

Audited Financial Statements
Democracy Reporting International
As at
December 31, 2014



NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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AUDITORS' REPORT

We have audited the annexed balance sheet of **Democracy Reporting International - Pakistan Office (DRI)** as at **31 December 2014** and the related income and expenditure account, statement of changes in reserves together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

Management's Responsibility for the financial statements

It is the responsibility of the management of DRI to establish and maintain a system of internal control and present the above said financial statements in accordance with the approved accounting standards. Our responsibility is to express an opinion on these financial statements based on our audit.

Auditor's responsibility

We conducted our audit in accordance with auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

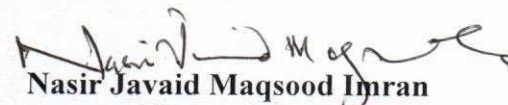

Opinion

In our opinion the financial statements, together with notes forming part thereof give a true and fair view of the financial position of **Democracy Reporting International - Pakistan Office** for the year ended **31 December 2014** and the result of its operation for the year then ended, in accordance with the approved accounting standards as applicable in Pakistan.

The policy of **Democracy Reporting International - Pakistan Office** is to prepare the accompanying financial statements in accordance with modified cash basis of accounting which is a comprehensive basis of accounting, whereby revenue is recognized when received, and costs are recognized when incurred.

Date:

Place: **Islamabad**


Nasir Javid Maqsood Imran
Chartered Accountants


Imran ul Haq FCA

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DEMOCRACY REPORTING INTERNATIONAL - PAKISTAN OFFICE
BALANCE SHEET
AS AT DECEMBER 31, 2014

	Note	Amount (Rupees) 2014	Amount (Rupees) 2013
Current assets			
Advances & prepayments		4,612,794	7,614,186
Bank balance		1,913,607	3,100,077
		6,526,401	10,714,263
Current liabilities			
Creditors		3,920,701	7,904,253
Due to head office		324,169	34,101
Net assets		2,281,531	2,775,909
Represented by			
Accumulated fund		2,281,531	2,775,909
		2,281,531	2,775,909


COUNTRY HEAD/TEAM LEADER


FINANCE SECRETARY

DEMOCRACY REPORTING INTERNATIONAL - PAKISTAN OFFICE
INCOME & EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	Amount (Rupees) 2014	Amount (Rupees) 2013
Funds			
Funds Received		30,012,556	69,815,884
		30,012,556	69,815,884
Project Expenditures			
IFS-II	4.1	16,342,814	60,220,199
IP3	4.2	7,137,911	7,841,839
GSP+ Phase I	4.3	7,026,209	-
		30,506,934	68,062,038
(Deficit)/Surplus		(494,378)	1,753,846
 COUNTRY DIRECTOR/ TEAM LEADER		 FINANCE MANAGER	

DEMOCRACY REPORTING INTERNATIONAL - PAKISTAN OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. LEGAL STATUS AND OPERATIONS

Democracy Reporting International is a non-partisan, independent, not-for-profit organisation registered in Berlin. Democracy Reporting International promotes political participation of citizens, accountability of state bodies and the development of democratic institutions worldwide. Democracy Reporting International helps support local ways of promoting the universal right of citizens to participate in the political life of their country, as enshrined in the Universal Declaration of Human Rights (UDHR) and the International Covenant on Civil and Political Rights (ICCPR).

Democracy Reporting International's work is carried out by an international network of experienced associates, each of whom have worked in democratic governance and human rights for 10 to 20 years, often in senior positions.

DRI's signing an agreement (MOU) with the government of Pakistan in process with Ministry of Interior, Government of Pakistan) mainly to perform: SUPPORTING DEMOCRATIC REFORMS: ELECTIONS, CONSTITUTIONS AND POLITICAL RIGHTS.

Registered office of Democracy Reporting International is situated at House 30, Street 20, F-7/2, Islamabad. Tel: +92-51-8357972

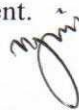
2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared to fulfill the requirements of Democracy Reporting International head office and not for the purpose of reporting to the donors as required under the terms of various co-funding agreements. Accordingly, these financial statements have been prepared in line with the reporting requirements of Democracy Reporting International head office as referred to below.

2.2 BASIS OF MEASUREMENT

The financial statements have been prepared on a cash-basis of accounting with respect to income and on an accruals basis with respect to expenditure in accordance with the accounting policies as set out below. These accounting policies are in accordance with the policies and guidelines of DRI head office. However, in relation to the accounting treatment of the acquisition of property, plant, equipment and stocks, DRI policy is to expense these immediately to the statement of financial activities at acquisition. This is deemed to be a more appropriate accounting treatment normally afforded to such transactions in generally accepted accounting principles (GAAP), which would require these transactions to be recorded as assets subjects to annual accounting charges as these assets are utilized or consumed. These policies are in line with the normal accounting policies applied by International Non-Government Organization (NGOs), which are observed due to their working environment.



DEMOCRACY REPORTING INTERNATIONAL - PAKISTAN OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these financial statements are measured using the currency of the primary economic environment in which the Organization operates (the functional currency). The financial statements are presented in Pakistani Rupees, which is the functional as well as the presentation currency of the Organization.

2.4 JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied in all the years presented, unless otherwise stated.

3.1 FIXED ASSETS

All items of property, plant and equipment are expensed to the income and expenditure account in the year of acquisition.

3.2 ADVANCES AND PREPAYMENTS

Advances and prepayments are stated at cost less provision for doubtful balances, if any.

3.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried at their cost in the balance sheet. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balances with banks.

3.4 PROVISIONS

A provision is recognized when the Organization has a legal or constructive obligation arising from past events, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.5 ACCRUED AND OTHER LIABILITIES

These are carried at cost which is the fair value of the consideration to be paid in future for the goods and services received, whether billed or not to the Organization.

3.6 GRANTS

Grants are recognized at their fair value, at the time of receipt in Pakistan by DRI Pakistan Office.



DEMOCRACY REPORTING INTERNATIONAL - PAKISTAN OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

3.7 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Foreign currency transactions are translated into Pakistani Rupees using the exchange rates prevailing on the date of such transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognized in the income and expenditure account.

	Note	2014 Rupees	2013 Rupees
4. Project Expenditures			
IFS-II	4.1	16,342,814	60,220,199
IP3	4.2	7,137,911	7,841,839
GSP+ Phase I	4.3	7,026,209	-
		30,506,934	68,062,038

4.1 IFS-II

Project Title: Supporting Advocacy For Electoral Reforms in Pakistan

Salaries and benefits	7,461,134	17,892,909
Travelling and transportation	230,517	1,110,480
Furniture and Equipment	374,222	1,473,837
Local office expenses	2,008,475	9,570,532
Other costs, services	6,268,466	30,172,441
	16,342,814	60,220,199

4.2 IP3

Project Title: Improving Parliamentary Performance in Pakistan (IP3)

Salaries and benefits	7,137,911	7,841,839
	7,137,911	7,841,839

4.3 GSP+ Phase I

Project Title: Supporting Advocacy For Human Rights in Pakistan

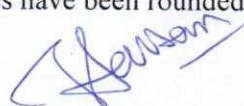
Salaries and benefits	2,928,924	-
Travelling and transportation	67,189	-
Equipment and supplies	383,807	-
Local office expenses	3,492,607	-
Other costs, services	153,682	-
	7,026,209	-

5. Date of authorization for issue

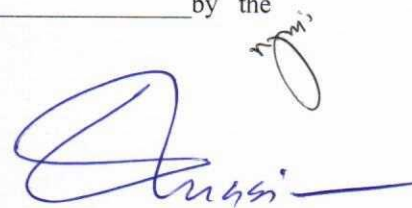
The financial statements were authorized for issue on _____ by the Management Committee of the NGO.

6. General

Figures have been rounded off to the nearest rupee.



COUNTRY DIRECTOR/ TEAM LEADER



FINANCE MANAGER