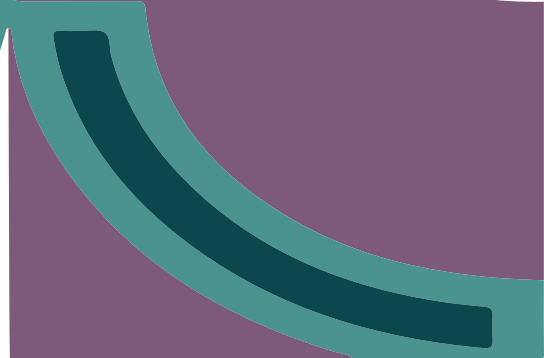
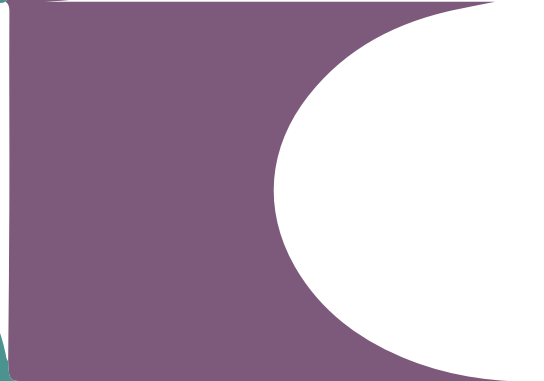
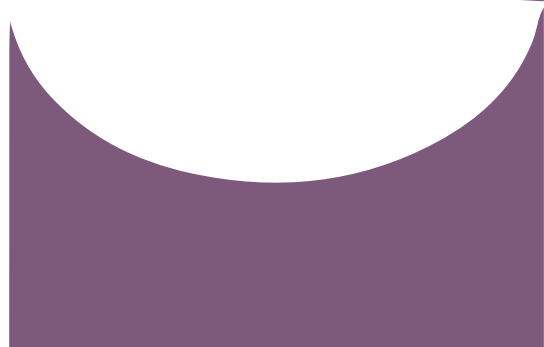
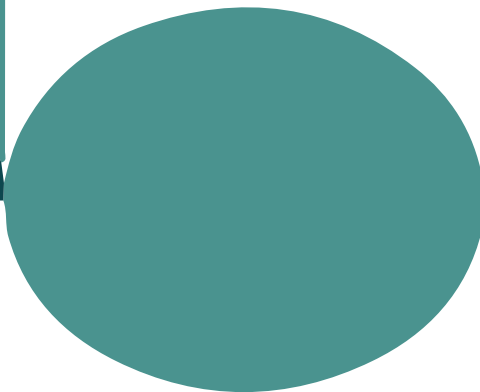
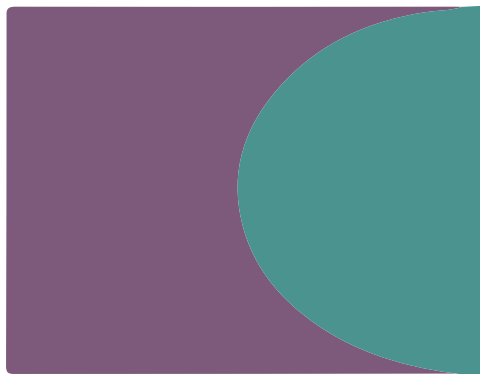
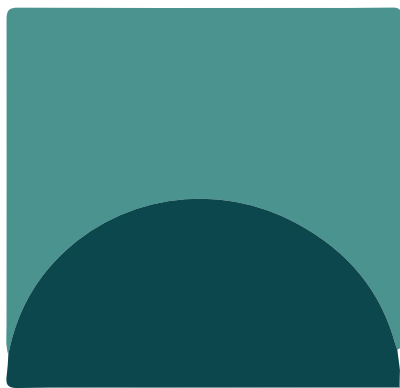
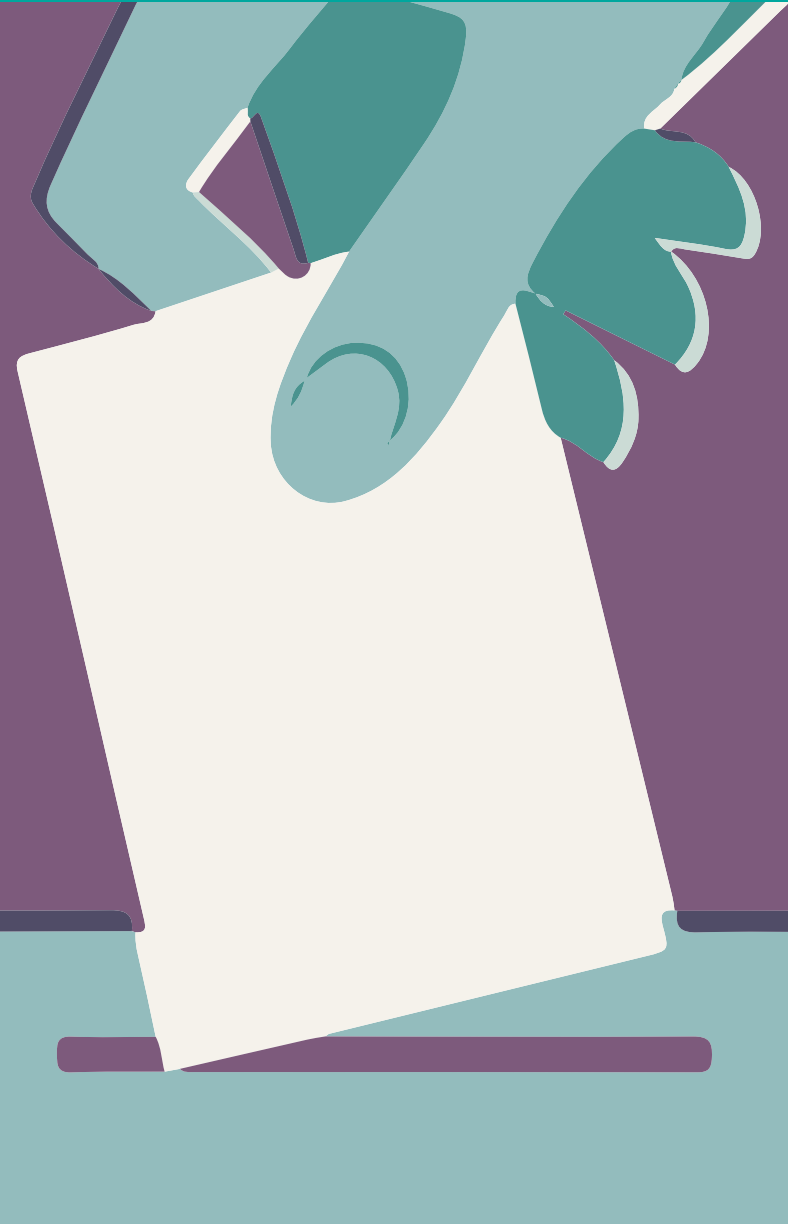


PAFFREL

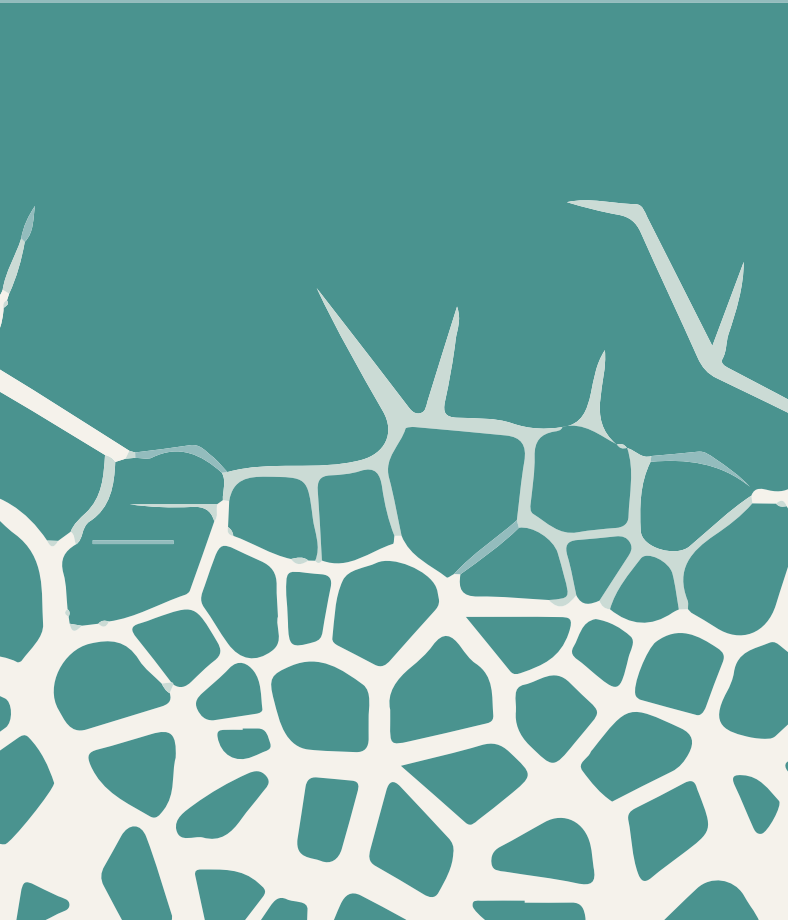
PAFFREL
ANNUAL REPORT
2023





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

**ANNUAL REPORT
2023**





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PAFFREL

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

It was formed at a time when the need arose for civil society to intervene to ensure democratic elections as the contests were marred 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 different parts of the country covering issues such as voters' rights, democracy, human rights, good governance and co-existence. 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.

PAFFREL BOARD OF DIRECTORS



Deshabandu
Mrs. Jezima Ismail
Chairperson



Dr. Jehan Perera
Secretary General



Ven. E. Saddhajeewa thero



Mrs. C. M. Saverimuthu
Treasurer



Mrs. Seela Ebert



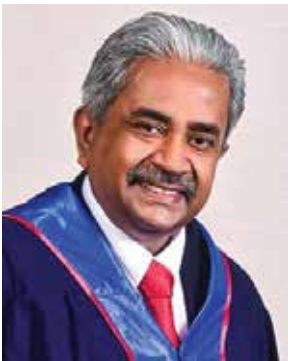
Mrs. Visaka Dharmadasa



Mr. K. N. Deen



Dr. Mr. Gehan Gunatilleke



Dr.
Vinya Ariyaratne
Director



Hemantha Vithanage
Director



Professor
Shirantha Heenkenda
Director



Rev.
Father Rohan Silva
Director

EXECUTIVE DIRECTOR'S MESSAGE

The year 2023 presented a complex political and social environment for democratic governance in Sri Lanka. The country continued to experience the effects of the economic and political crises of recent years, which significantly influenced public trust in institutions and the functioning of democratic processes. In this context, the postponement of the Local Government Elections became a matter of major national concern, raising important questions about the protection of citizens' democratic rights and the independence of electoral processes.



During this period, the People's Action for Free and Fair Elections (PAFFREL) remained committed to its long-standing mission of safeguarding democratic values and promoting electoral integrity. Particular attention was given to developments relating to the Local Government Elections and the functioning of the Election Commission. PAFFREL also undertook several legal initiatives seeking to ensure that the electoral process is conducted in accordance with the Constitution and the law.

In addition to election-related advocacy, PAFFREL continued its broader efforts to strengthen participatory democracy. Through initiatives such as civic engagement programmes, the MP Collective for Clean Politics, Right to Information awareness, and youth empowerment activities, the organization worked to encourage active citizen participation in democratic governance. Efforts were also made to enhance voter education and promote responsible use of digital platforms for public awareness.

Another important aspect of our work during the year was the continued effort to improve access to election information and encourage informed participation. Initiatives such as pilot campaign information boards, digital voter education campaigns, and media engagement activities were implemented to support transparent and equitable dissemination of information to the public.

At the institutional level, PAFFREL also continued to strengthen its internal processes and organizational capacity. Greater attention was given to gender mainstreaming, diversity and inclusion, staff capacity development, and improving communication mechanisms to ensure that the organization remains responsive to the evolving democratic needs of society.

I wish to express my sincere appreciation to the PAFFREL Board of Directors for their guidance and commitment throughout the year. My heartfelt thanks also go to our management team and staff members who have carried out their responsibilities with dedication and a strong sense of public duty.

Finally, I extend my gratitude to the Election Commission, the Police Department, media institutions, civil society partners, and members of the March 12 Movement for their continued cooperation and support in our collective efforts to strengthen democracy in Sri Lanka.

A handwritten signature in blue ink, consisting of a stylized 'R' followed by several horizontal strokes.

Rohana Hettiarahchie
EXECUTIVE DIRECTOR
PAFFREL



PAFFREL ANNUAL REPORT 2023

The 2023 annual report of PAFFREL presents a comprehensive overview of the organization's initiatives, achievements, and challenges during the year. As a civil society organization, PAFFREL continues to uphold its commitment to promoting democracy, transparency, and citizens' political rights across Sri Lanka. The report highlights the organization's effort to adapt to emerging socio-political dynamics, strengthen institutional quality, and ensure all activities are guided by principles of accountability and inclusiveness. Through its program and advocacy work, PAFFREL has continued to play a vital role in fostering democratic participation and good governance in the country.

After the significant political and social transformation of 2022, marked by the economic crisis and the people's uprising known as the "Aragalaya," Sri Lanka experienced a major shift in its governance and political landscape a shift that also influenced PAFFREL's organizational directions. The 2023 annual report reflects how PAFFREL adapted to these changes in governance and integrated them into its four strategic directions. It highlights how all organizational activities and initiatives during the year were strategically aligned with these core directions, ensuring that PAFFREL work remained responsive, relevant, and impactful in the evolving context.

PAFFREL has continuously advocated for the conduct of timely elections in the country. The year 2023 was particularly significant for both the Election Commission and PAFFREL, as it marked the period when the proposed local government authority elections were expected to be held.

In essence, the 2023 annual report captures PAFFREL's continued commitment to re-calibrating Democracy, promoting electoral integrity, and fostering active citizen participation. Despite the challenges posed by the evolving political and economic environment, PAFFREL remains steadfast in its mission to safeguard the people's democratic rights. Through its strategic focus, partnership, and advocacy, the organization

continues to play a vital role in ensuring that Sri Lanka's democracy remains transparent, participatory, and accountable.

DEVELOPMENTS IN 2023

The year 2023 commenced, with more questions than answers for the nation. Sri Lanka found itself at a critical juncture, requiring profound interventions to address both economic turmoil and the systemic failures in governance. The legitimacy of representation in a beleaguered state came under scrutiny, prompting fundamental questions about the viability of the existing political order. Against this backdrop, political rhetoric persisted, with each party vying for public support, yet offering no tangible solutions to the ongoing crisis or its repercussions. The persistent aftermath of the economic collapse in the preceding year continued to cast a long shadow over the nation, intensifying the focus on economic challenges and the imperative for reforms. However, the impact of each reform, despite its positive intentions, only seemed to exacerbate the burdens borne by the vulnerable population, adding to the already overwhelming challenges faced by the country. The need for comprehensive and sustainable solutions remained ever more pressing in the face of an escalating crisis.

The intricate fabric of ground realities, marked by economic hardships and social issues, highlighted the complex challenges faced by the population. The legislative arena witnessed the introduction of laws, both positive and negative, sparking concerns about transparency and the potential curtailment of protests and shrinking space for dissent and activism.

Throughout these challenges, the role of civil society and international entities remained crucial, with a need to unwaveringly advocate for transparency, democracy, and the preservation of human rights in the face of evolving complexities.

STRATEGIC DIRECTION OF THE PAFFREL

PAFFREL has formulated a comprehensive set of strategic directions for the five-year period beginning in 2020, with the objective of proactively understanding and responding to emerging social, political, and governance-related trends. These strategic directions serve as a guiding framework that enables the organization to anticipate changes in the democratic landscape, adapt its interventions accordingly, and ensure that its work remains relevant and impactful.

By identifying potential challenges and opportunities in advance, PAFFREL is better positioned to integrate these insights into its core functions—such as election observation, civic education, advocacy, and strengthening democratic institutions. This forward-looking approach not only aligns with PAFFREL's long-standing commitment to promoting electoral integrity and democratic rights, but also upholds its broader social responsibility to contribute to a more informed, participatory, and accountable society.

Through these strategic directions, PAFFREL aims to maintain consistency in its mission while simultaneously evolving in response to new realities, ensuring that all future projects and initiatives are grounded in both current needs and long-term democratic goals.

01.

RECREATING ELECTION OBSERVATION

Recreating Election Observation,” one of PAFFREL’s core strategic areas, reflects the organization’s renewed commitment to enhancing the capacity, relevance, and effectiveness of election monitoring in Sri Lanka. This direction recognizes that election observation must continuously evolve in response to changing political dynamics, emerging technologies, and new challenges to electoral integrity. By modernizing its methodologies, improving observer training, and integrating more innovative approaches, PAFFREL seeks to ensure that its observation efforts remain rigorous, credible, and aligned with international best practices.

During 2023, PAFFREL made significant progress under this strategic direction. The organization successfully initiated and in many cases completed a wide range of activities designed to strengthen election monitoring frameworks across the country. These included developing updated observation tools, expanding the pool of trained observers, conducting capacity-building programs, improving reporting mechanisms, and collaborating with civil society partners and state institutions to promote transparency and accountability.

Through these efforts, PAFFREL reaffirmed its position as a leading institution dedicated to safeguarding the principles of free, fair, and transparent elections in Sri Lanka. The progress achieved in 2023 not only enhanced the quality of election observation but also contributed to broader democratic strengthening by empowering citizens and building public trust in the electoral process.

1.1 Local Government Elections & Elections Commission

The local government elections were scheduled to be held in mid-2023, and nominations were called in PAFFREL has actively engaged with a diverse range of stakeholders throughout the reporting period, fostering collaboration and maintaining its impartiality. These stakeholders include donors, the Election Commission (EC), political parties, district and national Civil Society Organizations (CSOs), independent commissions, public agencies, Election Monitoring Organizations (EMOs), and the public.

The strengthened ties with the Election Commission, particularly through collaborative efforts on research and reform recommendations tracking, have contributed to effective advocacy initiatives.



During the pre-election period leading up to the election scheduled for March 9, 2023, PAFFREL actively engaged in monitoring electoral activities and received 66 complaints from its Long-Term Observers (LTOs). In response to these complaints, PAFFREL collaborated closely with the Election Commission, taking effective actions to address irregularities and ensure a fair electoral process. PAFFREL successfully established and operated a Complaint Unit at its Head Office, providing a platform for individuals to voice their concerns and grievances. The Complaint Unit served as a vital mechanism for citizens to report any issues or irregularities during the pre-election period,



fostering transparency and accountability in the electoral process. The unit received a total of 118 complaints during its operational period. These complaints covered a range of issues related to electoral processes, misconduct, or irregularities that required attention.

PAFFREL, through the Complaint Unit, demonstrated a commitment to responsiveness by promptly addressing and managing the received complaints. The unit played a crucial role in investigating, documenting, and taking necessary actions in response to the reported issues.

By establishing and operating a Complaint Unit, PAFFREL contributed to the overall integrity of the electoral process by providing citizens with a channel to report concerns and ensuring that their voices were heard. This initiative aligns with PAFFREL's mission to promote free and fair elections through monitoring, advocacy, and responsive actions.

Overall, PAFFREL's proactive engagement with various stakeholders underscores its dedication to promoting transparency, accountability, and democratic values in Sri Lanka.

Several notable examples of PAFFREL's interventions during the early campaign period of the LGA election, which was supposed to be held in 2023, include:

i. Preventing Political Transfer of an Army Officer in Ampara District:

PAFFREL successfully intervened to prevent the political transfer of an army officer in the Ampara district. This action aimed at maintaining the integrity of the electoral process by preventing interference from external political pressures.

ii. Halting Distribution of Coconut Saplings in Morewawa Area:

PAFFREL took action to halt the distribution of coconut saplings to voters in the Morewawa area. This intervention was aimed at preventing undue influence or inducement of voters through the distribution of goods.

iii. Preventing Distribution of Dry Rations in Galahitiyawa:

PAFFREL played a role in preventing the distribution of dry rations to voters in Galahitiyawa. This action aimed to uphold the principles of free and fair elections by preventing attempts to sway voters through the distribution of essential goods.

Apart from preparing for the election, PAFFREL took a proactive role in advocating for the conduct of elections when the government showed limited interest in proceeding with them. Together with other stakeholders, PAFFREL played a leading role in urging the authorities to uphold the democratic process and ensure that citizens' electoral rights were protected. PAFFREL continuously Legal

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Urging authority to conduct the timely election

action was taken to conduct the election amid this situation. In March 2023, PAFFREL filed a fundamental rights case against the government, forcing it to conduct the Local Government Authority election.

PAFFREL has undertaken various legal actions primarily related to the non-holding of local government elections in 2023. The cases include:

1. Writ Applications 6/2023 and 7/2023 were filed in the Supreme Court, seeking an order to hold the election in accordance with the powers of the Election Commission. However, these petitions were not pursued further, as the Election Commission gave assurances to conduct the election.

2. PAFFREL also filed a petition seeking to intervene in a petition filed by a former military officer, Mr. WMR Wijeratne, who opposed holding the provincial election. The court granted permission for this intervention, providing a date for presenting objections. Subsequently, another date was allocated for counter-objections to the initial objections. Both parties were then instructed to submit written arguments, and this process is scheduled to be completed on February 14, 2024.

3. A FR Application No: 139/2023, was filed in the Supreme Court by Mr. Rohana Hettiarachchi, on behalf of PAFFREL, asserting that fundamental rights were violated due to the non-holding of the Local Government Election. Additionally, the Minister of Finance was petitioned to revoke the gazette announcement limiting expenditure or include the election in that announcement.

The petition was scheduled for a hearing, and it was decided to hear it before a panel of Pancha Pudigala Judges on the same day as the petitions filed by political parties. The hearing faced delays on multiple occasions, attributed to factors such as judges' non-availability, changes in Election Commission

members, and on December 13, 2023, our side presented its arguments.

4. Another Victory For Democracy

a. The Speaker on August 8th, officially communicated the Supreme Court's decision to the parliament in response to the petition filed by PAFFREL and other parties. This petition, which aimed to challenge amendments presented by MP Jayantha Katagoda to reinstate former Councilors of dissolved LG bodies, had Mr. Rohana Hettiarachchi, Executive Director of PAFFREL, representing the organization. The petition was filed on July 12th, naming Mr. Jayantha Katagoda MP and the Attorney General as respondents. The Supreme Court's decision, shared with the Parliament, highlighted that Clause 2 of the three challenged amendments, namely the "Pradeshiya Sabha Act (Amendment)," "Urban Councils Ordinance (Amendment)," and "Municipal Councils Ordinance (Amendment)," is inconsistent with Articles 1, 12 (1), 82, 83, and 104B of the Constitution. Consequently, the Supreme Court ruled that all three bills related to these amendments should be passed by a special majority vote in Parliament and approved by the people in a referendum, as per the provisions of Article 83 of the Constitution.

PAFFREL condemns 'shameful' motion by MP Ketagoda

BY RATHINDRA KURUWITA

The People's Action for Free and Fair Elections (PAFFREL) yesterday condemned a private member motion by MP Jayantha Ketagoda, seeking to empower the line minister to extend the tenure of local government bodies without elections.

The private member motion by MP Ketagoda had sought to amend certain sections of the Urban Councils Ordinance, Municipal Councils Ordinance, and Local Authorities Act, PAFFREL Executive Director, Rohana Hettiarachchi said.

"If this private motion is adopted, the minister will be able to ask the councilors of now defunct local government bodies to continue. This motion was gazetted on 26 June," he said.

Hettiarachchi said local government elections should have been held in the first quarter of 2023. The government had postponed them using underhand methods, he said.

"What we need is to hold local government elections immediately. However, the government is now trying to change laws through a private member's motion to do away with elections," he said.

The PAFFREL Executive **P 2 >>>**

This judgment is seen as a significant victory for democracy in Sri Lanka, marking a historical moment for those who value democratic principles. It is anticipated that similar victories may be achieved in other petitions filed by PAFFREL and other parties concerning the arbitrary postponement of local government elections. Despite recent trends of politicians abusing parliamentary power to consolidate their authority and undermine democratic values, this judgment signals that such practices cannot be sustained any longer.

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මැතිවරණයට වෙන් කළ මුදල් මුදා නොහැර සිටීම වළක්වමින් ශ්‍රේෂ්ඨාධිකරණය අතුරු තහනම් නියෝග දෙකක් දී ඇති පසුබිමක මැතිවරණය කල් දැම්මට වෙනත් වංගු ගහන්න එපා යැයි ආණ්ඩුවට කියා සිටින බව පැරලේ සංවිධානයේ විධායක අධ්‍යක්ෂ රෝහණ හෙට්ටිආරච්චි මහතා ඊයේ පැවසීය.



අධිකරණ නියෝගයක් ඇති නිසා මැතිවරණයට මුදල් නිකුත් කර පසුව ගැසට් ගසා හෝ කැබිනට් තීරණ ගෙන හෝ මැතිවරණ කොමිසම මාරුකර හෝ මැතිවරණයට බාධා කිරීමට උත්සාහ නොකරන්නැයි ද රජයෙන් ඉල්ලා සිටින බව හෙට්ටිආරච්චි මහතා කීවේය. මැතිවරණයට ඉක්මනින්ම දිනයක් ලබා දෙන ලෙස මැතිවරණ කොමිසමෙන් ඉල්ලා සිටින බවද හෙතෙම සඳහන් කළේය.

කැටගොඩගේ පනතට එරෙහිව පැරලේ උසාවි යයි

ඒ. ජේ. ඒ. අබේනායක

ශ්‍රී ලංකා පොදුජන පෙරමුණේ ජාතික ලැයිස්තු මන්ත්‍රී ජයන්ත කැටගොඩ මහතා පාර්ලිමේන්තුවට පෞද්ගලික යෝජනාවක් ලෙස ඉදිරිපත් කොට ඇති නගර සභා සංශෝධන පනත් කෙටුම්පත ශ්‍රී ලංකා ආණ්ඩුක්‍රම ව්‍යවස්ථාවට පටහැනි බවට නිගමනය කරන ලෙස හා එය පාර්ලිමේන්තුවේ තුනෙන් දෙකක බහුතර ඡන්දයකින් හෝ ඡන්දමත විවාරණයකින් සම්මත කළ යුතු බවට නිගමනය කළ යුතු බවට නියම කරන ලෙස ඉල්ලා පැරලේ සංවිධානයේ විධායක අධ්‍යක්ෂ රෝහණ හෙට්ටිආරච්චි මහතා ඊයේ (12දා) ශ්‍රේෂ්ඨාධිකරණයට විශේෂ පෙත්සමක් ගොනු කළේය. නීතිඥ මංජුල බාලසූරිය මහතා විසින් ගොනුකර තිබූ එම පෙත්සමේ වගඋත්කරකරුවන් ලෙස පාර්ලිමේන්තු මන්ත්‍රී ජයන්ත කැටගොඩ මහතා සහ නීතිපතිවරයා නම්කොට ඇත.

Ketagoda defends proposed LG bodies recall law

Notes need for people's representatives for daily operations and the suffering of 2023 LG nominee candidates

PAFFREL challenges Bill citing violation of franchise

Sri Lanka Podujana Peramuna (SLPP) Government Parliamentarian Jayantha Ketagoda said that he presented a private Member motion seeking to empower the relevant subject Minister to recall the Local Government (LG) bodies that have been dissolved, only on the grounds that the LG bodies could not be run without people's representatives, and since candidates who had submitted nominations for the LG Elections have become 'prisoners' due to election laws.

COMB. 08/10/22

1.2 Research for Base Registry

PAFFREL's researcher conducted a comprehensive desk study to explore and analyze best practices from around the world related to the proposed base registry. This research involved an in-depth review of existing base registries and similar systems implemented globally. The objective was to identify successful models, key features, and effective practices that could inform the development and implementation of the proposed base registry.

The insights gained from this desk study would contribute to the development of a robust and effective base registry system, aligning with international best practices and standards. PAFFREL's commitment to researching global best practices reflects its dedication to ensuring the success and efficiency of the proposed base registry in the local context.

02.

REDEFINING PARTICIPATORY DEMOCRACY

The foundation of this strategic direction is the prioritization of building and strengthening a platform through which ordinary citizens can meaningfully participate in the democratic processes of the country. Democracy is not sustained merely through institutions or periodic elections; it flourishes when people are actively engaged, informed, and empowered to contribute to decision-making. The norms and values of democratic governance such as transparency, accountability, inclusiveness, and responsiveness are shaped largely by the degree to which citizens take part in these processes.

Recognizing this, PAFFREL has identified the promotion and protection of democratic practices as a core priority. PAFFREL understands that when citizens are able to engage freely and confidently, democratic systems become stronger, more resilient, and more reflective of public needs. Therefore, this direction focuses on enhancing civic awareness, expanding opportunities for participation, supporting marginalized groups to voice their concerns, and fostering a culture where democratic engagement becomes a routine part of everyday life.

Through these efforts, PAFFREL seeks to contribute to a societal environment in which democratic participation is not limited to voting alone, but extends to continuous involvement, dialogue, monitoring, and advocacy, ultimately strengthening the quality and integrity of governance in Sri Lanka.

2.1 Strengthening Democracy through Civic Engagement

The leadership of PAFFREL has played a crucial role in intervening and negotiating the Voluntary Social Organizations (VSSO) Act. This intervention aims to establish equal ground and clear guidelines for collaboration between PAFFREL and the government in its efforts to enhance civic

engagement and democratic processes. It is evident that PAFFREL is actively contributing to the development and improvement of regulations that govern the interactions between NGOs and the government.

Furthermore, maintaining close ties and regular communication with district partners reflects PAFFREL's commitment to effective networking. This continuous networking process is integral to the overall programming of PAFFREL, ensuring a collaborative and coordinated approach in its activities across different regions.

These examples showcase PAFFREL's commitment to ensuring a level playing field during the electoral process, actively addressing complaints and taking preventive measures to uphold the integrity of the elections. PAFFREL's collaboration with the Election Commission underscores its role as an independent monitoring organization dedicated to promoting transparency and fairness in the electoral process.



Meeting with CSO

PAFFREL has consistently played a vital and influential role within civil society, advocating for democratic governance and the protection of citizens' rights. Representing the organization, Executive Director Rohana Hettiarachchi has provided strong leadership and actively engaged in safeguarding democracy by speaking out against constitutional or policy amendments that undermine citizens' freedoms and democratic principles



2.2 MPs Collective For Clean Politics

The M12 Movement planned quarterly discussions with the MP Collective for clean politics, focusing on prevailing issues in the country and exploring potential collaborative actions on a multi-party basis.

The inaugural meeting of the M12 MP Collective took place on December 16th at Waters Edge Hotel and marked a significant milestone for the movement. Ten Members of Parliament (MPs), along with a minister affiliated with the M12 MP Collective Movement, participated in the gathering, along with steering committee members. The discussions centered on key areas, including strategies to expand the MP Collective by recruiting new members who align with M12 guidelines, with a commitment to its principles.

2.3 Right To Information

Right to Information (RTI) requests, totaling 37, were filed across a spectrum of key state bodies, showcasing a commitment to transparency and accountability. These requests spanned various government ministries and departments, reflecting a comprehensive approach to accessing information for citizens, the right holders. This would also support increased engagement with government institutions/departments in accessing public services and decision-making in development processes and lobbying on national questions/issues. The diversity of the entities involved highlights the importance of citizens' right to seek and obtain information from a wide array of government sectors. This proactive engagement with the RTI mechanism highlights the public's keen interest in accessing information from a wide range of governmental bodies, reinforcing the significance of transparency in the democratic process. The multitude of inquiries demonstrates the diverse concerns and curiosity of citizens seeking clarity and insight across various sectors of governance.



Through expanded networking, capacity-building initiatives, and continuous engagement with community stakeholders, the movements aimed to foster clean, transparent, and accountable politics both within local communities and at the national level. This strengthened district presence has contributed to increased citizen participation, improved oversight of governance processes, and the promotion of ethical political practices throughout society

2.5 Empowering Youth for Social Change



The value-based learning and training program was designed to empower youth across Sri Lanka with knowledge, skills, and experiences that cultivate them into change agents and opinion leaders. Through strategic social media campaigns in 2023, the initiative received over 2,000 applications. From this pool, 320 youths were selected across three batches ensuring gender balance and inclusivity and 224 successfully completed the training. Participants represented diverse backgrounds, including Sinhala and Tamil-speaking youth, marginalized groups, persons with disabilities, and LGBTQIA+ individuals. The program aimed to create a ripple effect, enabling these empowered young people to influence their families, communities, and broader society by challenging stereotypes and traditional structures.

2.4 Rebuilding March 12 District Movements

District-level movements were actively strengthened across Vavuniya, Batticaloa, Matale, Kurunegala, Matara, Kegalle, Mullaitivu, Puttalam, Trincomalee, Polonnaruwa, Mannar, Gampaha, Jaffna, Monaragala, Badulla, Anuradhapura, Ratnapura, Kilinochchi, and Ampara, ensuring broad geographic representation and inclusive citizen engagement across the country.

Meanwhile, PAFFREL initiated and led the March 12 district movements, revitalizing local networks to make them more active, coordinated, and sustainable. These efforts focused on rebuilding grassroots structures, enhancing collaboration among civil society actors, and strengthening district-level leadership to promote democratic values.



During the parliament visit



5000 Permanent Identity Card are issued for voting purposes to permanently disable people in selected districts.

Although livelihood support was not originally part of the institution’s mandate, it was strategically integrated to strengthen youth mobilization and promote economic empowerment. A six month structured training was implemented, followed by an opportunity for participants to submit livelihood project proposals. Seed funding was awarded based on merit and feasibility. This approach not only enhanced practical skills and economic stability for the youth but also supported sustainable community-level change, recognizing the vital link between economic empowerment and social transformation.

2.6 Ensuring Electoral Rights

The Electoral Reforms social media campaign successfully executed two pivotal initiatives, raising awareness on critical issues of Campaign Finance and Asset Declaration. The campaign strategically tackled timely and pressing topics, and through engaging and informative content, it effectively reached its target audience, fostering a greater understanding of the significance of these electoral reforms. As a result, the campaign's success can be measured not only in terms of increased awareness but also in the positive impact it has had on public discourse and advocacy for a more accountable and transparent electoral process.

Permanent identity cards were issued to persons with permanent disabilities across 15 districts to ensure their full and independent participation in the electoral process. This initiative aims to remove

practical barriers that persons with disabilities often face on election day, such as difficulties in verification, long waiting times, or challenges in accessing polling stations. By providing an officially recognized and easily verifiable identification document, the program helps streamline entry to polling centers and enables voters to cast their ballots with dignity, confidence, and minimal inconvenience.



These permanent identity cards serve as a facilitative tool for election officials to quickly identify and prioritize voters who may require additional assistance or accessible arrangements. As a result, the initiative promotes inclusivity, equal opportunity, and the protection of democratic rights, ensuring that no eligible voter is excluded due to physical or mobility limitations. The cards will also be valid for use in upcoming presidential elections, allowing beneficiaries to

continue exercising their franchise without repeated administrative procedures.



The program has currently been implemented in the following districts: Galle, Ratnapura, Kurunegala, Matale, Matara, Colombo, Monaragala, Puttalam, Kegalle, Batticaloa, Jaffna, Nuwara Eliya, Hambantota, Anuradhapura, and Polonnaruwa.



Looking ahead, there are plans to expand this initiative nationwide so that all persons with disabilities across the country can benefit from improved access to voting. Such expansion would further strengthen electoral inclusiveness, uphold the principles of equality and non-discrimination, and contribute to building a more representative and participatory democratic system



03.

RECONSTRUCTING PEOPLE'S POLITICAL CONSCIOUSNESS

3.1 Pilot Campaign Boards for Equitable Election Information Access

Following the announcement of the Local Authority elections, the pilot initiative to establish environmentally friendly campaign boards in three selected Pradeshiya Sabhas was expedited to ensure timely implementation. Required approvals and consent were obtained from the relevant Provincial Councils through telephone and written correspondence, enabling swift coordination despite time constraints.

Locations for the permanent campaign boards were finalized across Nuwara Eliya District, Puttalam District, and Batticaloa District, with board designs completed and fabrication and welding finalized. District Secretaries in all three districts committed their support for the installation and maintenance of the structures, strengthening institutional sustainability. The M12 leadership also built consensus among political representatives, administrative authorities, and community stakeholders to ensure broad acceptance and cooperation.

Permanent campaign board locations

District	Pradeshiya sabha
Nuwara Eliya	01. Walapane 02. Kothmale 03. Agarapathana 04. Kotagala 05. Nuwara Eliya
Puttalam	01. Puttalam 02. Anamaduwa 03. Chilaw 04. Karuwelagaswewa 05. Kalpitiya
Batticaloa	01. Koralaipattu 02. Eravurpattu 03. Manmunaiwest 04. Manmunai SW 05. Manmunai SEP

3.2 Rights. TV - Digital Space for Your Rights

The Rights TV YouTube channel and its associated social media platforms were successfully launched on December 10, 2023, coinciding with International Human Rights Day as a collective civic social media outlet. By the end of December, the channel featured 11 segments, including a documentary commemorating the completion of 200 years of mass migration of the Malaiyaha Tamil estate workers, a panel discussion with leaders of the 'Aragalaya' movement, and five voice cuts by social activists addressing the current state of Human Rights in Sri Lanka.

In addition to the YouTube account, a supporting website and profiles on social media platforms including X, WhatsApp, Instagram, and Facebook page were created with the same branding name to solidify this joint civil society effort and sustain the Rights.TV youtube channel beyond the project period.

Following are the links to the Rights TV Social Networks



Website

<https://rights.lk/>



Youtube Channel

<https://www.youtube.com/@RightsTVSI/>



X

<https://twitter.com/rightslk>



Instagram

<https://www.instagram.com/rightslk/>



Facebook

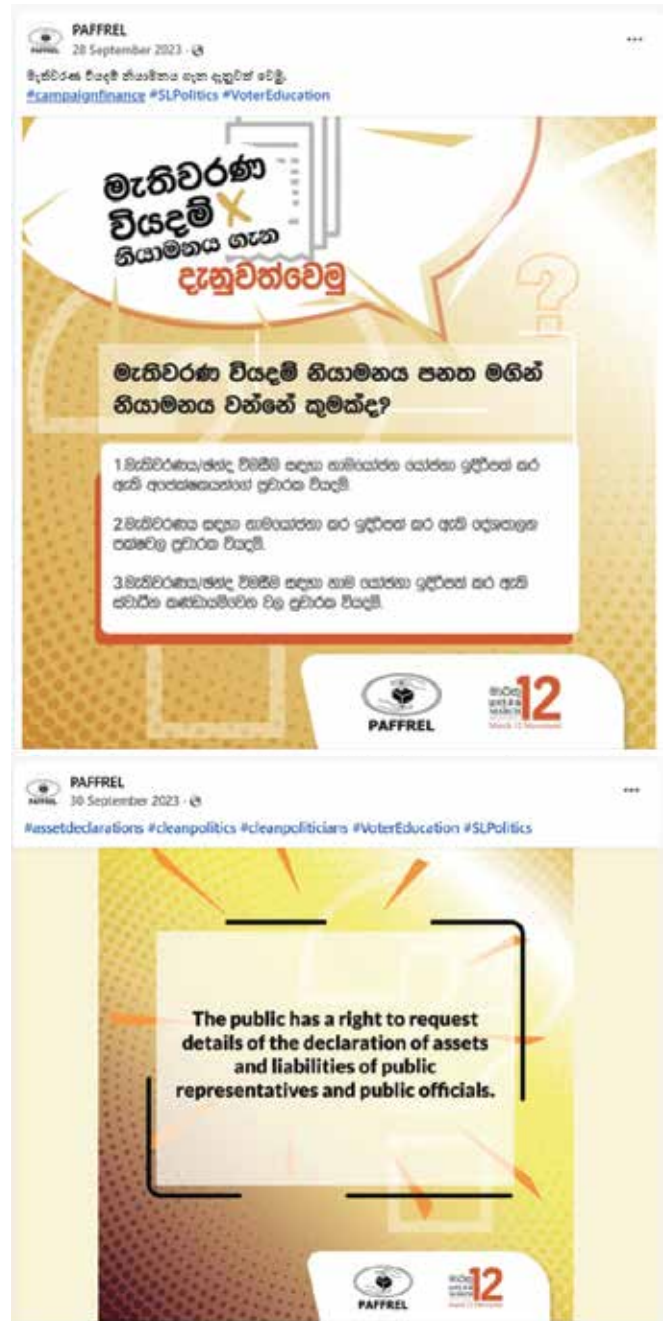
<https://www.facebook.com/profile.php?id=100095308104327>

3.3. Voter Education

PAFFREL published a multilingual questionnaire aimed at voter education, seeking public opinions on newly enacted campaign finance limitation bill and candidate asset declaration bill. The initiative reflects a commitment to fostering informed civic participation by engaging diverse communities through accessible survey materials in three languages. The responses indicates the sustained public interest even during the non-election time regarding electoral reforms and the need of legislation to ensure level playing field for political candidates including women and youth. This questionnaire was published on the PAFFREL and March 12 Movement Facebook pages. Following were the responses stats and reach of three questionnaires.

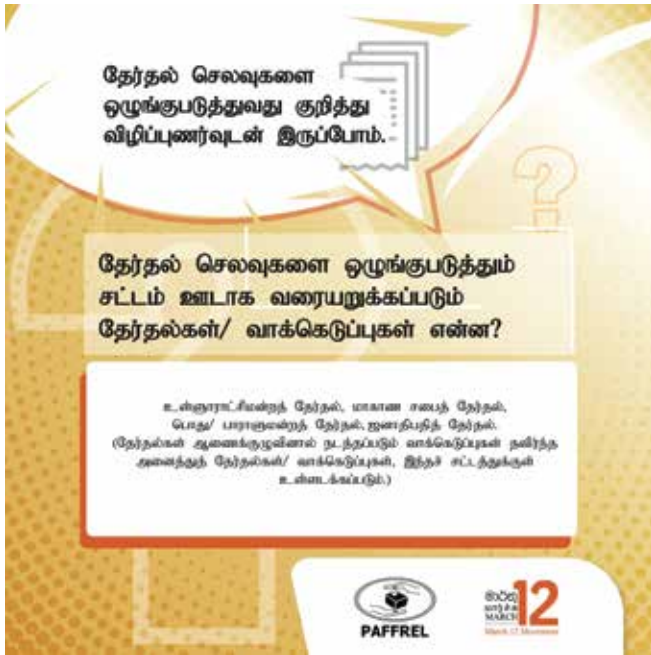
3.4 Digital Voter Education and Social Media Awareness Campaign

A trilingual social media campaign was implemented by People’s Action for Free and Fair Elections (PAFFREL) in collaboration with the March 12 Movement to raise public awareness on campaign finance limits, candidate asset declarations, and informed voter decision-making. Content was disseminated through both organizations’ Facebook platforms, generating a combined reach of 370,380 engagements



Language	Responses	Reach	
		PAFFREL	March 12 Movement
Sinhala	437	11,061	3,732
Tamil	87	4,891	12,148
English	62	8,038	2,912

(153,675 through PAFFREL and 216,711 through the March 12 Movement).



To further strengthen voter education, a series of multimedia materials-including Sinhala and Tamil documentaries, 2D animations, puppet shows, cartoons, and comedy segments-were produced to promote the March 12 criteria and encourage active, informed citizen participation. Designed to address misinformation and manipulation in digital spaces ahead of potential elections, the campaign sought to counter false narratives and empower voters with accurate information. Outreach was amplified through partnerships with social media influencers and distribution across official and partner channels to maximize visibility and impact.



04. Remodeling institutional structure, process, and resources.

4.1 Gender Mainstreaming and Organizational Diversity, Equity, and Inclusion

“During the reporting period, People’s Action for Free and Fair Elections (PAFFREL) continued to systematically mainstream gender considerations across all programmatic and institutional processes. Gender perspectives were integrated from policy formulation through to program design, implementation, and evaluation, ensuring that interventions move beyond numerical representation to address structural inequalities and promote meaningful inclusion. Particular attention was given to understanding how gender dynamics influence access, participation, safety, and decision-making within project activities.

Across awareness initiatives, the organization assessed not only participation levels but also the quality of engagement and safety considerations for individuals of all genders. In livelihood and economic development efforts, analysis extended beyond income disparities to examine equitable access to resources, leadership roles, and the broader socio-economic impacts on diverse gender groups. These measures strengthened the responsiveness and inclusivity of programming outcomes. To institutionalize this approach, a comprehensive gender policy was formulated and adopted to guide consistent implementation and accountability across all interventions.

Internally, PAFFREL further reinforced its commitment to diversity, equity, and inclusion by fostering a respectful and supportive workplace culture. Organizational practices promote non-discrimination and equal opportunity across recruitment, professional development, compensation, promotion, and staff welfare. The organization values diversity in gender, sexual orientation, age, ethnicity, ability, socio-economic background, and other personal characteristics, and expects all staff to uphold principles of dignity,

respect, and inclusivity in both professional conduct and workplace interactions. Collectively, these efforts contribute to building an equitable organizational environment while strengthening the effectiveness and credibility of program delivery.”

4.2 Taking the message to the masses

Several social media campaigns and platforms have been initiated to take various components to the people in a sustainable and an effective manner. However, in order to secure quick wins and reach the masses until the organic reach and engagement of the in house platforms gain wider acceptance and recognition, we have used the platforms of influencers to take out content to the masses. This has proved extremely effective with the content developed by the Pafferel team reaching larger audiences. One such message on you tube has over 1,120,367 views with over 2,653 comments in two weeks since the published date.



<https://www.youtube.com/watch?v=BcUoA2-9GH0>

4.3 Information Dissemination

To systematically monitor the socio-political environment and election-related trends, People’s Action for Free and Fair Elections (PAFFREL) appointed a dedicated researcher, approved by its Board, to produce monthly analytical reports. Each report includes an assessment of key developments in democracy, governance, elections, human rights, national reconciliation,

and civic space, alongside curated news summaries from print media.

Since August 2023, the Monthly Political Analysis and Political Review has been issued consistently on a scheduled basis and widely disseminated through email networks, social media platforms, and district-level stakeholder groups, including foreign delegations, donors, and civil society partners. Covering the period through December 2023, these reports have ensured timely information sharing and sustained stakeholder engagement.



4.4 Staff individual capacity building

8 staff members out the PAFFREL cohort received training on various capacity building programs conducted on the themes of digital communication and security, Gender concepts norms, Gender Roles & responsibilities, gender Analysis & Mainstreaming, International and national mechanisms in place to address discrimination against women (CEDAW / Women's Charter / LGBTIQ / penal code Amendment), electoral integrity, focusing on topics such as the observation process, abuse of state resources in elections, persistent issues and challenges related to transparency and inclusiveness, international citizen election observation, and disinformation and social media monitoring.

These staff members shared their experience and learnings during the monthly staff meetings. These cross-cutting themes and updated know-how will be utilized for organization and its staff development.

Another Milestone from PAFFREL is that the executive director of PAFFREL, Mr. Rohana Hettiarachchi has been elected as a chairperson of Asian Network for Free Election (ANFREL).

Rethinking Democracy Workshops



Ms. Upekshi Fernando

Election Monitoring Mission



Mr. Rohana Hettiarachchi



Mr. Indika Jeewandara

Idea Social Media Training



Mr. Hirantha Isuranga



Ms. Sujeewa Priyadarshani

Young Leaders Fellowship



Mr. Induwara Arthanayake



Ms. Sunethra Baragama Arachchige

Integrating Gender and Feminist Principles among CSOs



Ms. Nandini Selvadurai



Mr. S. Sathiyaraj



Ms. Tharuka Sandamini

Tamil as working Language



Ms. Sujeewa Priyadarshani



Mr. Isuru Karavita



Ms. Tharuka Sandamini



Ms. Sunethra Baragama Arachchige

05 FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2023

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

**FINANCIAL STATEMENTS FOR
YEAR ENDED 31ST DECEMBER 2023**



Private & Confidential

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of financial statements

Opinion

We have audited the financial statements of People's Action for Free and Fair Elections (Guarantee) Limited ("the Company"), which comprise of the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the organization as at 31 December 2023, and of its financial performance and its cash flows for the year that ended in accordance with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non -Governmental Organizations) (SL SoRP-NPO's [including NGO's]) issued by the Institute of Chartered Accountants of Sri Lanka.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics for the Professional Accountants Issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non -Governmental Organizations) (SL SoRP-NPO's [including NGO's]) issued by the Institute of Chartered Accountants of Sri Lanka, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concerned and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.



Partners - N.S.C.De Silva FCA, FCMA (UK), L.C.Piyasena FCA, L.L.S.Wickremasinghe FCA,
S.M.S.S.Bandula MBA, FCA, D.S.De Silva LL.B. Attorney - at -Law ACA, ACMA (UK)

Partner (Kandy) W.L.L. Perera FCA

22 / 4,
Vijaya Kumaranatunga Mv.,
Colombo 05,
Sri Lanka.
Telephone : +94 112 513 420 - 22
 +94 114 510 268
Fax : +94 114 512 404
E-mail : brds@eureka.lk
Web : www.brdesilva.com

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any sign material deficiencies in internal control that we identify during our audit.



Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, 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 Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is M- 391.


B. R. DE SILVA & CO.
Chartered Accountants
Colombo 05.

Date 24/04/2024

LCP/SLK/ss/24/158



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31ST DECEMBER,**

	<u>Note</u>	<u>2023</u> Rs.	<u>2022</u> Rs.
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant & Equipment	(4.3)	2,710,450 ✓	2,742,995
Intangible Assets	(4.6)	2,601,370 ✓	3,873,920
		<u>5,311,820</u>	<u>6,616,915</u>
<u>Current Assets</u>			
Receivables	(05)	13,846,800 ✓	7,797,407
Fixed Deposits		7,554,084 ✓	7,458,246
Cash and Cash Equivalents	(06)	75,537,181 ✓	76,383,975
		<u>96,938,065</u>	<u>91,639,628</u>
Total Assets		<u>102,249,885</u>	<u>98,256,543</u>
FUNDING AND LIABILITIES			
<u>Accumulated Funds</u>			
Movements in Restricted Funds	(07)	58,983,838 ✓	66,547,525
PAFFREL Own Fund		18,424,960	17,337,860
Fixed Assets Grant Fund		5,311,818	6,517,947
		<u>82,720,616</u>	<u>90,403,332</u>
<u>Non-Current Liabilities</u>			
Retirement Benefit Liabilities	(08)	13,032,226 ✓	5,952,034
		<u>13,032,226</u>	<u>5,952,034</u>
<u>Current Liabilities</u>			
Tax Expenses	(15)	1,434,420	1,266,273
Accrued Expenses	(09)	1,136,642	634,904
Payable to National Democratic Institute for International Affairs	(10)	3,925,981 ✓	-
		<u>6,497,043</u>	<u>1,901,177</u>
Total Funds & Liabilities		<u>102,249,885</u>	<u>98,256,543</u>

The Financial Statements are in compliance with the requirement of the Companies Act No 07 of 2007.

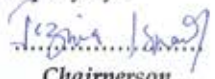

Executive Director

Mr. Rohana Hettiarachchi


Accountant

Mrs. K.A.Y.G.I. Priyadarshani

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Company by:


Chairperson

Mrs. Jezima Ismail

22/04/2024

Date




Treasurer

Mrs. C.M. Saverimuttu

22/04/2024

Date

The Notes to the Financial Statements on pages (06) to (25) form an integral part of the financial statements

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER,**

	<i>Note</i>	<u>2023</u> Rs.	<u>2022</u> Rs.
<u>OPERATING INCOME</u>			
Incoming Resources	(11)	106,084,097	101,954,946
<u>OPERATING EXPENDITURE</u>			
Project Expenditure	(12)	(80,717,993)	(84,525,266)
Net Surplus on Operating Activities		25,366,104	17,429,680
Revenue Earned from Other Activities	(13)	3,286,881	1,765,357
Administration Expenditure	(14)	(26,952,389)	(17,770,168)
Net Surplus Before Taxation		1,700,596	1,424,869
Income Tax Expenses	(15)	(197,663)	(32,080)
Net Surplus After Taxation		1,502,933	1,392,789
Other Comprehensive Income/ Expenses	(08)	(5,229,228)	920,535
Total Comprehensive Income/(Loss) for the Year		<u>(3,726,295)</u>	<u>2,313,324</u>

The Notes to the Financial Statements on pages (06) to (25) form an integral part of the financial statements



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

**STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31ST DECEMBER, 2023**

	<u>Restricted Funds</u> Rs.	<u>PAFFREL Own Fund</u> Rs.	<u>Assets Related Grant Fund</u> Rs.	<u>Total</u> Rs.
Balance as at 01st January, 2022	41,242,837	7,149,352	4,018,918	52,411,107
Total Comprehensive Income/(Loss) for the Year	-	2,313,324	-	2,313,324
Balance before transferring to Reserves	41,242,837	9,462,676	4,018,918	54,724,431
Funds Received During the year	130,344,347	-	-	130,344,347
Funds Transferred to the Statement of Comprehensive Income	(101,954,946)	-	-	(101,954,946)
Funds Transferred to PAFFREL Own Fund (Note 07)	(7,192,029)	7,192,029	-	-
Funds Receivable at the Year End	4,462,870	-	-	4,462,870
Funds Returned During the Year	(355,554)	-	-	(355,554)
Depreciation of Project Assets	-	-	(922,878)	(922,878)
Purchase of Intangible Assets	-	-	2,800,000	2,800,000
Purchase of project Assets	-	-	1,911,913	1,911,913
Amortization of Intangible Assets	-	-	(606,851)	(606,851)
Prior year Adjustment-Depreciation for project assets	-	683,155	(683,155)	-
Balance as at 31st December, 2022	66,547,525	17,337,860	6,517,947	90,403,332

The Notes to the Financial Statements on pages (06) to (25) form an integral part of the financial statements



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

**STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31ST DECEMBER, 2023**

	<u>Restricted Funds</u> Rs.	<u>PAFFREL Own Fund</u> Rs.	<u>Assets Related Grant Fund</u> Rs.	<u>Total</u> Rs.
Balance as at 31st December, 2022	66,547,525	17,337,860	6,517,947	90,403,332
Total Comprehensive Income/(Loss) for the Year	-	(3,726,295)	-	(3,726,295)
Balance before transferring to Reserves	66,547,525	13,611,565	6,517,947	86,677,037
Funds Received During the year	164,030,553	-	-	164,030,553
Funds Transferred to the Statement of Comprehensive Income	(106,084,097)	-	-	(106,084,097)
Funds Transferred to PAFFREL Own Fund (Note 07)	(4,813,395)	4,813,395	-	-
Funds Receivable at the Year End	4,216,699	-	-	4,216,699
Funds Returned During the Year	(64,913,447)	-	-	(64,913,447)
During the year Depreciation	-	-	(1,356,619)	(1,356,619)
Purchase of Project Assets	-	-	1,423,040	1,423,040
Amortization of Intangible Assets	-	-	(1,272,550)	(1,272,550)
Balance as at 31st December, 2023	58,983,838	18,424,960	5,311,818	82,720,616

The Notes to the Financial Statements on pages (06) to (25) form an integral part of the financial statements



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER,**

	<u>Note</u>	<u>2023</u> Rs.	<u>2022</u> Rs.
<u>Cash Flows From/(Used in) Operating Activities</u>			
Net Surplus Before Taxation		1,700,596	1,424,869
<u>Adjustments for</u>			
Depreciation	(04)	2,728,135	1,536,306
Provision for EPF & ETF Written-off		-	(862,400)
Provision of Retirement Benefit Liabilities	(08)	2,065,964	1,539,438
Interest Income	(13)	(2,134,885)	(1,136,856)
Operating Profit before Working Capital Changes		4,359,810	2,501,357
(Increase)/ Decrease in Receivables	(05)	(6,049,393)	(1,139,486)
Increase / (Decrease) in Accrued Expenses	(09)	4,427,719	252,683
Cash Generated From/(used in) Operating Activities		2,738,136	1,614,554
Retirement Benefits Paid	(08)	(215,000)	-
Tax Paid	(15.2)	(29,516)	(26,430)
Net Cash Flows from/(used in) Operating Activities		(244,516)	1,588,124
<u>Cash Flows From/(Used in) Investing Activities</u>			
Acquisition of Property, Plant & Equipment	(04)	(1,423,040)	(1,911,913)
Acquisition of Intangible Assets	(04)	-	(2,800,000)
Interest Received		2,134,885	1,136,856
Investment in Fixed Deposits		(95,838)	(518,040)
Net Cash Flows (used in)/from Investing Activities		616,007	(4,093,097)
<u>Cash Flows From/(Used in) Financing Activities</u>			
Net Movement of Restricted Funds		(7,563,687)	25,304,689
Funds Transferred from Unrestricted Funds		4,813,395	7,875,184
Net Movement of Capital Reserves		(1,206,129)	2,499,029
Net Cash Flows (used in)/from Investing Activities		(3,956,421)	35,678,902
Net Increase/(Decrease) in Cash and Cash Equivalents		(846,794)	33,173,929
Cash and Cash Equivalents as at the Beginning of the Year	(06)	76,383,975	43,210,046
Cash and Cash Equivalents as at the end of the Year	(06)	75,537,181	76,383,975
<u>Analysis of Cash & Cash Equivalents</u>			
Cash at Bank		75,525,601	76,347,125
Cash in Hand		11,580	36,850
		75,537,181	76,383,975

The Notes to the Financial Statements on pages (06) to (25) form an integral part of the financial statements



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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

1. CORPORATE INFORMATION

1.1 General

People's Action for Free and Fair Elections (PAFFREL) was initially incorporated under the Companies Act No 17 of 1982 as a Company Limited by Guarantee and re-registered under the Companies Act no 07 of 2007.

The Company is registered with the Department of Social Services and has been established under the Voluntary Social Services Organization (Registration and Supervision) Act No 31 of 1980 as amended by Act No 08 of 1998. The registered office of the Company is located at No 16, Byrde Place, Off Pamankada Road, Colombo 06.

1.2 Principle Activities of the Company

- To motivate and encourage voters to exercise their basic democratic rights and go to poll.
- To promote community efforts that would prevent violence before, during and after elections.
- To undertake an election watch which would help prevent abuses and violations of election Laws and would observe the manner by which the poll was being conducted throughout the country in many areas as possible.

1.3 Date of Authorization for Issue

The financial statements of People's Action for Free and Fair Elections (Guarantee) Limited for the year ended 31 December 2023 was authorized by the members on 27th March 2023.



Contd...

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 2023****2. BASIS OF PREPARATION****2.1 Statement of Compliance**

The Statement of Financial Position as at 31 December 2023 the Statement of Comprehensive Income, the Statement of Changes in Reserves and the Statement of Cash Flows for the year ended 31 December 2023, and a Summary of Material Accounting Policies and other Explanatory Notes of People's Action for Free and Fair Elections (Guarantee) Limited have been prepared in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organizations) (SL SoRP-NPO's [including NGO's]) issued by the Institute of Chartered Accountants of Sri Lanka.

2.2 Basis of Measurement and Presentation Currency

The Financial Statements presented in Sri Lanka Rupees have been prepared on a historical cost basis.

2.3 Comparative Information

The accounting policies adopted by the Company are unless otherwise stated is consistent with those used in the previous year. The previous year's figures and policies have been re-arranged wherever necessary to conform to the current year's presentation.

2.4 Going Concern

The Financial Statements have been prepared on the basis that the Company would be able to continue its operations in the foreseeable future.

2.5 Use of Estimates and Judgements

The presentation of Financial Statements in conformity with Sri Lanka Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of Accounting Policies and the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgmental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed only for that period or in the period of the revision and future periods if the revision affects both current and future period.



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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

2. BASIS OF PREPARATION (Contd....)

2.5 Use of Estimates and Judgements (Contd....)

Defined Benefit Plans

The cost as well as the present value of the defined benefit plan, gratuity is determined using the projected unit credit method. The defined benefit valuation involves making assumptions about discount rates, future salary increases, and other important related data. Due to the long-term nature of employee benefits, such estimates are subject to significant uncertainty.

Useful Lives of Property, Plant and Equipment

The Company reviews the assets' residual values, useful lives and methods of depreciation or amortization at each reporting date; judgment by management is exercised in the estimation of these values, rates and methods.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Foreign Currency Translation

The financial statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the Statement of Financial Position. All difference is taken as surplus or deficit. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates the date when the fair value was determined.

3.2 Receivables

Trade Receivables are stated at the amounts they are estimated to realize net of impairment for receivables (if any).

3.3 Cash & Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits, short term investments readily convertible to identified amounts of cash and which are not subject to any significant risk of change in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash in hand and bank deposits, net of outstanding bank overdrafts. Investments with short maturity (i.e. of 3 months or less from the date of acquisition are also treated as cash equivalent).



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PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 2023****3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd...)****3.4 Plant and Equipment**

Plant and Equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

Depreciation is provided on straight line basis at the following rates per annum, in order to write off the cost of such assets over their estimated useful lives.

Furniture & fittings	25%
Office Equipment	25%
Computers	25%
Motor Vehicles	25%

The Company provides depreciation from the date the assets are available for use up to the date of disposal, on a straight-line basis over the periods appropriate to the estimated useful lives based on the pattern in which the asset's future economic benefits are expected to be consumed by the Company of the different types of assets, except for which are disclosed separately. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized. Depreciation does not cease when the assets become idle or is retired from active use unless the asset is fully depreciated.

Asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate on an annual basis.

3.4.1 Project Assets

Where Plant and Equipment is purchased as a part of a project through restricted funds, until the conclusion of the project or, on conclusion of the project, the asset is not handed over to the beneficiary or returned to the original donor, the cost of the asset is included in a memorandum inventory of Plant and Equipment identified as such in the Financial Statements. Depreciation is not provided on such assets.

3.5 Leasehold Property

Leasehold Property is stated at recorded carrying value. Such carrying amounts are amortised over the remaining lease term or useful life of the Leased Property whichever is shorter.

Operating Lease payments are recognised as an expense in the statement of profit or loss on a straight-line basis over the lease term.



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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd...)

3.6 Grant Assets

Grants and subsidies related to assets are deferred in the Statement of Financial Position and recognized as income over the life of the depreciable asset by way of a reduced depreciation charge in the Statement of Comprehensive Income over the useful life of the asset.

3.7 Investments

Other investments in fixed deposits are measured at cost less impairment.

3.8 Liability and Provisions

3.8.1 Provisions

Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resource embodying economic benefit will be required to settle the obligation and the reliable estimate can be made to the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial activities net of any reimbursement.

3.8.2 Retirement Benefit Obligations

a) Gratuity

Gratuity is a Defined Benefit Plan. The Company is liable to pay gratuity in terms of the Act No.12 of 1983, In order to meet this liability, a provision is carried forward in the Statement of Financial Position, equivalent to an amount calculated based on the projected unit credit method issued by the Institute of Chartered Accountants of Sri Lanka which complies with the Sri Lanka Accounting Standards.

b) Defined Contribution Plan- Employees Provident Fund & Employee Trust Fund

Employees are eligible for Employee's Provident Fund and Employee' Trust Fund Contribution in line with respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employee to Employees' Provident Fund and Employees' Trust Fund respectively.



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PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST DECEMBER 2023**3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd...)****3.9 Taxation**

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act.

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the Taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

3.10 Funds**a) Unrestricted Funds**

Unrestricted funds are that available for use by the Company at the discretion of the management, in furtherance of the general objectives of the Company and which are not designated for any specific purpose by the donors.

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

Contributions received from general public are recognized in the Statement of Comprehensive Income on Cash Basis.

b) Restricted Funds

Where grants are received for use in identified projects or activity, such funds are held in a restricted fund account and transferred to the statement of financial activities to match with the expense 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 they are required.

c) Fixed Assets Grant Fund

Grants and subsidies related to assets are deferred in the statement of financial position and recognized as income over the life of the depreciable asset by way of a reduced depreciation charge in the statement of comprehensive income over the useful life of the asset.



Contd...

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd...)

3.11 Income Recognition

Income realized from restricted funds is recognized in the Statement of Comprehensive Income only when there is a certainty that all of the conditions for receipt of funds have been complied with and the relevant expenditure that it 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 as grant payable.

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 purpose of the Company at the point of such sale. Items not sold or distributed are inventories but not recognized in the financial statements.

All other income is recognized when the Company is legally entitled to the use of such funds and the amount can be quantified. This would include income receivable through fund raising activities and donations.

3.12 Revenue Earned from Other Activities

Revenue earned on services rendered is recognized in the accounting period in which the services are rendered.

Other income is recognized on an accrual basis. All other income is recognized when the Company is legally entitled to the use of such funds and the amount can be quantified.

Net gains and losses of a revenue nature on the disposal of plant & equipment and other non-current asset including investments have been accounted in the Statement of Comprehensive Income, having deducted from proceeds on disposal, the carrying amount of the assets and related expenses.

Gifts and donations received in kind are recognised at fair value at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purpose of the Company at the point of such sale. Items not sold or distributed are inventories but not recognised in the Financial Statements.



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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd...)

3.13 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 administrating and running the Company and in restoring and maintaining the Property, Plant & Equipment to perform at expected levels are accounted for on accrual basis to the Statement of Comprehensive Income.

For the purpose of presentation of Statement of Comprehensive Income, the management is of the opinion that the function of expenses method presents fairly the elements of the company's performance, and hence such a presentation method is adopted.



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PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER, 2023****(04) PROPERTY, PLANT AND EQUIPMENT****(4.1) Gross Carrying Amount**

<u>Freehold Assets</u>	<u>Balance as at 01.01.2023</u>	<u>Additions /Transfers of project Assets during the year</u>	<u>Disposals During the Year</u>	<u>Balance as at 31.12.2023</u>
<u>At Cost</u>	Rs.	Rs.	Rs.	Rs.
Furniture and Fittings	1,194,832	-	-	1,194,832
Office Equipment	4,195,004	526,950	-	4,721,954
Computer Equipment	4,828,906	896,090	-	5,724,996
	10,218,742	1,423,040	-	11,641,782

(4.2) Depreciation

<u>Freehold Assets</u>	<u>Balance as at 01.01.2023</u>	<u>Charge for the Year</u>	<u>Disposals During the Year</u>	<u>Balance as at 31.12.2023</u>
<u>At Cost</u>	Rs.	Rs.	Rs.	Rs.
Furniture and Fittings	959,119	128,952	-	1,088,071
Office Equipment	2,981,877	678,323	-	3,660,200
Computer Equipment	3,534,751	648,310	-	4,183,061
	7,475,747	1,455,585	-	8,931,332

(4.3) Net Book Values

<u>Freehold Assets</u>	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Furniture and Fittings	106,761	235,713
Office Equipment	1,061,754	1,213,127
Computer Equipment	1,541,935	1,294,155
Total Net Carrying Amount of Freehold Property, Plant and Equipment	2,710,450	2,742,995



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

**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER, 2023**

(04) PROPERTY, PLANT AND EQUIPMENT (Contd....)

(4.4) Project Assets not Included in the Statement of Financial Position

<u>At Cost</u>	<u>Balance as at 01.01.2023</u>	<u>Purchased During the Year</u>	<u>Transferred During the Year</u>	<u>Balance as at 31.12.2023</u>
	Rs.	Rs.	Rs.	Rs.
Office Equipment	792,440	722,000	526,950	2,041,390
Computer Equipment	896,090	1,631,800	896,090	3,423,980
Furniture and Fittings	-	-	-	-
	<u>1,688,530</u>	<u>2,353,800</u>	<u>1,423,040</u>	<u>5,465,370</u>

(4.5) Intangible Assets

	<u>Balance as at 01.01.2023</u>	<u>Additions During the Year</u>	<u>Disposals During the Year</u>	<u>Balance as at 31.12.2023</u>
	Rs.	Rs.	Rs.	Rs.
Software	148,650	-	-	148,650
Data Base	1,561,000	-	-	1,561,000
Data Storage	243,200	-	-	243,200
QB Premier 2020	180,000	-	-	180,000
Electoral Reform Progress/Tracker	2,800,000	-	-	2,800,000
Security Firewall	306,000	-	-	306,000
	<u>5,238,850</u>	<u>-</u>	<u>-</u>	<u>5,238,850</u>

(4.6) Depreciation

	<u>Balance as at 01.01.2023</u>	<u>Additions During the Year</u>	<u>Disposals During the Year</u>	<u>Balance as at 31.12.2023</u>
	Rs.	Rs.	Rs.	Rs.
Software	148,650	-	-	148,650
Data Base	878,596	390,250	-	1,268,846
Data Storage	136,883	60,800	-	197,683
Electoral Reform progress/Tracker	59,452	700,000	-	759,452
Security Firewall	51,349	76,500	-	127,849
QB Premier 2020	90,000	45,000	-	135,000
	<u>1,364,930</u>	<u>1,272,550</u>	<u>-</u>	<u>2,637,480</u>
Net Book Value	<u>3,873,920</u>			<u>2,601,370</u>



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER,**

	<u>Note</u>	<u>2023</u> Rs.	<u>2022</u> Rs.
(05) RECEIVABLES			
Receivable from Donors		4,216,699/-	4,462,870
Other Receivables	(5.1)	5,013,246	3,316,470
Advances		4,600,855/-	2,067
Deposits		16,000/-	16,000
		13,846,800	7,797,407
(5.1) Other Receivables			
Refundable Deposit		389,500/-	459,500
Insurance Prepayment		487,572/-	344,618
Interest Receivable		1,584,897/-	436,893
Staff Loans		419,216/-	326,686
Gratuity Loans		1,796,296/-	1,554,903
Air Conditioner - Annual Service Prepayment		32,063/-	6,670
Firewall Renewal Prepayment		78,104/-	56,700
Festival Advances		108,000/-	130,500
Equipment Repairs (Compensation from Staff)		8,300/-	-
Web Domain - Prepayment		20,033/-	-
Quick Book Annual Service Prepayment		7,500/-	-
Zoom Annual Payment - Prepayment		24,182/-	-
LK Domain Registry - Prepayment		4,875/-	-
Complaint Unit Database - Prepayment		52,708/-	-
		5,013,246	3,316,470
(06) CASH AND CASH EQUIVALENTS			
<i>Favorable Cash and Cash Equivalent Balances</i>			
Cash at Bank		75,525,601	76,347,125
Cash in Hand		11,580	36,850
Total Cash and Cash Equivalents for the purpose of Statement of Cash Flows		75,537,181	76,383,975



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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023

(07) MOVEMENTS IN RESTRICTED FUNDS

Projects	Donor	Balance Brought Forward	Funds Received During the Year	Transferred from/to Unrestricted Fund	Fund Refunded	Funds Receivable at the Year End	Fund tnf among the projects	Transferred to Statement of Comprehensive Income	Balance Carried Forward
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Direct Project Cost									
Core Funding 2023	Diakonia	2,715,560	21,048,596	-	-	-	-	23,083,036	681,120
Core Funding 2022/2024	Foundation Open Society Institute	2,670,690	11,019,660					6,571,678	7,118,672
Civil Society Strengthened to advance Good Governance and Electoral Reforms through Stronger Collaborative Partnership and Evidence Based Advocacy	USAID Grant through Management System International, Inc (MSI) Project (IDEA)	4,078,509	-	(4,078,509)	-	-	-	-	-
Increased Civic Engagement and Civil Society Leadership to improve transparency and accountability of public representatives	USAID Grant through Management System International, Inc (MSI) Project (IDEA)	44,724	1,901,340	-	-	4,216,699	-	5,717,894	444,869
Ensuring Inclusive, Credible Election in 2023/2024	The Royal Norwegian Embassy 2022/24	10,744,615	8,924,700	-	-	-	-	9,622,717	10,046,598



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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023**

(07) MOVEMENTS IN RESTRICTED FUNDS (Contd....)

Projects	Donor	Balance Brought Forward	Funds Received During the Year	Transferred from/to Unrestricted Fund	Fund Refunded	Funds Receivable at the Year End	Fund trf among the projects	Transferred to Statement of Comprehensive Income	Balance Carried Forward
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Direct Project Cost									
Enabling people to Engage in Democratic Governing Spaces	The Embassy of Netherlands	46,293,427	24,340,516	-	-	-	-	41,477,295	29,156,648
Enhancing Women's Political Participation through improved capacity and knowledge of women for enriched social culture of Sri Lanka	The Asia Foundation	-	192,057	(63)	-	-	-	191,994	-
Supporting Free and Fair Local Government Elections 2023	National Democratic Institute	-	84,080,652	(65,973)	(64,820,836)	-	(12,954,484)	6,239,359	-
Bridging the gap between the Legislature and civil society by strengthening District Committees and MP Collective for clean politics	National Democratic Institute	-	-	-	-	-	12,954,484	9,746,089	3,208,395



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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023**

(07) MOVEMENTS IN RESTRICTED FUNDS (Contd....)

Projects	Donor	Balance Brought Forward	Funds Received During the Year	Transferred from/to Unrestricted Fund	Fund Refunded	Funds Receivable at the Year End	Fund trf among the projects	Transferred to Statement of Comprehensive Income	Balance Carried Forward
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Direct Project Cost									
Increasing women's political participation in Sri Lanka by improving women's capacity and knowledge for a more enriched social and political culture	New Zealand High Commission	-	1,785,000	-	(92,611)	-	-	1,692,389	-
To build a regional coalition/network on Gender Inclusion and social Inclusion (GESI) in political participation in the South Asia Region	The Asia Foundation	-	8,680,032	-	-	-	-	352,496	8,327,536
Monitoring and data analysis on national context in Sri Lanka	United Nations Development Programme	-	2,058,000	(668,850)	-	-	-	1,389,150	-
Total		66,547,525	164,030,553	(4,813,395)	(64,913,447)	4,216,699	-	106,084,097	58,983,838



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****AS AT 31ST DECEMBER,**

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
(08) RETIREMENT BENEFIT LIABILITIES		
Balance as at the beginning of the year	5,952,034	5,333,131
Charge for the Year	1,308,827	592,566
Interest for the year	757,137	946,872
Deficit/ (Surplus) for the year	5,229,228	(920,535)
Payments Made During the Year	(215,000)	-
Balance as at the end of the year	<u>13,032,226</u>	<u>5,952,034</u>

The principal assumptions used are as follows:

Salary Increment Rate	15%	15%
Discount Rate Assumed	13%	18%
Staff Turnover Factor	10%	5%
Retirement Age	60	60

(09) ACCRUED EXPENSES

Tax Consultant Fees	-	21,000
Overtime	39,710/	20,078
Telephone Bills	-	59,433
Water Bills	16,742/	15,197
Car Rent	-	82,166
Vehicle Repairs	-	51,500
Stationery	-	10,500
Postage Charges	-	2,480
Project Expenses	228,126 /	22,550
Communication	51,801/	-
Audit Fees	447,777/	350,000
Project Transport	270,730/	-
P.A.Y.E	41,756/	-
Withholding Tax	20,000/	-
Secretary Fees	20,000/	-
	<u>1,136,642</u>	<u>634,904</u>



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
AS AT 31ST DECEMBER,

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
(10) <u>PAYABLE TO NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS</u>		
Payable as at 31st December	3,925,981	-
	<u>3,925,981</u>	<u>-</u>

Agreement No : 23-20542-SRI.0-2489

Nature

The NDI (National Democratic Institute for International Affairs) is a donor of PAFFEREL and provides funds for PAFFEREL to carry out projects.

Upon the end of the grant period termination of the agreement or completion of the project, whichever comes first, PAFFEREL shall return any and all unspent funds.

Conditions

The Guarantee shall Maintain all the funds received from NDI in separate interest bearing bank account, consistent with 2CFR 200.305. The Guarantee shall not mix or Co-mingle any such NDI funds with any other sources of funding. The guarantee shall return to NDI all interest received on project funds that Exceed \$600 in any given year.



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITEDNOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER,

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
(10) <u>PAYABLE TO NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS</u>		
Payable as at 31st December	3,925,981	-
	<u>3,925,981</u>	<u>-</u>

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

	<u>2023</u>	<u>2022</u>
<u>Note</u>	Rs.	Rs.
(11) <u>INCOMING RESOURCES</u>		
Restricted Income	(11.1) 106,084,097	101,954,946
	<u>106,084,097</u>	<u>101,954,946</u>
(11.1) <u>Restricted Income</u>		
The Norwegian Ministry of Foreign Affairs (NMFA)	-	3,205,276
The United Nations Democracy Fund (UNDEF)	-	8,398,057
Embassy of Netherlands	41,477,295	233,204
Diakonia	23,083,036	16,790,762
The Asia Foundation	191,994	29,093,262
Foundation Open Society Institute 2021/2022	6,571,678	16,179,765
The Swiss Confederation (The Federal Department of Foreign Affairs - FDFA)	-	5,202,310
The National Democratic Institute for International Affairs (NDI)	15,985,448	12,800,465
The Royal Norwegian Embassy 2021/2022	-	9,771,759
The Royal Norwegian Embassy 2022/2024	9,622,717	280,086
USAID Grant through Management System International, Inc (MSI) Project (IDEA)	5,717,894	-
New Zealand High Commission	1,692,389	-
The Asia Foundation	352,496	-
United Nations Development Programme	1,389,150	-
	<u>106,084,097</u>	<u>101,954,946</u>
(12) <u>PROJECT EXPENDITURE</u>		
Programme Cost	72,096,443	75,176,718
Personnel Cost	1,304,027	5,278,244
Support Cost	7,317,523	4,070,304
	<u>80,717,993</u>	<u>84,525,266</u>



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

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
(13) <u>REVENUE EARNED FROM OTHER ACTIVITIES</u>		
FD Interest Income	1,448,661	578,983
Money Market Interest Income	686,224	428,439
Miscellaneous	438,827	88,501
Staff Loan Interest	-	129,434
Recovery of Renovation	540,000	540,000
Interest Income - Staff & Gra Loan	173,169	-
	<u>3,286,881</u>	<u>1,765,357</u>
(14) <u>ADMINISTRATION EXPENDITURE</u>		
Salaries	20,302,350	12,200,488
Depreciation	98,966	6,577
Sundry Expenses	116,818	797,255
Gratuity	992,006	986,882
Purchases and Maintenance	557,622	293,537
Communication, Stationery & Printing	637,719	683,981
Utilities	1,309,833	829,741
Staff Travelling	368,681	1,656,081
Vehicle Maintenance	4,940	5,500
Bank Charges	82,315	75,299
Staff Welfare	919,863	461,683
Cleaning Charges	206,404	191,334
Audit Fee	516,478	355,000
Staff Training	190,000	89,210
Written-back Provision for EPF & ETF	-	(862,400)
Income Tax Calculation Fee	24,638	-
Office Administration	623,756	-
	<u>26,952,389</u>	<u>17,770,168</u>



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023****(15) INCOME TAX EXPENSES**

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act.

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
(15.1) <u>Income Tax Expense</u>		
Income Statement		
Current Tax Expenses on Ordinary Activities for the Year	197,663	32,080
Under Provision of Tax Expenses for the previous Year	-	-
Income Tax Charges Reported in the Income Statement	<u>197,663</u>	<u>32,080</u>
(15.2) <u>Current Tax Expense on Ordinary Activities for the Year</u>		
Accounting Profit Before Tax	-	-
Aggregate Disallowable Expenses	-	-
Aggregate Allowable Expenses	-	-
Taxable Profit	<u>-</u>	<u>-</u>
Investment Income	1,524,906	229,144
Total Taxable Income	<u>1,524,906</u>	<u>229,144</u>
Tax @ 14%	213,487	32,080
Tax @ 14%	-	-
Tax @ 24%	-	-
Tax Expenses	<u>213,487</u>	<u>32,080</u>
<u>Tax Payable</u>		
Balance as at the Beginning of the Year	1,266,273	1,260,623
Tax Expenses	197,663	32,080
Tax Paid During the Year	(29,516)	(26,430)
Balance as at the End of the Year	<u>1,434,420</u>	<u>1,266,273</u>



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023****(16) COMMITMENTS AND CONTINGENCIES**

The Organization does not hold significant capital commitments and contingencies as at the reporting date.

(17) EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments or disclosure in the financial statements.

(18) ASSETS PLEDGED

There were no assets pledged as at the reporting date.

(19) RELATED PARTY TRANSACTIONS

Transactions maintained with Key Management Personnel of the Organization

The organization's key management Personnel comprise the Board of Directors and the Executive Director.

2023

Rs.

Director Benefit- Dr. Jehan Perera - Board of Director

Political Review for October, November and December 2023

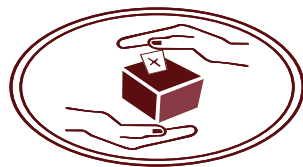
270,000

Employee Benefits- Mr. Rohana Hettiarachchi - Executive Director

These benefits are relevant from January 2023 to December 2023.

Salary	3,248,928	
EPF 12%	341,991	
ETF 3%	85,498	
Gratuity Provision	118,747	
Insurance	40,138	
Total		<u>3,835,303</u>





PAFFREL

16, Byrde Place, Off Pamankada Rd, Colombo 06, Sri Lanka.

+94 11 2 558 570 / +94 11 2 558 571

paffrel@sltnet.lk

www.paffrel.lk