

**DEMOCRACY REPORTING INTERNATIONAL
PAKISTAN OFFICE
ANNUAL AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2016**



INDEPENDENT AUDITORS' REPORT TO THE COUNTRY HEAD
Of Democracy Reporting International-Pakistan Office

We have audited the accompanying balance sheet and statement of receipt and payment of the Democracy Reporting International-Pakistan Office for the year ended December 31, 2016 and a summary of significant accounting policies and other explanatory information (here-in-after referred to as the 'financial statements').

Basis of Preparation

These financial statements have been prepared by the management in accordance with the receipt and payment basis of accounting as described in note 2 thereto.

Management Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash receipt and payment basis of accounting described in note 2, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

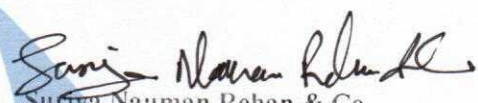
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the balance sheet of the Democracy Reporting International-Pakistan Office as at December 31, 2016 and statement of receipt and payment for the year ended in accordance with the of receipt and payment basis of accounting as described in note 2. **SNRC**

Date: **15 May 2017**
Place: Islamabad



Suriya Nauman Rehan & Co.
Chartered Accountants
Engagement Partner:
Mr. Zahir Sadiq


DEMOCRACY REPORTING INTERNATIONAL-PAKISTAN OFFICE
BALANCE SHEET
AS AT DECEMBER 31, 2016

		2016	Restated 2015
	NOTE	RUPEES	RUPEES
Current assets			
Advances & prepayments		-	4,908,752
Receivable from head office		-	367,924
Cash and bank balances	3	8,197,552	4,239,662
		8,197,552	9,516,338
Current liabilities			
Creditors		-	5,566,573
Net assets		<u>8,197,552</u>	<u>3,949,765</u>
Represented by			
Accumulated fund		<u>8,197,552</u>	<u>3,949,765</u>
		<u>8,197,552</u>	<u>3,949,765</u>

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The annexed notes 1 to 5 form an integral part of these financial statements.


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DEMOCRACY REPORTING INTERNATIONAL-PAKISTAN OFFICE
STATEMENT OF RECEIPT AND PAYMENT
FOR THE YEAR ENDED DECEMBER 31, 2016

	NOTE	2016 RUPEES	Restated 2015 RUPEES
RECEIPTS			
Grant from Head Office		85,790,628	52,996,363
PAYMENTS			
Project Expenditures			
DFID-1043	4.1	22,607,875	-
DFID-1032	4.2	22,150,362	19,801,324
GSP-1038	4.3	24,095,447	24,406,379
GSP-1023	4.4	3,836,167	-
TDEA-1030	4.5	5,187,795	4,040,649
ATK-2000	4.6	938,237	-
IP3-7006	4.7	2,726,958	3,597,543
		81,542,841	51,845,895
Surplus/(Deficit) for year		4,247,787	1,150,468
Accumulated surplus brought forward		3,949,765	2,799,297
Accumulated surplus carried forward		8,197,552	3,949,765

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The annexed notes 1 to 5 form an integral part of these financial statements.



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DEMOCRACY REPORTING INTERNATIONAL-PAKISTAN OFFICE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 development of democratic institutions world-wide. Democracy Reporting International helps support local ways of promoting the universal right of citizens to participate in political life of their country, 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 government of Pakistan (in process with Ministry of Interior, Government of Pakistan) mainly to perform: Supporting Democratic Reforms: Elections, Constitution and Political Rights. The registered office DRI-Pakistan office is situated at 1st floor, Ufone Tower, Islamabad.

2 BASIS OF ACCOUNTING

These financial statements have been prepared on cash receipt and payment basis of accounting, which is a comprehensive basis of accounting, under which income is recognized when received and expenditure is recognized when paid.

2.1 FOREIGN CURRENCY TRANSLATION

Receipts and expenses in foreign currency from cash and bank are recorded in Pakistan Rupee using average rate of exchange. The cash and bank balances held in foreign currencies are translated at the rates of exchange which approximates those prevailing at the reporting date. The resulting exchange gain or loss is taken to the fund balance.

	<u>NOTE</u>	<u>2016 RUPEES</u>	<u>Restated 2015 RUPEES</u>
3 CASH AND BANK BALANCES			
Cash in hand			
<u>Emergency cash reserve</u>			
Euro 2,500 x 108 (2015: 2,500 x 114)		270,000	285,000
Pak Rupee		275,000	275,000
		545,000	560,000
<u>Petty cash</u>			
Pak Rupee		-	17,979
		545,000	577,979
Cash at bank - current accounts			
Euro (482.57 x 108) (2015: nil)		52,118	-
Pak Rupee	3.1	7,600,434	3,661,683
		7,652,552	3,661,683
		8,197,552	4,239,662
3.1 Bank Reconciliation - Pak Rupee			
Balance as per DRI's bank book		7,600,434	3,661,683
Add:			
Unpresented cheques		492,567	3,164,044
Balance as per bank account		8,093,001	6,825,727

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DEMOCRACY REPORTING INTERNATIONAL-PAKISTAN OFFICE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2016

4 PROJECT EXPENDITURE

		Project program cost	Project admin cost	Total
		(RUPEES)		
		2016		
DFID-1043	4.1	17,455,699	5,152,176	22,607,875
DFID-1032	4.2	19,004,467	3,145,895	22,150,362
GSP-1038	4.3	15,052,651	9,042,796	24,095,447
GSP-1023	4.4	3,663,471	172,696	3,836,167
TDEA-1030	4.5	5,187,795	-	5,187,795
ATK-2000	4.6	241,280	696,957	938,237
IP3-7006	4.7	2,726,958	-	2,726,958
		<u>63,332,321</u>	<u>18,210,520</u>	<u>81,542,841</u>

		2015		
DFID-1043	4.1	-	-	-
DFID-1032	4.2	16,445,533	3,355,791	19,801,324
GSP-1038	4.3	20,048,998	4,357,381	24,406,379
GSP-1023	4.4	-	-	-
TDEA-1030	4.5	3,255,271	785,378	4,040,649
ATK-2000	4.6	-	-	-
IP3-7006	4.7	3,597,543	-	3,597,543
		<u>43,347,345</u>	<u>8,498,550</u>	<u>51,845,895</u>

		2016 RUPEES	Restated 2015 RUPEES
4.1 DFID-1043 (Supporting electoral and parliamentary reforms in Pakistan)			
Project activity related cost		10,222,452	-
Project personnel cost		7,233,247	-
Admin personnel cost		1,836,066	-
Other Project indirect cost/Admin cost		2,322,222	-
Supplies and equipment		993,888	-
		<u>22,607,875</u>	<u>-</u>
4.2 DFID-1032 (Democratic stability through responsive elected institutions)			
Project activity related cost		13,522,199	10,537,202
Project activity related admin cost		96,000	-
Project personnel program cost		5,332,269	5,908,331
Project personnel admin cost		1,998,617	-
Other indirect program cost		150,000	-
Other indirect admin cost		375,000	2,156,428
Supplies and equipment		676,277	1,199,363
		<u>22,150,362</u>	<u>19,801,324</u>

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DEMOCRACY REPORTING INTERNATIONAL-PAKISTAN OFFICE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 RUPEES	Restated 2015 RUPEES
4.3 GSP-1038 (Supporting advocacy for human rights in Pakistan)		
Project program salaries and benefits	5,172,296	14,244,912
Project admin salaries and benefits	3,441,782	-
Project program travelling and transportation	3,709,658	-
Project admin travelling and transportation	247,280	332,167
Project admin equipment and supplies	676,050	435
Project program local office expenses	783,334	5,804,086
Project admin local office expenses	452,113	-
Project program other cost, services	5,201,232	-
Project admin other cost, services	3,810,715	4,024,779
Project program efu life Insurance	173,327	-
Project admin efu life Insurance	329,783	-
Project program fuel and power	12,804	-
Project admin fuel and power	85,073	-
	<u>24,095,447</u>	<u>24,406,379</u>
4.4 GSP-1023 (Supporting advocacy for human rights in Pakistan)		
Project program salaries and benefits	975,550	-
Project admin salaries and benefits	156,021	-
Project program travelling and transportation	639,351	-
Project admin travelling and transportation	16,675	-
Project program equipment and supplies	14,200	-
Project program local office expenses	110,317	-
Project program other cost, services	1,924,053	-
	<u>3,836,167</u>	<u>-</u>
4.5 TDEA-1030 (Trust for democratic education and accountability)		
Project program deployment of expert advisors and staffing	745,639	3,255,271
Project admin provisional of operational/logistics, security and translation support	239,270	535,334
Project admin regular meetings and workshops with national CSOs	3,501,795	97,428
Project admin production of reports and communications	701,091	152,616
	<u>5,187,795</u>	<u>4,040,649</u>
4.6 ATK-2000 (Head Quarter Berlin)		
Project program deployment of expert advisors	241,280	-
Project admin deployment of expert advisors	696,957	-
	<u>938,237</u>	<u>-</u>
4.7 IP3-7006 (Improving parliamentary performance in Pakistan)		
Project program deployment of expert advisors	2,726,958	3,597,543
	<u>2,726,958</u>	<u>3,597,543</u>

5 General

5.1 Amounts have been rounded off to the nearest Pakistani rupee.

5.2 These financial statements have been approved by country representative on 15 MAY 2017.


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