is required to settle the obligation.

### **2.9 Employee Benefits**

#### **2.9.1 Defined Contributions Plan – EPF & ETF**

All employees of the Organization are entitled to Employees' Provident Fund and Employees' Trust Fund contributions in line with respective statutes & regulations.

#### **2.9.2 Defined Benefit Obligations**

Terminal benefits are provided for all employees of the Organization at the rate of one half of the basic or consolidated wage or salary, cost of living and all other allowance applicable for the last month of the financial year for each year of completed service.

### **2.10 Statement of Comprehensive Income**

#### **2.10.1 Revenue Recognition**

Income realized from restricted funds is recognized in the statement of comprehensive income when there is certainty that all of the conditions for receipts of the funds have been complied with and the relevant expenditure that is expected to compensate has been incurred and charged to the statement of comprehensive income. Unutilized funds are carried forward as such in the statement of financial position.

Gifts and donations received in kind are recognized at valuation at the time that they are distributed to beneficiaries, or if received for resale with proceeds being use for the purposes of the Organization at the point of such sale. Items not sold or distributed are inventoried but not recognized in the financial statements. All other income is recognized when the Organization is legally entitled to use of such funds and the amount can be quantified.

Grants and subsidies are recognized in the financial statement at their fair value. When the grant or subsidy relates to an expense, it is recognized over the period necessary to match it with the costs, which it is intended to compensate for a systematic basis. Grants and subsidies related to assets are generally deferred in the statement of financial position and credited to the statement of comprehensive income over the useful life of the asset.

(Contd...)





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# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

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**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED  
(PAFFREL)  
NOTES TO THE FINANCIAL STATEMENTS (Contd...)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

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**(a) Interest Income**

Interest income is recognized using effective interest method.

**(b) Gain & Losses**

Net gains and losses on the disposal of property, plant and equipment and other non-current assets, including investments, are recognized in the statement of comprehensive income after deducting from the proceeds on disposal, the carrying value of the item disposal of and any related selling expenses.

**(c) Other Income**

Other income is recognized on accrual basis.

**2.10.2 Expenditure Recognition**

Expenses in carrying out the projects and other activities of the Organization are recognized in the statement of comprehensive income during the period in which they are incurred. Other expenses incurred in administering and running the Organization and restoring and maintaining the property, plant and equipment to perform at expected level are conducted for on an accrual basis and charged to the statement of comprehensive income.



(Contd...)



# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

### PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)

#### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER

*(All Amounts Are In Sri Lanka Rupees)*

#### NOTE 03 - RESTRICTED REVENUE

	2015	2014
Diakonia	2,838,908.69	7,150,516
British High Commission Colombo	24,386,838.12	12,166,425
Care International	-	754,010
The Asia Foundation	3,047,733.18	2,218,044
Diakonia Project	-	10,206,132
Canada Fund for Local Initiatives (CFLI)	3,593,735.79	1,360,080
German Embassy	940,490.00	5,450
Netherlands Embassy	1,167,842.24	346,421
Japanese Embassy	9,365,000.00	2,740,600
National Democratic Institute (NDI)	-	-
United State Agency for International Development (USAID)	38,665,044.63	5,460,127
Royal Norwegian Embassy	20,612,690.55	2,086,704
European Union	38,576,284.14	-
SPICE	178,186.00	-
Foundation Open Society Institute	7,808,775.23	-
United Nations Development Programme (UNDP)	1,303,122.00	-
Other	300,000.00	-
<b>Total</b>	<b>152,784,650.57</b>	<b>44,494,509</b>

#### NOTE 04 - UNRESTRICTED REVENUE

Diakonia (Core Funding)	3,121,897.96	6,922,404
Contribution - Asian Network for Free Elections (ANFREL)	5,100,000.00	-
Other Contributions	230,000.00	-
<b>Total</b>	<b>8,451,897.96</b>	<b>6,922,404</b>



# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**  
*(All Amounts Are In Sri Lanka Rupees)*

	2015	2014
<b>NOTE 06 - ADMINISTRATION COST</b>		
Salaries	1,718,594.02	1,553,925
Staff Training	-	10,000
Staff Travel	213,474.55	471,599
Utilities	-	368,308
Printing & Stationery	149,992.81	375,745
Financial Support For Partner Organizations	-	30,500
Fixed Assets Maintenance	186,807.65	316,267
Sundry Expenses	908,207.31	937,427
Bank Charges	145,413.46	66,752
Audit Fees	235,000.00	210,000
Depreciation	539,112.85	100,235
Intangible Assets Amortisation	13,541.00	18,750
Gratuity Provision	351,503.96	622,302
<b>Total</b>	<b>4,461,647.61</b>	<b>5,081,808</b>
<b>NOTE 07 - OTHER EXPENSES</b>		
Payable Balance Written Off	16.00	-
<b>Total</b>	<b>16.00</b>	<b>-</b>
<b>NOTE 08 - OTHER INCOME</b>		
Unclaimed Cheques Written Back	-	44,382
Miscellaneous	267,169.00	9,603
Contributions	-	73,300
<b>Total</b>	<b>267,169.00</b>	<b>127,285</b>
<b>NOTE 09 - FINANCE INCOME</b>		
Fixed Deposit Interest	184,337.46	109,201
Money Market Interest	58,736.63	-
Staff Loan Interest	6,846.00	-
<b>Total</b>	<b>249,920.09</b>	<b>109,201</b>

**NOTE 10 - INCOME TAX**

The return of income tax and the application for remission of tax submitted for the year of assessment 2005/2006, was not considered for tax purposes by the Department of Inland Revenue with the comment that the Company is not a Non Governmental Organization for the purpose of tax as defined in section 98(A) of Inland Revenue Act, No. 38 of 2000. The Department has also communicated that steps will be taken to cancel the NGO tax file assigned to People's Action for Free and Fair Elections. However the management considers PAFFREL to be exempt from income tax.

(Contd...)



# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)  
NOTES TO THE FINANCIAL STATEMENTS (Contd...)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015  
(All Amounts Are In Sri Lanka Rupees)

### NOTE - 05 PROJECT INCOME & EXPENDITURE SUMMARY

Donor	Project	Income Rs.	Personnel Cost Rs.	Expenditure		Total Cost Rs.
				Programme Cost Rs.	Support Cost Rs.	
Diakonia	Core Funding - 2015	2,838,908.69	-	2,788,954.69	49,954.00	2,838,908.69
The Asia Foundation	Sensitizing The Citizenry on Sustaining Democratization in Sri Lanka	3,047,733.18	168,119.00	2,591,616.18	287,998.00	3,047,733.18
Canada Fund for Local Initiatives (CFLI)	Sustaining Democratization in Serendipity	3,593,735.79	225,504.00	3,278,081.79	90,150.00	3,593,735.79
Embassy of Germany	Observing & Monitoring The Conduct of Presidential Election of 2015 by International Observers	940,490.00	84,194.00	811,685.00	44,611.00	940,490.00
Embassy of Netherlands	Deployment of International Observers at Sri Lanka - Presidential Election 2015	1,167,842.24	72,136.00	996,889.46	98,816.78	1,167,842.24
Embassy Of Japan	Project for Sustaining Democratization in Sri Lanka	9,365,000.00	350,000.00	8,835,000.00	180,000.00	9,365,000.00
United States Agency For International Development (USAID)	Supporting Domestic Election Monitoring in Sri Lanka	38,665,044.63	6,747,064.35	30,157,975.84	1,760,004.44	38,665,044.63
British High Commission Colombo	Sustaining Democratization in Sri Lanka (Observe The Conduct of Presidential Election 2015)	11,857,221.34	160,119.00	11,334,234.94	362,867.40	11,857,221.34
British High Commission Colombo	Sustaining Democratization in Sri Lanka (Observe The Conduct of Parliamentary Election 2015)	12,529,616.78	1,523,738.61	9,975,202.74	1,030,675.43	12,529,616.78
Royal Norwegian Embassy	Observing & Monitoring the Conduct on Presidential Elections 2015	20,612,690.55	208,125.15	19,798,292.49	606,272.91	20,612,690.55
United Nations Development Program	Carrying out a Civic Campaign on The 12th March Declaration	1,303,122.00	-	1,303,122.00	-	1,303,122.00
European Union	Ensuring Electoral Integrity in the Electoral Process through Independent Election Observation & Remedial Action	38,576,284.14	516,303.36	34,754,738.72	3,305,242.06	38,576,284.14
Foundation Open Society Institute (OSI)	Observing & Monitoring The Conduct on Parliamentary Election 2015 by Foreign Observers	7,808,775.23	264,110.00	7,238,154.78	306,510.45	7,808,775.23
SPICE	Carrying Out Civic Campaign	178,186.00	-	178,186.00	-	178,186.00
Other	Media Campaign for Signature Campaign	300,000.00	-	300,000.00	-	300,000.00
<b>TOTAL</b>		<b>152,784,650.57</b>	<b>10,319,413.47</b>	<b>134,342,134.63</b>	<b>8,123,102.47</b>	<b>152,784,650.57</b>



# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)  
 NOTES TO THE FINANCIAL STATEMENTS(Contd...)  
 AS AT 31<sup>ST</sup> DECEMBER 2015  
 (All Amounts Are In Sri Lanka Rupees)

### NOTE 11 : PROPERTY, PLANT & EQUIPMENT

#### Cost or Valuation

	Office Equipment	Furniture & Fittings	Computers	Total
Balance As At 1 <sup>st</sup> January 2014	1,725,035.40	644,832.92	1,494,005.35	3,863,873.67
Additions - Own Assets	14,280.00	42,853.90	-	57,133.90
Additions - Project Assets	417,800.00	108,062.50	801,950.00	1,327,812.50
<b>Balance As At 31<sup>st</sup> December 2014</b>	<b>2,157,115.40</b>	<b>795,749.32</b>	<b>2,295,955.35</b>	<b>5,248,820.07</b>
Additions - Own Assets	103,000.00	-	-	103,000.00
Additions - Project Assets	-	-	-	-
<b>Balance As At 31<sup>st</sup> December 2015</b>	<b>2,260,115.40</b>	<b>795,749.32</b>	<b>2,295,955.35</b>	<b>5,351,820.07</b>

#### Accumulated Depreciation

	Office Equipment	Furniture & Fittings	Computers	Total
Balance As At 1 <sup>st</sup> January 2014	1,608,233.28	617,388.50	1,032,404.90	3,258,026.68
Depreciation - Own Assets	76,414.52	3,342.98	21,727.38	101,484.88
Depreciation - Project Assets	29,446.25	3,807.52	161,417.67	194,671.44
<b>Balance As At 31<sup>st</sup> December 2014</b>	<b>1,714,094.05</b>	<b>624,539.00</b>	<b>1,215,549.95</b>	<b>3,554,183.00</b>
Depreciation - Own Assets	174,467.75	41,462.60	324,432.50	540,362.85
Depreciation - Project Assets	-	-	-	-
<b>Balance As At 31<sup>st</sup> December 2015</b>	<b>1,888,561.80</b>	<b>666,001.60</b>	<b>1,539,982.45</b>	<b>4,094,545.85</b>

#### Carrying Amounts

As At 31 <sup>st</sup> December 2014	443,021.35	171,210.32	1,080,405.40	1,694,637.07
<b>As At 31<sup>st</sup> December 2015</b>	<b>371,553.60</b>	<b>129,747.72</b>	<b>755,972.90</b>	<b>1,257,274.22</b>

#### Project Assets Not Capitalized

	Office Equipment	Furniture & Fittings	Computers	Total
Balance As At 1 <sup>st</sup> January 2015	-	-	-	-
Additions	79,930.00	72,098.00	639,875.00	791,903.00
Disposals	-	-	-	-
<b>Balance As At 31<sup>st</sup> December 2015</b>	<b>79,930.00</b>	<b>72,098.00</b>	<b>639,875.00</b>	<b>791,903.00</b>

(Contd...)





# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

### PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)

#### NOTES TO THE FINANCIAL STATEMENTS (Contd...)

#### AS AT 31<sup>ST</sup> DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	2015	2014
<b>NOTE 12 - INTANGIBLE ASSETS</b>		
Cost or Valuation	148,650.00	148,650
Additions For The Period	-	-
Accumulated Amortization	(135,109.00)	(116,359)
Amortization For The Period	(13,541.00)	(18,750)
<b>Net Book Value</b>	<b>-</b>	<b>13,541</b>
<b>NOTE 13 - FIXED DEPOSITS</b>		
Commercial Bank - No 3470028651	559,288.43	532,089
Commercial Bank -No 3470028652	559,288.43	532,089
Commercial Bank -No 3470030693	2,257,080.96	-
Commercial Bank -No 3470030949	2,647,856.38	-
Commercial Bank -No 3470031193	2,525,000.68	-
<b>Total</b>	<b>8,548,514.88</b>	<b>1,064,177</b>
<b>NOTE 14- ADVANCES, RECEIVABLES &amp; PRE-PAYMENTS</b>		
Deposits - American Water	16,000.00	16,000
Advances	42,200.00	12,162,764
Funds Recievable From Donors	-	17,043,792
Other Receivables	14.01	97,633
<b>Total</b>	<b>201,998.48</b>	<b>29,320,190</b>
<b>NOTE 14.01 - OTHER RECEIVABLES</b>		
Withholding Tax	213.48	213
Staff Loans	132,335.00	77,420
Salary Advance	10,000.00	-
Festival Advances	1,250.00	20,000
<b>Total</b>	<b>143,798.48</b>	<b>97,633</b>
<b>NOTE 15 - CASH &amp; CASH EQUIVALENTS</b>		
<b>CASH AT BANK</b>		
Standard Chartered Bank - No. 01 1123025 03	977,808.22	5,499,591
Standard Chartered Bank - No. 01 1123025 04	886,607.82	2,672,321
Standard Chartered Bank - No. 01 1123025 05	268,690.79	300,285
Standard Chartered Bank - Call Deposit-No. 02 1123025 01	226,537.20	344,539
Standard Chartered Bank - No. 01 1123025 02	456,927.81	50,920
Commercial Bank - No. 1470029589	2,750.00	102,500
Commercial Bank - No. 1470029590	215,488.99	48,083
Commercial Bank - No.1470029834	3,927,738.71	31,270,478
Commercial Bank - No. 1470021394	3,454,786.39	13,368,274
Commercial Bank - No. 1470027752	181,650.99	12,840,756
Commercial Bank - No.2470031249	2,012,221.43	-
Commercial Bank - No.1470030793	279,758.08	-
Commercial Bank - No.1470030794	39,362.25	-
Commercial Bank - No.1470030795	4,349,022.33	-
<b>CASH IN HAND</b>	<b>25,000.00</b>	<b>33,771</b>
<b>Sub Total</b>	<b>17,304,351.01</b>	<b>66,531,519</b>
Less; Bank Overdrafts	-	-
<b>Cash &amp; Cash Equivalents For The Purpose Of Cash Flow Statement</b>	<b>17,304,351.01</b>	<b>66,531,519</b>



(Contd...)

# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEED) LIMITED (PAFREEL)  
 NOTES TO THE FINANCIAL STATEMENTS (Contd...)  
 FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015  
 (All Amounts Are In Sri Lanka Rupees)

### NOTE 16 - FUND MOVEMENT ON PROJECT ACTIVITY

Donor	Project	Balance Brought Forward	Transferred From/To Unrestricted Funds	Funds Received During The Year	Funds Receivable At Year End	Funds Committed For The Year	Funds Returned To Respective Donors	Transferred To Statement of Financial Activities	Funds Receivable Written off	Balance Carried Forward
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Diakonia	Core Funding - 2015	-	-	2,838,908.69	-	2,838,908.69	-	2,838,908.69	-	-
The Asia Foundation	Sensitizing the Citizenry on Sustaining Democratization in Sri Lanka	-	297.18	3,047,436.00	-	3,047,436.00	-	3,047,733.18	-	-
Canada Fund for Local Initiatives (CFLI)	Sustaining Democratization in Serendipity	3,780,904.26	250.53	-	-	-	187,419.00	3,593,735.79	-	-
Embassy of Germany	Observing & Monitoring The Conduct of Presidential Election of 2015 By International Observers	2,094,550.00	-	-	-	-	1,154,060.00	940,490.00	-	-
Embassy of Netherlands	Deployment of International Observers At Sri Lanka - Presidential Election 2015	1,167,580.19	262.05	-	-	-	-	1,167,842.24	-	-
Embassy of Japan	Project for Sustaining Democratization in Sri Lanka	9,646,205.66	-	-	-	-	-	9,365,000.00	-	281,205.66
United States Agency For International Development (USAID)	Supporting Domestic Election Monitoring in Sri Lanka	39,444,367.81	(94.18)	-	-	-	-	38,665,044.63	779,229.00	-
British High Commission Colombo	Sustaining Democratization in Sri Lanka (Observe The Conduct of Presidential Election 2015)	11,421,433.54	568.80	435,219.00	-	435,219.00	-	11,857,221.34	-	-
British High Commission Colombo	Sustaining Democratization in Sri Lanka (Observe The Conduct of Parliamentary Election 2015)	-	-	18,364,723.45	-	18,364,723.45	-	12,529,616.78	-	5,835,106.67
Royal Norwegian Embassy	Observing & Monitoring The Conduct on Presidential Election 2015	18,280,046.03	423.22	4,823,750.00	-	4,823,750.00	-	20,612,690.55	-	2,491,528.70
United Nations Development Programme	Carrying out a Civic Campaign on The 12th March Declaration	-	-	1,303,122.00	-	1,303,122.00	-	1,303,122.00	-	-
European Union	Ensuring Electoral Integrity in the Electoral Process through Independent Election Observation & Remedial Action	-	-	42,500,000.00	-	42,500,000.00	-	38,576,384.14	-	3,923,715.86
Foundation Open Society Institute (OSF)	Observing & Monitoring The Conduct on Parliamentary Election 2015 by Foreign Observers	-	-	9,962,950.50	-	9,962,950.50	-	7,808,775.23	-	2,154,175.27
SPICE	Carrying Out Civic Campaign	-	-	178,186.00	-	178,186.00	-	178,186.00	-	-
Other	Media Campaign for Signature Campaign	-	-	300,000.00	-	300,000.00	-	300,000.00	-	-
		85,835,087.49	1,707.60	83,754,295.64	-	83,754,295.64	1,341,479.00	152,794,650.57	779,229.00	14,685,732.16



# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**AS AT 31<sup>ST</sup> DECEMBER**

*(All Amounts Are In Sri Lanka Rupees)*

	2015	2014
<b>NOTE 17 - DEFERRED INCOME</b>		
Balance At The Beginning Of The Year	3,017.12	4,267
Transferred To Accumulated Depreciation	(1,250.00)	(1,250)
Balance At The End Of The Year	<u>1,767.12</u>	<u>3,017</u>
<b>NOTE 18 - DEFINED BENEFIT OBLIGATIONS</b>		
Balance At The Beginning Of The Year	1,771,497.67	1,149,196
Charge For The Year	200,926.99	
Interest For The Year	150,577.30	
Deficit/(Surplus)	(340,679.19)	622,302
Payment Made During The Year	-	-
Balance At The End Of The Year	<u>1,782,322.77</u>	<u>1,771,498</u>
<b>NOTE 19 - ACCRUED EXPENSES</b>		
Drivers Overtime	-	13,423
Water- Head Office	7,076.25	31,168
Telephone	43,161.72	28,332
Office Transport	8,393.17	422,926
Audit Fee- Financial Audit	257,000.00	500,000
Equipment Maintenance	99,180.00	622,850
Printing	393,350.00	2,202,350
Employees Trust Fund	14,501.85	-
Pay As You Earn Tax	-	4,136
Company Secretarial Fee	4,000.00	-
Translation Charges	-	8,000
Welfare	7,000.00	-
Refreshments	-	116,968
Presidential Election 2015	-	1,386,518
Stationeries	42,752.28	573,043
Election Expenses	20,840.00	10,000
<b>Total</b>	<u>897,255.19</u>	<u>5,919,712</u>

*(Contd...)*





# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**

*(All Amounts Are In Sri Lanka Rupees)*

**NOTE 20 - OTHER PAYABLES**

	2015	2014
Provision For Employees Provident Fund & Employees Trust Fund	762,400.00	762,400
Provision For Pay As You Earn Tax	100,000.00	100,000
Norwegian Refundable Balance	-	(16)
<b>Total</b>	<b>862,400.00</b>	<b>862,384</b>

**NOTE 21 - RELATED PARTY TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS WITH THE GUARANTEE COMPANY**

Dr. Jehan Perera is a Director with whom the Company, has entered into a lease agreement for its office premises at an annual rental of Rs.660,000/=.



# Overview

## FINANCIAL STATEMENTS FOR YEAR ENDING 31<sup>ST</sup> DECEMBER 2014

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)  
TAX COMPUTATION  
FOR THE YEAR OF ASSESSMENT 2015/2016  
(All Amounts Are In Sri Lanka Rupees) Schedule

Adjusted Trade Profit - Miscellaneous Income		267,169
Interest Income	1.1	6,846
<b>Total Statutory Income</b>		<b>274,015</b>
<b>Less: Trade Loss</b>		<b>-</b>
<b>Assessable Income</b>		<b>274,015</b>
<b>Tax Free Allowance</b>		<b>(500,000)</b>
<b>Taxable Income</b>		<b>NIL</b>
<b>Tax Payable / (Refund Claimed)</b>		
Tax Liability at 10%		NIL

**Schedule 1.1 - Interest Income**

Interest	Net Interest	WHT	Gross Interest	Taxable
Commercial Bank - No 3470028651	28,132	2,446	30,578	-
Commercial Bank -No 3470028652	28,132	2,446	30,578	-
Commercial Bank -No 3470030693	57,081	4,964	62,045	-
Money Market Interest	58,737	5,108	63,844	-
Staff Loan Interest Income	6,846	-	6,846	6,846
<b>Total</b>	<b>178,928</b>	<b>14,964</b>	<b>193,891</b>	<b>6,846</b>

