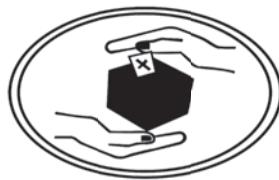


Annual Report

2014



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.

Board of Directors



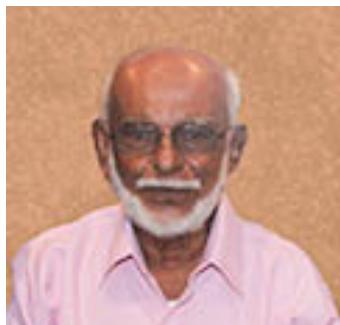
Deshabandu Mrs. Jezima Ismail
(Chairperson)



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, appearing to read "Deshabandu Mrs. Jezima Ismail".

Deshabandu Mrs. Jezima Ismail
Chairperson

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, appearing to read "Jehan Perera".

Dr. Jehan Perera
General Secretary

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 posses 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 read "Rohana Hettiarachchi".

Rohana Hettiarachchi
Executive Director

HIGHLIGHTS - 2014

March

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



April

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



May

Dialogue with Religious Dignitaries on Transforming the Political Culture, Kandy



June

1st 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 20th September 2014.



November

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



Overview

1. OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

1.1. Observing & Monitoring the Conduct of Elections to Western and Southern Provincial Councils – 2014

The elections were conducted on 29th March 2014 Postal voting took place on 13th & 14th of March 2014. 247 postal voting observers, 1202 stationary observers and 288 mobile observers were trained and deployed in the six districts with the assistance of district coordinators and divisional coordinators. Paffrel conducted 48 training sessions for stationary observers and 6 for mobile observers.

The observation process was divided into three phases. They were;

Pre – Pol - Pre-poll observing creates confidence of the observers among political activists who are the usual victims of violence in the electoral process. The focus during this period is on the propaganda campaigns launched by the candidates and the political parties, misuse of public properties and violence. The National Secretariat received 728 complaints and intervened in 278 cases.

Day of Polling - Observation was carried out using stationary and mobile observers. There were 1,202 trained stationary observers and 288 mobile observers of 80 mobile team involved in the observation process on the day of the poll. 147 complaints were attended to on this day. Paffrel deployed two at the All Party Operation Unit at the Elections Secretariat on the day of the poll.

Post poll - The observation during this period of two weeks, from 30th March to 12th April brought in 05 complaints and 02 were attended to and referred to the relevant authorities.

1.1.1. Managing Complaints Receiving and Intervention Unit at PAFFREL's Secretariat.

From the date of dissolving the two provincial councils PAFFREL organized and set up a center to receive complaints and intervene in reported cases at the national secretariat. Letters were sent out to political parties, independent groups and candidates informing them about the operation of the unit and extended support to those who sought our help. Further this unit attended to information gathered through tracking the media to make our presence even stronger. The functioning of this unit further strengthened with the support and coordination extended by 66 longterm Observers from 87 Divisional Secretary Divisions, among them there were 12 journalists. A seasoned legal officer was in charge of this unit and was assisted by two passed out law students and other support staff. The unit continuously coordinated with the All Party Operation Unit established at the Election Secretariat at the Department of Elections Colombo throughout the period of 66 days. One Assistant Coordinator daily visited the unit at the Elections Secretariat and maintained link with the complaints center at the National Secretariat of PAFFREL.



Overview

OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

1.1.2. Media Advocacy on Voter Education Programme

Attractively designed 8,000 posters and 25,000 informative hand bills were printed in Sinhala and Tamil languages and distributed to reach the electors in the six districts. The message carried;

- a). Criteria for selection of responsive representative
- b). How to cast one's vote
- c). Documents necessary to establish identity for exercising the franchise.

There were advertisements inserted in the print media also. On 28th and 29th March 2014 in Sinhala, Tamil and English newspapers the above mentioned messages were inserted.

1.1.3. Press Conferences for Election Monitoring

There were two media conferences held on 6th and 27th March 2014 to inform the general public on the situation with regard to the elections. Also a number of voice cuts were given and media statements were issued for dissemination of findings and information on the electoral process.

1.2 Observing & Monitoring the Conduct of Election to UVA Provincial Council – 2014

609,966 electors from the district of Badulla & 332,764 electors from Monaragala were eligible to exercise their franchise on 20th Sept 2014 to elect their representatives for the Uva Provincial Council.

The observation was conducted under three phase; Pre – election, day of the poll and post election. As soon as the Uva Provincial Council was dissolved Paffrel initiated observation with the deployment of Long term Observers at the Divisional Secretariat level. They were our focal point in getting primary information from the ground. The National Secretariat at Colombo had communication with them frequently and in case of urgency they were instrumental in confirming the incidents tracked by our complaint centre. There were 26 of them who have been with us in our initiatives over a period of time.

For the observation process Paffrel deployed a total of 750 trained observers of whom 532 were assigned to the polling centres and 30 mobile teams consisting of 4 observers each on the day of the poll.



Overview

OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

Throughout the observation exercise PAFFREL noted with disgust that some of the candidates devised new tactics to campaign for votes. The voters were influenced through material and psychological means. The government's relief programmes were timed to coincide with the election period for political ends. In the District of Monaragala Rs. 2500 per family was paid as drought relief assistance irrespective of the fact whether they were affected or not.

1.2.1. Managing Complaints Receiving and Intervention Centre at the National Secretariat in Colombo.

As in the past during the period of elections this centre commenced its function from the date call for nominations was made. We received numerous complaints especially from the District of Monaragala saying that under the camouflage of conducting public mobile service at each GN division, the government in power was promoting their candidates who were to contest the Uva PC poll. Therefore the functioning of this unit had a challenging task to intervene to minimize the number of violations of election laws taking place and intervene in significant cases. The centre was headed by a legal officer and assisted by trained staff to manage same.

Complaints were made by contesting candidates and other civic minded citizens from the two districts. Our long term observers and field coordinators played an important role in confirming the incidents reported to PAFFREL. In addition trained staff tracked the print and electronic media to report on incidents violating the laws with the

conduct of this election. In addition a trained assistant was posted to co-ordinate work with the all party operation unit established at the election secretariat in Colombo and the complaints receiving centre at Paffrel. He visited the Elections Secretariat daily to receive and update the information at the National Secretariat.

1.2.2. Media Advocacy on Voter Education.

Posters numbering 10,000 and 30,000 hand bills were designed, printed and distributed to reach the citizens of the two districts via our network of organizations and volunteers attached to Paffrel at various levels. The contents of the tools disseminate information to the general public on,

1. Criteria for selection of good representative
2. How to exercise the franchise
3. Documents indispensable for establishing ones identity at polling center.

A Score Card was designed, printed and used at the training of observers to assist the voter in selecting one's representatives in a justifiable manner. This is a special initiative undertaken by Paffrel under the programme of Transforming the Political Culture in Sri Lanka by trying to set a standard for the peoples representatives who stand at elections.

1.2.3. Press Conferences

Paffrel had two media conferences, one on 3rd Sept. 2014 and the second on 18th Sept. 2014 to release situation reports to the public and other stakeholders.



Overview

OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

The Asst. Commissioner of Elections, Monaragala requested Paffrel to assist around 4,500 eligible voters of the Siyabalanduwa Division in obtaining temporary identity cards issued by the Dept. of elections. Paffrel conducted 10 mobile clinics in this DS division and issued 540 eligible voters with photographs enabling them to get their temporary ID cards.

1.3. Observing & Monitoring the Conduct of Snap Presidential Election – 2015

The 5th president, His Excellency issued a proclamation on 20th Nov 2014, his intention to go before the electors of Sri Lanka for a mandate to hold office for a further term. In subsequent to this proclamation the Commissioner of Elections issued notice saying that; 1. The Presidential Election was scheduled to be held on 8th January 2015 and 2. nominations would be accepted on 8th December 2014 from 9.00a.m to 11.00 a.m. Postal voting was scheduled for 23rd & 24th Dec 2014. Paffrel as the first citizen – based election watch took up the challenge to observe and monitor the conduct of this snap election with her collaborators and volunteers in the network.

The following initiatives were taken immediately.

1. Preliminary meetings were conducted in Colombo and districts with collaborating partners.
2. Project staff was identified and deployed.
3. Additional staff was hired and trained.
4. 26 Field Coordinators were deployed after training in Colombo.
5. District Coordinators were deployed.
6. 302 Long Term Observers were trained and deployed.
7. Polling Division Coordinators were deployed to mobilize Stationary and Mobile Observers.

The complaint receiving and intervention centre was established at the National Secretariat of Paffrel in Colombo. The centre became operational from 8th of December headed by a legal officer and assisted by two legal assistants. Complaints were received from the political parties especially from the common candidate's office. Incidents were reported by the long term observers too. Through tracking the print and electronic media more incidents were recorded and appropriate actions were taken by the centre to intervene in the reported cases. They were reported to the Commissioner of Elections and the Inspector General of Police.

As at 31st Dec. 2014 the centre was reported with 710 incidents and of which 601 were confirmed. 180 of the confirmed incidents was of serious nature. Paffrel intervened in 69 cases.

1.3.1. Mobilizing and Training of Observers

The Commissioner of Elections organized polling to take place in 12,313 polling centres. Postal voting was held on 23rd, 24th, 25th & 30th of December 2014. Paffrel completed 273 training sessions by 31st Dce. 2014.

1.3.2. Observing the Process of Postal Voting

Paffrel deployed 1,000 trained volunteers to cover 30% of the certifying centers to observe the postal voting process. In addition 20 mobile teams were detailed to observe the exercise in the districts. In the north there was a significant number of members of the security forces entitled to cast their vote through the postal voting process. Since observation at the army camps was difficult for the local civil society organizations three teams of lawyers and civil society activists were sent to the north from south to observe the postal voting.

Paffrel's observation is further strengthened by the presence of 34 foreign observers from ANFREL, a regional network of election monitoring organizations in the region of which Paffrel is also a member. The Commissioner of Elections given accreditation to Paffrel to invite these observers to be deployed for the monitoring of the Presidential Election.

Overview

OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

They arrived in Sri Lanka by the 27th of December and attended the orientation programme on the 28th of December before they were posted to the districts. The Commissioner of Elections and the Commissioner General of Registration of Persons requested the observation groups to organize mobile services to assist the eligible voters who do not possess national identity card to either apply for same or apply for temporary identity card issued by the Department of Elections. Paffrel undertook to conduct mobile camps in the districts of N' Eliya and Matale.

identity at the polling centre. 62 of such meetings were conducted and around 1,500 participants attended same. In the district of Mullativu the personnel from the Department of Elections volunteered to contribute as resource persons.

1.3.3. Vote Count

The observation process becomes ineffective if access to the entire election process is not entertained.



CHAIRMAN OF ANFREL ADDRESSING THE REPRESENTATIVES OF THE ELECTION OBSERVATION BODIES

Paffrel designed and printed 7,000 posters in Sinhala and Tamil languages to disseminate information to the needy people on the documents needed to apply for national identity card and venue of the service. From 11th to 16th of December 2014 the service was offered at 12 centers in the district of N- Eliya. In Matale they were conducted from 17th to 19th in 6 locations. In addition in the District of Mullaitivu with the assistance of the Divisional Secretaries in coordination with the Assistant Commissioner of Elections, Paffrel with the help of Sarvodaya and volunteers helped large number of eligible voters to apply for temporary identity cards by providing photographs free of charge. A similar initiative was launched in Mannar also. Taking into consideration the situation prevailed in the Northern Province, Paffrel was able to conduct voter education meetings to create awareness among the citizens on the voting procedure and required legal documents for establishment of

Paffrel has been trying to convince the authorities to change their attitudes and make entry possible to the observers to the vote counting process. In this election the Commissioner of Elections granted approval to observe vote count Paffrel prepared necessary training materials and tools for the observation.

Overview

2. ADVOCACY AND AWARENESS CREATIONS

2.1 Strengthen & Support the Annual Revision of Electoral Register 2014

As in the past Paffrel continued its contribution towards improving the revision process.

The activities for 2014 in a nutshell;

- Since 2013, June 1st has been declared as the day of elector. In 2014 too, Paffrel jointly with the Department of Elections carried out a National Programme at the districts and Colombo to commemorate the day. We printed 27,000 stickers in two languages and distributed island wide and got pasted by our volunteers.
- Issuing press releases and news briefing

Two press releases on the annual revision of electoral register 2014 were sent to all media organizations to be inserted in their media programmes on the commencement of the process and asking the eligible electors to apply through the BC Forms distributed by the respective Grama Niladaries or the special enumerators. Further they were reminded to fill the form properly and hand over to their GNs or enumerators and asked for a receipt (duly signed).

In addition, 8 voice cuts were given to media personnel to be included in their news programmes.

To strengthen the revision of electoral register 2014, Paffrel carried out a voter education programme in the month of June in the Divisional Secretariat Division of Panwila in Kandy District, the D.S. division of Ambagamuwa in N/Eliya District and the D.S. division of Hali Ela in Badulla District. Paffrel designed and printed leaflets and posters in two languages which included information on the first phase of the electoral process. Campaign of distributing leaflets and pasting posters were carried out with volunteers of Paffrel and ISD.

The activity was funded by CARE – Sri Lanka from their EU grant.

2.1.1 Facilitation Centre at Paffrel for Revision of Electoral Register 2014

The facilitation centre set up at the National Secretariat continued to operate to support the field efforts and give guidance and advice to the needy citizens who contacted the centre in response to various initiatives. The centre had trained and capable staff to provide assistance to the people who contacted the centre.

As a major election was expected in early 2015 the Commissioner of Elections advanced the date for certifying the electoral register to end October 2014.



ESTATE MANAGER IN DISCUSSION WITH PAFFREL'S TEAM IN N'ELIYA

Overview

ADVOCACY AND AWARENESS CREATIONS

The period of inspection of 21 days was advanced to September 2014. Care-Sri Lanka supported Paffrel to conduct campaign to advise the citizens of the change. Paffrel printed 10,000 hand bills and 3,000 posters to disseminate the information and remedial measures in case of deletion or omission of one's name from the register.



2.2.Discussion on Electoral Law Reforms

PAFFREL and Transparency International –Sri Lanka conducted a preliminary level discussion on Electoral Law Reforms on 21st May 2014 at the auditorium of National Library and Documentation Board, Colombo -7.

The discussion was focused towards the common issues which were violated at each and every election and to be managed without major changes in the existing laws like illegal campaigning, campaign finance, assets declaration, etc.. Among the participants there were legal practitioners, Retired Assistant Commissioners of Elections, political party representatives and a few civil society representatives who were interested in the subject.

The participants agreed to continuously support the initiative to promote the reforms.



Overview

3. CITIZEN'S ACTIVATION FOR TRANSFORMING THE POLITICAL CULTURE

3.1. Citizen's Activation for Transforming the Existing Political Culture in Sri Lanka.

Paffrel initiated a programme to mobilize all relevant stakeholders transforming the current political culture which was identified as the major cause for almost all issues in the society. One of the expectations of this initiative is to advocate for a set of criteria for the selection of candidates by the political parties. This will help the political hierarchy to nominate most credible candidates who will give due respect to good practices from their party to contest the elections.

The components included;

- A research, carried out by a team led by Prof. K.Karunaratilleke of the University of Kelaniya to study the people's perception, root causes for the current status and to identify the role of citizens in transforming the political culture.
- 21 dialogues were conducted with different sectors to find out;
 - i. Root causes for the current political culture
 - ii. Criteria for selection of candidates
 - iii. A proper plan for implementation in the near future

- One day dialogue was held in Colombo to prepare a strategic plan for action
- Small sector meetings were conducted with the following groups;

i. Academics

Dialogues were held with the academic staff of the University of Jaffna. 15 of them attended the discussion held in the university premises. The need to make changes to the electoral systems and improving the attitudes of the politicians of the south was discussed. A decision was made to continue with discussions and extend the initiative to other areas of the civil society.

ii. Undergraduates

A programme was organized by the Senior Lecturer of the Department of Politics of the University of Peradeniya was held in November 2014. About 100 undergraduates attended this event. Matters raised at this meeting was contributory to strengthen the initiative of making a change in the political culture.

iii. University Staff

A discussion was held with the employees of the University of Jaffna at their staff room. 12 participants of the employees union participated and they all agreed to work with Paffrel in helping to transform the political culture of the country.



Overview

CITIZEN'S ACTIVATION FOR TRANSFORMING THE POLITICAL CULTURE

iv. National Youth Service Volunteers

At the Divisional Secretary's division of Ruwanwella a total of 15 young persons representing different youth groups took part in a discussion on how the youth could be of use in transforming the existing political culture. The event was co-ordinated and organized by the Social Service Officer and Youth Officer of the division. The discussion brought out a suggestion to mobilize the youth of the country into a youth force for change.

v. Religious Dignitaries

Number of discussions were held with religious dignitaries during the last lap of 2014. In a nutshell the details are listed below;

1. With the Catholic Church of Jaffna, a discussion was facilitated by HUDEC-CARITAS in Jaffna. HUDEC has been helping to disseminate awareness and knowledge to the members of the family of the diocese during our electoral process related work. We have found it to be very fruitful. The members of the clergy assured us with assistance in making use of their churches to improve awareness and knowledge of their members.

2. In the District of Kandy number of Ven. Theros, Rev. Fathers of different Christian churches and Moulavis of Islam faith pledged support to make this dream a reality. They suggested to start this at the Sunday School and said that the parents also should accompany the children for the initiatives designed and implemented.

- On the 19th December 2014 Sarvodaya Volunteer Force held their National Conference at Sarvodaya Vishva Samadhi Main Hall at Moratuwa. Paffrel also contributed and participated in this event. Paffrel produced a leaflet and distributed among the 427 participants from 25 districts. The leaflet contained reading material promoting the need to change the current political culture.

Paffrel emphasized the urgent need for a transformation in the society towards practicing good governance in order to sustain democratisation. The participants' moral was promoted to contribute as change agents in their respective areas of operation. This initiative assisted the volunteers to build their characters.



Overview

CITIZEN'S ACTIVATION FOR TRANSFORMING THE POLITICAL CULTURE

- On the 13th of September 2014 a dialogue was initiated by Paffrel to discuss on the qualities that the representatives of people should possess at Lakshman Kadiragamar Institute for International Relations and Strategic Studies. Around 60 participants representing political parties, academics, religious groups, civil society, students and media attended the event. The discussion was held under the following headings;

1. Role of the politician
2. People's expectation
3. People's role in establishing good governance

The discussion was moderated by a team headed by Prof. Sumanasiri Liyanage. A number of suggestions was discussed and accepted for action by the participants. Derana TV recorded the programme, edited and telecast over Derana TV.



REPRESENTATIVES OF POLITICAL PARTIES AT THE DISCUSSION IN KANDY



CONSULTATION WITH LEADING POLITICIANS AT RENUKA HOTEL COLOMBO 03

Overview

4. FACILITATING TO OBTAIN LEGAL DOCUMENT

4.1 Facilitating the Process of Obtaining National Identity Cards in the District of Nuwara Eliya and Matale.

From 11th to 19th December 2014, eight mobile camps were conducted in the Districts of N’Eliya and Matale facilitating the provision of identification documents. The Commissioner of Elections and the Commissioner General of Registration of Persons requested the observation groups to assist the mobile services organized to

issue national identity cards or temporary identity cards to eligible electors who do not possess anyone of the required document to establish identity at poll. Paffrel designed, printed and displayed 7,000 posters in Sinhala and Tamil to mobilize the people to avail them of this facility. Paffrel printed 1,000 copies of guide book on issuing national identity card prepared by the department and distributed among the Village Officers (GNs) of the two districts. 5,137 applications were processed and passed for issuing NICs. 6,345 voters were assisted in getting temporary identity cards issued by the Department of Elections.



Overview

5. PAFFREL RESOURCE CENTRE

5.1 Initiative to Enlarge Knowledge

As in the past years, Paffrel's resource centre has functioned for supporting the organization initiatives in many ways.

During the period the Coordinator of resource center organized few 3-4 hours discussions with A/L students of Sri Sumangala Vidyalaya, Panadura on 2nd June 2014 and Loyala Vidyalaya, Negombo on 20th June 2014 on good governance, human rights and raising their points in effective way at their inter school debate.

Besides that, Officers of the Ministry of Mass Media obtained information and data relevant to the past elections for their reports. As usual number of University students visited the resource centre for collecting data and information for their studies.

Since an early major election was expected there were numerous requests from various parties for information with regard to earlier elections. The centre was busy preparing information to meet their requests. The Co-ordinator was assisted by the documentation officer and other staff in preparing the relevant documents. New reading materials related to political and social field were collected. A publication was printed in co-ordination with the Commissioner General of the Department of Registration of Persons to guide the GNs in their documentation work with the objective of performing their duties effectively to meet the requirements of the citizens'. Publications with regard to the services obtained from Provincial Councils were collected from Asia Foundation and distributed to our trainers to be used in the workshops to educate the citizenry.



Overview

6. LEGAL INTERVENTION

6.1 Fundamental Rights Case to the Supreme Court.

During the Uva Provincial Council Election campaign period the ruling party (UPFA) distributed drought relief in the Moneragala district. It was questionable why this particular drought relief programme was meant solely for this district though there were many other districts worst hit by the dry spell. Also, we were in a dilemma as to why the Economic Development Ministry was involved in this programme though it was a matter coming under the purview of the Disaster Management Ministry established for such purposes. According to reports, only 50,000 families had been affected by the drought in Moneragala. Yet, a larger number of families were hit by it in the districts such as Anuradhapura and Polonnaruwa. Leaving such affected districts, only the Moneragala district were selected for this programme leaving room for anyone to interpret it as a kind of bribe for voters ahead of the election. In this manner, voters could be duped into believing that the drought relief was a donation from a certain party ahead of the election. The participation of the authorities of Divineguma and Agriculture Research, identified with the political establishment, validated such assumptions of voters. Against this backdrop PAFFREL resorted to legal action. With the complaint of PAFFREL , initially Election Commissioner suspended the distribution of drought relief in the Monaragala district as it might seem like a politically motivated move during the election period. But a group of farmers from those districts filed a fundamental rights case against it. As a result aid distribution resumed. PAFFREL perceived this as unjust and thus instituted legal action.

PAFFREL filed a fundamental rights case at the Supreme Court (SC9FR) Application No-258/2014 and highlighting below listed points;

1. There were more than 10 districts affected by the drought and also at least 3 districts were effected severely than Monaragala.
2. Resume aid distribution after 20th September.
3. Distribute drought relief to the other affected districts in a similar manner
4. If relief/ aid distribution occur in future during election period, it had to be initiated under Election Commissioners approval.

Overview

7. PARTICIPATION OF STAFF MEMBERS AS INTERNATIONAL OBSERVERS

7.1 Participation of Staff Members as International Observers

Mr. Rohana Hettiarachi, Executive Director of PAFFREL participated as an international observer with the financial support of The Asia Foundation for observing and monitoring the local election held from May 31st to 4th June 2014 in South Korea. The event was organized by The Association of World Election Bodies (A-WEB) and South Korean Election Commission.

Through this participation Paffrel was able to learn good practices in South Korean electoral system and how we can introduce positive learning into the Sri Lankan electoral system.



Overview

8. CAPACITY DEVELOPMENT EVALUATION

8.1 Participation of Staff Members in OCA

Paffrel staff attended a two day Organization Capacity Assessment (OCA) workshop held at Paffrel board room on 29th and 30th April 2014. The workshop was conducted by MDF South Asia training team on behalf of Diakonia-Sri Lanka.

Through this two day workshop, capacities and weakness of Paffrel was assessed and an action plan was prepared for mitigating those issues for strengthening Paffrel to be a more effective and efficient civil society organization.



Overview

PARTICIPATION OF STAFF MEMBERS IN CONFERENCES

8.2 Participation of Staff Members in HAP Workshop

Executive Director of PAFFREL and two staff of Programme Division participated in a 3 day residential workshop on Humanitarian Accountability Partnership (HAP) workshop from 3rd to 5th November 2014 at Oya Family Park Resort in Dambulla. This workshop was organized by Diakonia – Sri Lanka in collaboration with CHA.



Overview

9. PARTICIPATION OF STAFF MEMBERS IN STUDY COURSES

9.1 Participation of Staff Member in an Exposure Visit to Cambodia

Mr. Indika Jeewandara, Office and Project Finance Coordinator of PAFFREL visited Cambodia on an exposure visit from 9th to 13th August 2014 with representatives of few other civil society organizations of Sri Lanka. During the visit the participants of CSOs shared the challenges, strategies, advocacy methods etc.,

with the representatives of leading CSOs in Cambodia. The visit was organized by the Diakonia – Sri Lanka office and Diakonia-Cambodia.



Overview

10. MEMBERSHIP IN INTERNATIONAL ORGANIZATION

10.1. Membership in ANFREL

In 1999, PAFFREL became a member of the Asian Network for Free Elections Foundation – ANFREL based in Bangkok. Since then PAFFREL has taken a very active part in its activities.

During the year under review, Mr. Rohana Hettiarachchi, Executive Director of PAFFREL, continued to function as the General Secretary of ANFREL. He was elected again to this office in May 2013 for a three-year term.



www.anfrel.org

10.2. Membership in ASPBAE

PAFFREL is a member of the Asia South Pacific Association for Basic and Adult Education – ASPBAE – too. ASPBAE was established in Sydney, Australia in 1964.

It is a regional association of more than 200 organizations and individuals.



Asia South Pacific Association
for Basic and Adult Education
Learning Beyond Boundaries

www.aspbae.org

10.3. Membership in GNDEM

PAFFREL is a member of Global Network for Domestic Election Monitors – GNDEM since 2008. GNDEM is operating in more than 90 countries on five continents since 1986, millions of citizens have joined nonpartisan election monitoring efforts to safeguard electoral integrity, help create governmental and political accountability, contribute to mitigating potentials for politically motivated violence and promote the right of citizens to participate in public affairs. The widespread development of nonpartisan election monitoring around the world is tangible evidence of citizen desire for responsive, transparent, democratic governance.



www.gndem.org

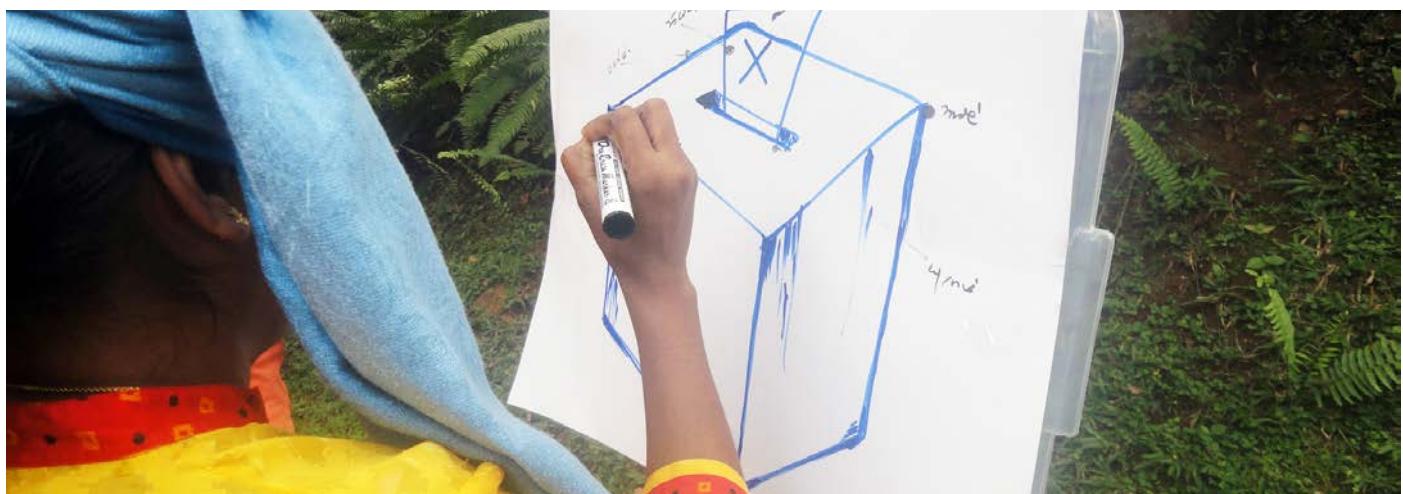
Overview

11. OTHER ACTIVITIES

11.1 New Year Celebration

PAFFREL's staff celebrated the Sinhala and Hindu New Year 2014 with their family members on 10th April 2014 at Serenity Village, Padukka. On the day few New Year games were conducted,

staff and their members enthusiastically participated in games and enjoyed.



Overview

12. OUTCOMES OF PAFFREL INITIATIVES OF 2014

- Research was conducted and draft report prepared and circulated among the members of advisory committee and project staff on Citizen's Role in Transforming the Political Culture.
- Commitment from various sectors was received for making positive change in the existing political culture. Sectors included CSOs , Academics, Media, Politicians, Youth groups, Religious dignitaries, Business Community, Trade Unions etc..
- A criteria for selection of candidates was developed
- 2,426 volunteers were mobilized, trained and deployed to observe the elections conducted during the year 2014.
- 10,086 volunteers were trained to participate in observing the Presidential Election to be conducted in January 2015.
- A total of 6,083 beneficiaries attended the mobile clinics conducted in the Districts of N'Eliya and Matale to facilitate the process of obtaining National identity Cards.
- In the District of Mullaitivu an initiative was implemented by our trained volunteers in 86 GN Divisions to issue photographs free of charge to 2,231 eligible voters to apply for temporary identity card issued by the Department of Elections in Dec.2014. Our volunteers through public campaign mobilized the needy voters to visit their respective GN office for same.
- Due to our continuous negotiations with the Department of Elections in the District of Mullaitivu which has 130 GN Divisions the number of polling centres were increased from 50 to 130. This improved the accessibility of the voters to the polling centres.
- After 2008, the academic staff and employees of the University of Jaffna came out of fear and discussed openly with the team of Paffrel within the compound of the University on the need to change the political culture.
- The Commissioner of Elections allowed the observers access to the counting process for the Presidential Election 2015
- Paffrel was able to strengthen the check and balance system of the electoral process to win the confidence of the voters and political candidates specially those who did not have power.
- The student population and researchers for referral study for their work used the Resource Center.
- Senior Politicians including His Excellency the President of Sri Lanka was able to be interviewed by our research team for the project on Citizens' Activation for Transforming the existing Political Culture of Sri Lanka

Overview

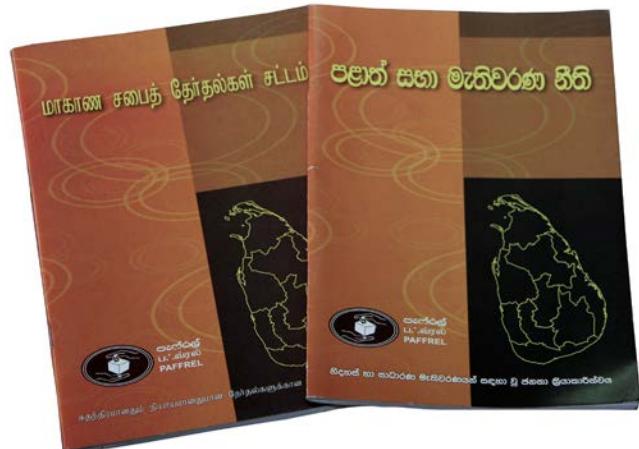
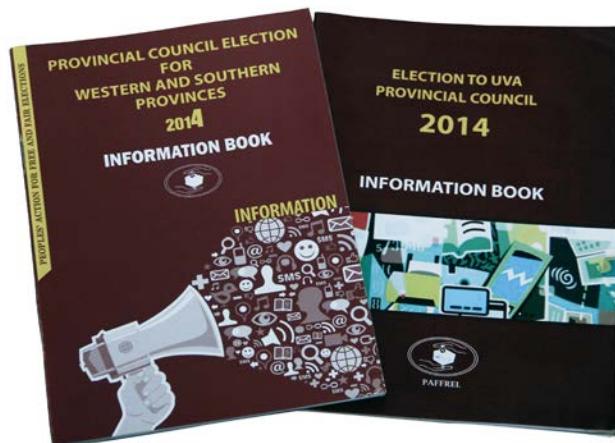
13. PUBLICATIONS OF PAFFREL DURING THE PERIOD

13.1 Publications

In 2014 Paffrel published the Provincial Council Election Laws and Observers Manual booklets in Sinhala and Tamil languages. Provincial Council Election Laws handbooks were distributed among Paffrel election observers, political party representatives and interested persons. Observers Manual was used only for training of election observers of Paffrel.

In addition polling agent's handbooks were printed and distributed to interested political parties.

In addition, Paffrel printed 3,000 copies of guide book in Sinhala and Tamil languages on issuing national identity card prepared by the Department of Registration of Persons and distributed among the Village Officers (GNs) Island wide.



Overview

15. PAFFREL STAFF - SOME VIGNETTES



Overview

16. FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND
FAIR ELECTIONS (GUARANTEE)
LIMITED (PAFFREL)**
AUDIT FOR THE YEAR ENDED
31ST DECEMBER 2014

Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST 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 AUDITOR'S REPORT

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

We have audited the accompanying financial statements People's Action for Free and Fair Elections(Guarantee) Limited, which comprise the statement of financial position as at 31st December 2014 and the statement of comprehensive income, changes in accumulated fund and the cash flow for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Scope of Audit and Basis of Opinion

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 a reasonable assurance whether the financial statements are free from material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

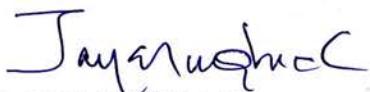
We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31st December, 2014 and the financial statements give a true and fair view of the financial position of the Company as at 31st December 2014 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations.(Including Non-Government Organizations)

Report on Other Legal & Regulatory Requirements

These financial statements also comply with the requirements of Section 151 (2) of the Companies Act No. 07 of 2007.



JAYASINGHE & CO.
CHARTERED ACCOUNTANTS

Colombo.

18th May 2015

AR/450/557/659/678/644



Russell Bedford International

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

L.D.A. Jayasinghe FCA,FCMA

Indranee Jayasinghe FCA, MPA (Harvard) – USA

PG Dip. (ISS) - Netherlands

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

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

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

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

Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	Note	2014	2013
OPERATING INCOME			
Restricted Revenue	03	44,494,508.58	40,161,046
Unrestricted Revenue	04	6,922,403.88	6,712,974
Total Operating Income		51,416,912.46	46,874,020
OPERATING EXPENDITURE			
Project Expenditure			
Personnel Cost	05	(9,339,336.87)	(2,716,216)
Programme Cost	05	(30,356,562.23)	(35,483,822)
Support Cost	05	(4,798,609.48)	(1,961,008)
Total Project Expenses		(44,494,508.58)	(40,161,046)
General Expenses			
Administration Cost	06	(5,081,807.63)	(5,659,655)
Total General Expenses		(5,081,807.63)	(5,659,655)
Total Operating Expenditure		(49,576,316.21)	(45,820,701)
Net Surplus/(Deficit) On Operating Activities		1,840,596.25	1,053,320
Other Income	07	236,485.26	1,172,508
Surplus/(Deficit) Before Tax		2,077,081.51	2,225,828
Income Tax	18	-	-
Surplus/(Deficit) For The Year After Tax		2,077,081.51	2,225,828

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



Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

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

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	2014	2013
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ASSETS

Non Current Assets

Property, Plant & Equipment	08	1,694,637.07	605,847
Intangible Assets	09	13,541.47	32,291
Fixed Deposits	10	1,064,177.42	-
Total		2,772,355.96	638,138

Current Assets

Advances, Receivables & Prepayments	11	29,320,189.78	1,354,001
Cash & Cash Equivalents	12	66,531,518.85	8,273,734
Total		95,851,708.63	9,627,735
Total Assets		98,624,064.89	10,265,874

FUNDING & LIABILITIES

Accumulated Fund

Restricted Funds	13	85,835,085.55	5,557,241
Unrestricted Funds	13	2,660,146.56	466,699
Capital Reserves	13	1,572,221.70	439,081
Total		90,067,453.81	6,463,020

Non Current Liabilities

Deferred Income	14	3,017.12	4,267
Defined Benefit Obligation	15	1,771,497.69	1,149,196
Total Non Current Liabilities		1,774,514.81	1,153,463

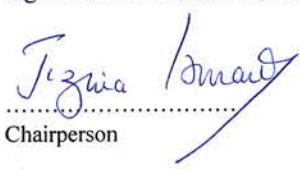
Current Liabilities

Accrued Expenses	16	5,919,712.27	1,742,624
Other Payables	17	862,384.00	906,766
Total		6,782,096.27	2,649,390
Total Accumulated Fund & Liabilities		98,624,064.89	10,265,874

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

15th May 2015
Colombo


General Secretary

Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31ST DECEMBER 2014
(All Amounts Are In Sri Lanka Rupees)

Description	Restricted Funds	Unrestricted Funds	Capital Reserve	Total
Balance As At 01st January 2013	6,045,212.03	(1,759,129.26)	338,591.93	4,624,674.70
Funds Received For The Year	39,963,737.22	6,422,312.19	-	46,386,049.41
Funds Transferred To/From Unrestricted Funds	(290,661.87)	290,661.87	-	-
Net Surplus/(Deficit) For The Year	-	2,225,827.91	-	2,225,827.91
Assets Capitalized From Projects	-	-	207,665.00	207,665.00
Depreciation On Capitalized Assets From Projects	-	-	(107,176.29)	(107,176.29)
Funds Returned To Respective Donors	-	-	-	-
Funds Transferred To Statement Of Comprehensive Income	(40,161,046.40)	(6,712,974.06)	-	(46,874,020.46)
Balance As At 31st December 2013	5,557,240.98	466,698.65	439,080.64	6,463,020.27
Funds Received For The Year	13	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 Donors		(899,261.55)	-	(899,261.55)
Funds Transferred To Statement Of Comprehensive Income	13	(44,494,508.58)	(6,468,322.30)	(50,962,830.88)
Balance As At 31st December 2014	85,835,085.55	2,660,146.56	1,572,221.70	90,067,453.81

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



Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

Note

	2014	2013
Operating Surplus/(Deficit)	2,077,082	2,225,828
Add:		
Depreciation	100,235	163,314
Provision For Gratuity	622,302	235,896
Amortisation Of Intangible Assets	18,750	17,709
Less:		
Unclaimed Cheques Written Off	(44,382)	-
Gratuity Paid	-	(66,236)
Cash Committed From Donors Not Used For Activities	-	296,690
Interest Income	(109,201)	(14,920)
Funds Returned To Respective Donors	-	-
Operating Profit / (Loss) Before Working Capital Changes	2,664,785	2,078,718
Add/ (Less) : Working Capital Changes		
(Increase)/Decrease In Debtors & Receivables	(27,966,189)	2,706,899
(Decrease)/Increase In Accrued Expenses & Other Payables	4,177,088	(496,138)
Net Cash Inflow / (Outflow) From Operating Activities	(21,124,316)	4,289,479
Cash Flow From Investing Activities		
Acquisition Of Property, Plant & Equipment	(57,134)	(161,400)
Acquisition Of Intangible Assets	-	(25,000)
Net Cash Inflow / (Outflow) From Investing Activities	(57,134)	(186,400)
Cash Flow From Financing Activities		
Funds Received During The Year	81,293,473	-
Funds Returned To Donors	(899,262)	-
Interest Received	109,201	14,920
Invesment In Fixed Deposits	(1,064,177)	-
Net Cash Inflow / (Outflow) From Financing Activities	79,439,234	14,920
Net Increase / (Decrease) In Cash & Cash Equivalents	58,257,785	4,117,999
Cash & Cash Equivalents At The Beginning of The Year	8,273,734	4,154,535
Cash & Cash Equivalents At The End of The Year	12 66,531,519	8,273,734

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



Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED
(PAFFREL)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

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 Non-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 had been incorporated initially under the Companies Act, No. 17 of 1982 and then re-registered under the Companies Act, No. 7 of 2007 on 27th November 2008 as a Company Limited by Guarantee. In the event a Guarantee Company is wound up, the liability of each member is limited to Rs. 1,000/=.

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 its 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 31ST DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED
(PAFFREL)
NOTES TO THE FINANCIAL STATEMENTS (*Contd...*)
FOR THE YEAR ENDED 31ST DECEMBER 2014**

1.3 Governing Body

The Directors present herewith the audited financial statements for the year ended 31st December 2014. The Directors are responsible for preparing and presenting the financial statements. The Directors of the Company as at 31st December 2014 were,

Mr. Abdul Hameed Ghouzul Ameen
Mr. Hashim Budree
Dr. Jehan Perera
Dr. Vinya Ariyarthna
Ms. Saroja Sivachandran
Ms. Jezima Ismail
Ven. Saddhajeewa Ethkaduwawa
Ms. Yvonne Visaka Darmadasa
Mr. Mariapillai Sellamuthupillai Mookiah
Mr. Kankanige Karunathilake
Mr. Herath Mudiyanselage 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 Gunawardana Mawatha,
Robert Terrace,
Colombo 06.

1.6 Auditors

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



Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

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

**NOTES TO THE FINANCIAL STATEMENTS (*Contd...*)
FOR THE YEAR ENDED 31ST DECEMBER 2014**

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The statements of financial position, comprehensive income, changes in accumulated fund and the cash flows together with the notes to the financial statements 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 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 determined. The resulting 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 the property plant & equipment, over their estimated useful lives 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 the expenditure.

(Contd...)



Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED
(PAFFREL)
NOTES TO THE FINANCIAL STATEMENTS (*Contd...*)
FOR THE YEAR ENDED 31ST DECEMBER 2014**

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 following criteria are met.

- Technically feasible to complete the software product so that it will be available for use;
- Management intending to complete the software product and use or sell it;
- Ability to use or sell the software product;
- Ability to demonstrate how the software product will generate future economic benefits;
- Adequacy of technical, financial and other resources to complete the development and availability to use or sell the software product; and
- Ability to reliably measure the expenditure attributable to the software product during its development.

Other development expenditure that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense 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 organization 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...)

Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED
(PAFFREL)
NOTES TO THE FINANCIAL STATEMENTS (*Contd...*)
FOR THE YEAR ENDED 31ST DECEMBER 2014**

2.7 Accounting for the Receipts & Utilization of Funds

Unrestricted Funds

Unrestricted funds are those that are available for use by the Company at the discretion of the Board, in furtherance of its general objectives 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.

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.

A provision is recognized in the statement of financial position when the Company 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.



(Contd...)

Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED
(PAFFREL)
NOTES TO THE FINANCIAL STATEMENTS (*Contd...*)
FOR THE YEAR ENDED 31ST DECEMBER 2014**

2.9 Employee Benefits

2.9.1 Defined Contribution Plan – EPF & ETF

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

2.9.2 Defined Benefit Obligations

Terminal benefits are provided for all employees of the Company 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 used for the purposes of the Company 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 Company is legally entitled to use 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.

(a) Interest Income

Interest income is recognized using the effective interest method.



(Contd...)

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FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED
(PAFFREL)
NOTES TO THE FINANCIAL STATEMENTS (*Contd...*)
FOR THE YEAR ENDED 31ST DECEMBER 2014**

(b) Service Income

Revenue earned on service rendered is recognized in the accounting period in which the service was rendered.

(c) 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 of disposal and any related selling expenses.

(d) 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 Company are recognized in the statement of comprehensive income during the period in which they are incurred. Other expenses incurred in administering and running the Company 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.



Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

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

NOTE 03 - OPERATING INCOME - RESTRICTED REVENUE

	2014	2013
Diakonia	7,150,516.37	1,333,334
British High Commission Colombo	12,166,424.61	4,944,293
Care International	754,009.60	289,794
The Asia Foundation	2,218,043.96	-
Diakonia Project	10,206,131.97	1,165,963
Canada Fund for Local Initiatives (CFLI)	1,360,080.10	2,557,180
German Embassy	5,450.00	14,886,037
Netherlands Embassy	346,420.81	-
Japanese Embassy	2,740,600.00	11,104,677
National Democratic Institute (NDI)	-	3,879,768
USAID	5,460,127.19	-
Royal Norwegian Embassy	2,086,703.97	-
Total	44,494,508.58	40,161,046

NOTE 04 - OPERATING INCOME - UNRESTRICTED REVENUE

Diakonia (Core Funder)	6,922,403.88	6,712,974
Total	6,922,403.88	6,712,974

(Contd...)



Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)
 NOTES TO THE FINANCIAL STATEMENTS (Contd...)
 FOR THE YEAR ENDED 31ST DECEMBER 2014
 (All Amounts Are In Sri Lanka Rupees)

NOTE - 05 PROJECT ACTIVITY SUMMARY

Donor	Project	Income Rs.	Personnel Cost Rs.	Expenditure		Total Cost Rs.
				Programme Cost Rs.	Support Cost Rs.	
Diakonia	Core Funding - 2014	7,150,516.37	927,536.25	5,484,198.79	738,781.33	7,150,516.37
British High Commission Colombo	Observe The Conduct Of Provincial Council Elections	11,333,009.15	3,340,791.00	6,676,116.74	1,316,101.41	11,333,009.15
Care International	Research On Situational Assessment On Voter Registration	754,009.60	-	752,509.60	1,500.00	754,009.60
The Asia Foundation	Western & Southern Provincial Council Elections 2014	2,218,043.96	379,180.00	1,615,468.20	223,395.76	2,218,043.96
Diakonia Project	Citizens' Activation For Transforming The Political Culture	10,206,131.97	2,307,113.50	6,614,836.15	1,284,162.32	10,206,131.97
Canada Fund for Local Initiatives (CFLI)	Sustaining Democratization In Serendipity	1,350,080.10	185,690.00	722,012.50	452,377.60	1,360,080.10
German Embassy	Observing & Monitoring the Conduct Of Presidential Election Of 2015 By International Observers	5,450.00	-	-	5,450.00	5,450.00
Embassy Of Netherlands	Deployment of International Observers At Sri Lanka - Presidential Election 2015	346,420.81	-	305,339.45	41,081.36	346,420.81
Japanes Embassy	Project For Sustaining Democratization In Sri Lanka	2,740,600.00	985,000.00	1,400,600.00	355,000.00	2,740,600.00
United States Agency For International Development (USAID)	Supporting Domestic Election Monitoring In Sri Lanka	5,460,127.19	857,177.00	4,423,282.00	179,668.19	5,460,127.19
British High Commission Colombo	Sustaining Democratization In Sri Lanka (Observe The Conduct of Presidential Election 2015)	833,415.46	275,924.56	388,681.20	168,809.70	833,415.46
Royal Norwegian Embassy	Observing & Monitoring the Conduct On Presidential Elections 2015	2,086,703.97	80,924.56	1,973,497.60	32,281.81	2,086,703.97
TOTAL		44,494,508.58	9,339,336.87	30,356,562.23	4,798,609.48	44,494,508.58

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FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

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

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

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

NOTE 06 -ADMINISTRATION COST

	2014	2013
Salaries	1,553,924.93	1,991,747.05
Staff Training	10,000.00	28,985.00
Staff Travel	471,598.50	751,558.50
Utilities	368,307.58	738,494.83
Printing & Stationery	375,745.07	308,924.82
Financial Support For Partner Organizations	30,500.00	32,599.59
Fixed Assets Maintenance	316,266.50	145,995.00
Sundry Expenses	937,426.81	1,016,456.00
Bank Charges	66,751.85	46,475.00
Audit Fees	210,000.00	181,500.00
Depreciation-Own Assets	100,234.83	163,313.78
Intangible Assets Amortisation	18,750.00	17,708.53
Gratuity	622,301.56	235,896.43
Total	5,081,807.63	5,659,655

NOTE 07 - OTHER INCOME

Unclaimed Cheques Written Off	44,381.92	-
Miscellaneous	9,602.82	30,588
Interest Income	109,200.52	14,920
Contributions	73,300.00	633,000
Local Fund Raising	-	494,000
Total	236,485.26	1,172,508

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Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

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

NOTES TO THE FINANCIAL STATEMENTS(Contd...)

AS AT 31ST DECEMBER 2014

(All Amounts Are In Sri Lanka Rupees)

NOTE 08 : PROPERTY, PLANT & EQUIPMENT

Cost or Valuation

	Office Equipment	Furniture & Fittings	Computers	Total
Balance As At 1st January 2013	1,496,970.40	644,832.92	1,348,005.35	3,489,808.67
Additions - Own Assets	161,400.00	-	-	161,400.00
Additions - Project Assets	66,665.00	-	146,000.00	212,665.00
Balance As At 31st December 2013	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
Balance As At 31st December 2014	2,157,115.40	795,749.32	2,295,955.35	5,248,820.07

Accumulated Depreciation

	Office Equipment	Furniture & Fittings	Computers	Total
Balance As At 1st January 2013	1,488,305.06	613,655.00	884,843.67	2,986,803.73
Depreciation - Own Assets	109,664.05	3,733.50	49,916.23	163,313.78
Depreciation - Project Assets	10,264.17	-	97,645.00	107,909.17
Balance As At 31st December 2013	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
Balance As At 31st December 2014	1,714,094.05	624,539.00	1,215,549.95	3,554,183.00

Carrying Amounts

As At 31st December 2013	116,802.12	27,444.42	461,600.45	605,846.99
As At 31st December 2014	443,021.35	171,210.32	1,080,405.40	1,694,637.07

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FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

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

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

AS AT 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

NOTE 09 - INTANGIBLE ASSETS

	2014	2013
Cost or Valuation	148,650.00	123,650
Additions For The Period	-	25,000
Accumulated Amortization	(116,358.53)	(98,650)
Amortization For The Period	(18,750.00)	(17,709)
Net Book Value	13,541.47	32,291

NOTE 10 - FIXED DEPOSITS

Commercial Bank - No 3470028651	532,088.71	-
Commercial Bank -No 3470028652	532,088.71	-
Total	1,064,177.42	-

NOTE 11 - ADVANCES, RECEIVABLES & PRE-PAYMENTS

Deposits - American Water	16,000.00	16,000
Advances	12,162,764.30	1,337,789
Grants Receivable From Donors		
Restricted Funds	17,043,792.00	(1)
Unrestricted Funds (Diakonia)	-	-
Other Receivables	11.01	213
Total	29,320,189.78	1,354,001

NOTE 11.01 - OTHER RECEIVABLES

Withholding Tax	213.48	213
Staff Loans	77,420.00	-
Pay As You Earn Tax	-	-
Festival Advances	20,000.00	-
Total	97,633.48	213

NOTE 12 - CASH & CASH EQUIVALENTS

CASH AT BANK

Standard Chartered Bank -No 01 1123025 03	5,499,591.00	314,520
Standard Chartered Bank - No01 1123025 04	2,672,321.23	11,406
Standard Chartered Bank - No01 1123025 05	300,285.37	186,631
Standard Chartered Bank - Call Deposit-No 02 1123025 01	344,538.77	6,647,714
Standard Chartered Bank - No01 1123025 02	50,920.30	18,998
Commercial Bank -No 1470029589	102,500.00	-
Commercial Bank -No 1470029590	48,083.00	-
Commercial Bank - No1470029834	31,270,478.25	-
Commercial Bank -No 1470021394	13,368,274.27	366,495
Commercial Bank - No 1470027752	12,840,755.66	702,969

CASH IN HAND

Cash In Hand	33,771.00	25,000
Sub Total	66,531,518.85	8,273,734

Less; Bank Overdrafts	-	-
Cash & Cash Equivalents For The Purpose Of Cash Flow Statement	66,531,518.85	8,273,734



Overview

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFEL)
 NOTES TO THE FINANCIAL STATEMENTS (Contd...)
 FOR THE YEAR ENDED 31ST DECEMBER 2014
 (All Amounts in Rupees)

NOTE 13 - 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	Funds Transferred To Statement Of Financial Activities	Balance Carried Forward
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Diakonia	Core Funding - 2014	-	-	7,150,516.37	-	7,150,516.37	-	7,150,516.37	-
British High Commission Colombo	Observe The Conduct Of Provincial Council Elections	1,061,075.61	(678.46)	10,272,612.00	-	10,272,612.00	-	11,333,009.15	-
Embassy Of Japan	Nothern, Central & North Western Provincial Council Elections 2013	510,699.80	319.50	-	-	-	511,019.30	-	-
National Democratic Institute (NDI)	Nothern Provincial Council Election 2013	7,205.95	-	-	-	-	7,205.95	-	-
Care International	Research On Situational Assessment on Voter Registration	198,206.00	(116,196.40)	672,000.00	-	672,000.00	-	754,009.60	-
The Asia Foundation	Western & Southern Provincial Council Elections 2014	-	188.96	2,217,855.00	-	2,217,855.00	-	2,218,043.96	-
Diakonia Project	Citizens' Activitation For Transforming The Political Culture	3,780,054.56	-	6,807,113.71	-	6,807,113.71	381,036.30	10,206,131.97	-
Canada Fund for Local Initiatives (CFLI)	Sustaining Democratization In Serendipity	-	-	5,140,984.36	-	5,140,984.36	-	1,360,080.10	3,780,904.26
Embassy Of German	Observing & Monitoring The Conduct Of Presidential Election	-	-	2,100,000.00	-	2,100,000.00	-	5,450.00	2,094,500.00
Embassy Of Netherlands	Deployment Of International Observers At Sri Lanka - Presidential Election 2015	-	-	1,211,200.00	302,800.00	1,514,000.00	-	346,420.81	1,167,579.19
Embassy Of Japan	Project For Sustaining Democratization In Sri Lanka	-	-	12,386,805.66	-	12,386,805.66	-	2,740,600.00	9,646,205.66
United States Agency For International Development (USAID)	Supporting Domestic Election Monitoring In Sri Lanka	-	-	40,414,351.00	4,490,144.00	44,904,495.00	-	5,460,127.19	39,444,367.81
British High Commission Colombo	Sustaining Democratization In Sri Lanka (Observe The Conduct Of Presidential Election 2015)	-	-	-	12,254,849.00	12,254,849.00	-	833,415.46	11,421,433.54
Royal Norwegian Embassy	Observing & Monitoring The Conduct On Presidential Elections 2015	-	-	20,366,750.00	-	20,366,750.00	-	2,086,703.97	18,280,046.03
		5,597,241.92	(116,366.40)	108,740,188.10	17,047,793.00	125,787,981.10	899,261.55	44,494,508.58	85,835,086.49

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FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

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

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

AS AT 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

NOTE 14 - DEFERRED INCOME

	2014	2013
Balance At The Beginning Of The Year	4,267.12	-
Asset Received As a Donation	-	5,000
Transferred To Accumulated Depreciation	(1,250.00)	(733)
Balance As At The End of The Year	3,017.12	4,267

NOTE 15 - DEFINED BENEFIT OBLIGATIONS

	2014	2013
Balance At The Beginning Of The Year	1,149,196.13	979,536
Provision For The Year	622,301.56	235,896
Payment Made During The Year	-	(66,236)
Balance As At The End of The Year	1,771,497.69	1,149,196

NOTE 16 - ACCRUED & PAYABLES

	2014	2013
Drivers Overtime	13,422.50	2,280
Office Rent	-	165,000
Water- Head Office	31,167.56	11,204
Telephone	28,331.81	30,002
Office Transport	422,926.00	215,557
Audit Fee- Financial Audit	500,000.00	532,168
Equipment Maintenance	622,850.00	-
Printing	2,202,350.00	-
Employees Provident Fund	-	3,154
Pay As You Earn Tax	4,136.00	6,254
Company Secretarial Fee	-	6,000
Translation Charges	8,000.00	-
Poster Campaign	-	10,000
Refreshments	116,968.00	-
Presidential Election 2015	1,386,517.90	-
Stationeries	573,042.50	6,220
Election Expenses	10,000.00	7,500
Coordination Fee - Care Project	-	83,075
Consultants Fee	-	654,210
Coordination Fee - German Project	-	10,000
Total	5,919,712.27	1,742,624

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FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2014

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

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

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

NOTE 17 - OTHER PAYABLES

	2014	2013
Provision For Unclaimed Cheques	-	44,382
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	(16.00)	(16)
Total	862,384.00	906,766

NOTE 18 - 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 who has advised 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. Therefore the management considers PAFFREL to be exempt from income tax.

NOTE 19 - 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/=.

