

ANNUAL REPORT 2008



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Message from the Chair and Co-Chair of SAHR

South Asians for Human Rights (SAHR) is pleased to present its annual report on its contribution to the prevention, promotion and protection of human rights in 2008.

As a regional network of human rights defenders, SAHR visualised its role in monitoring the status of human rights in the countries of the region, promoting mechanisms for protection of human rights. Essential to this goal was the need to strengthen democratic institutions to make them functional, transparent, and accountable to the citizens of South Asia.

Towards this end, SAHR held a series of consultations on the need for an Inclusive Electoral Process. Since most South Asian countries were preparing for elections in 2008, and there was much concern with the need for electoral reform, SAHR was able to bring together leading experts from national election commissions, elected leaders, human rights activists, election monitors, etc. to identify indicators and guidelines for making the electoral process more meaningful. The outcome of these consultations was the publication of a report entitled *An Inclusive Electoral Process* which has been distributed to election commissions, election monitors, parliament members and other stakeholders, for wider discussions. It was presented at the workshop titled “Conflict, Right to Protection and Transitional Justice” at the People's SAARC conference in 2008.

SAHR firmly believes in the need to promote a culture of tolerance and peace, and respect for plural traditions in South Asia, as a basis for strengthening citizens' struggles for empowerment over their own lives and for defence of their rights. SAHR's fact-finding missions to investigate the situation of IDPs, of minority rights, of violence by religious extremists have pointed to the need for corrective action by states, governments and for stronger activism at the national and regional level. SAHR's reports on IDPs in Baluchistan and Sri Lanka, on the state of minorities in Bangladesh, India, Pakistan and Sri Lanka have raised awareness at different levels and contributed to a greater understanding amongst national bodies. SAHR is currently embarked on a study examining how religion is used by governments or majority groups to discriminate against others. SAHR members have participated in several forums on issues such as the rights of Bhutanese refugees, parliamentary elections in Bangladesh and defence of human rights defenders.

SAHR believes that peace and cooperation between all states of South Asian is a precondition for progress in the region. This is why SAHR played a vanguard role to arrange peace missions from Pakistan to India and from India to Pakistan soon after the bomb attacks in Mumbai. SAHR was able to rally significant voices in support of the campaign for peace between India and Pakistan from amongst decision makers and public leaders. It has continued to support similar initiatives launched by different organisations and has opened a discussion on its blog on the relationship between India and Pakistan following these attacks. The response shows a strong inclination amongst the citizens for peace and cooperation.

SAHR kept its objectives of promoting democracy, human rights, transparent governance in mind by issuing press releases and alerts which flagged issues and incidents that required collective action at varying levels – national, regional and international.

We are happy to note that our publication on Sri Lanka's IDPs is to be reprinted with permission by the Institute of Chartered Financial Analysts of India (ICFAI) University Press, in their Professional Reference book titled - *IDPs in South Asia: Dilemma and Protection*. We welcome such a move as it considerably increases involvement on this issue.

To further improve visibility of SAHR's human rights work, the Bureau members decided in November 2008 on the production of a tri-annual newsletter commencing from February 2009.

We commend the SAHR Secretariat for having worked diligently in supporting the national bureaux, and the latter in helping with SAHR activities.

SAHR is grateful to our donor partners for valuable funding support to enable us to continue our work in defence of human rights and democratic governance.

I.K. Gujral
Chair

Hameeda Hossain
Co-Chair

INTRODUCTION

South Asians for Human Rights (SAHR) is pleased to present its annual report of work carried out during 2008.

SAHR is a democratic regional network with a large membership base of individuals and organisations committed to the promotion and protection of human rights, at both national and regional levels.

We seek to contribute to the realisation of South Asian peoples' right to participatory democracy, good governance and justice by strengthening regional responses, including regional instruments, monitoring human rights violations, reviewing laws, policies and practices that have an adverse impact on human rights and conducting campaigns and programmes on issues of major concern in the region.

SAHR comprises both institutional and individual members. An elected bureau works as the organisation's executive body while a membership committee oversees enrolment of members.

The SAHR Chairperson and Co-Chairperson are Mr. I. K. Gujral (former Prime Minister of India) and Dr. Hameeda Hossain of Bangladesh, respectively. The SAHR Secretariat is in Colombo, Sri Lanka with chapter offices in Colombo, Dhaka, Kabul, Kathmandu, Lahore and New Delhi.

PROGRAMMES UNDERTAKEN IN 2008

SAHR's strategies were carried out within the framework of two following objectives which commenced in 2006 and 2007 respectively.

1. Strengthening Human Rights and Deepening Democracy

The long term objective of the programme is to strengthen human rights and contribute to a more inclusive democracy within the South Asian region by providing regional mechanisms and solutions to the challenges to human rights and democracy, and by facilitating regional inputs to the system.

The main activities include the organisation of regional consultations on human rights and democracy issues, the undertaking of fact-finding missions, monitoring the state of human rights and democracy in the region, publishing periodic briefing papers on key issues, highlighting violations through a web-based Rapid Response Alert service, producing post-consultation publications, interacting with media, strengthening regional responses and mobilising public opinion on a regional level.

2. Creating Just and Responsive States: Promoting Right to Transparent Governance and Inclusive Electoral Process in South Asia

The overall objective of this programme is to celebrate diversity, strengthen human rights, and contribute to a more inclusive democracy within the South Asian region through transparent governance.

The main activities include the organisation of national and regional consultations on the Right to Transparent Governance, a workshop of experts on Inclusive Electoral Process, advocacy actions on the Right to Transparent Governance followed by a final meeting and workshop of experts where the draft of the "Citizen's Charter for Transparent Governance" will be presented for discussion and finalization.

ACTIVITIES IN 2008

1. STANDARDS ON RIGHT TO TRANSPARENT GOVERNANCE

A committee, which was set up to study the recommendations that arose out of the national and regional consultations on the Right to Transparent Governance held in 2007, met on 29 and 30 March in New Delhi to deliberate whether civil society in South Asia could agree on common benchmarks on Right to Transparent Governance in the region, and press upon their governments to adhere to these basic standards. To this end, questionnaires on the Parliament, Executive and Judiciary were prepared and sent for completion by experts in the relevant areas. Their responses were used to draw up a draft set of standards on governance.

These standards are on topics such as sessions and calendar of business and parliament; record of business conducted in terms of the record of attendance and leave of absence; records of debates and discussions in terms of real time access; access to records of debates and reports of parliament; questions raised and answers provided in parliament and record of voting; papers laid on the table of parliament such as bills and legislative instruments and budgetary and financial

information; declaration of assets and liabilities of MPs; and, functioning of parliamentary committees.

A meeting and workshop has been planned for 21 and 22 April 2009 in Dhaka, Bangladesh where a set of draft citizens' guidelines will be presented for discussion and finalization. At this workshop SAHR also hopes to identify methods by which the guidelines can be used as a tool to improve transparency in existing systems of governance.

The final draft of the citizen's guidelines will be printed and distributed widely to international organisations, regional bodies, local and national NGOs and governments in South Asia.

2. INCLUSIVE ELECTORAL PROCESS

The report of the regional workshop of experts on Inclusive Electoral Process was published during the year, and disseminated to SAHR members, member organisations, and other relevant organisations. It was also made available at the workshop titled "Conflict, Right to Protection and Transitional Justice" at the People's SAARC 2008.

The report contains a description of the electoral systems within the region, puts forward a set of recommendations and best practices – in areas such as reform and conduct of elections, minorities, women and other marginalised groups and funding of political parties and campaign expenditure -- and concludes by identifying possible interventions and election monitoring that can be carried out by SAHR.

3. CONSULTATION ON BHUTANESE REFUGEES

Following a fact-finding mission into the concerns raised by Bhutanese refugees in 2006, SAHR held a consultation on 31 March in New Delhi to provide a forum to deliberate on the present state of the Bhutanese refugees in India and Nepal as well as to assess the elections to the Bhutanese National Assembly. It was held in New Delhi in order to engage with leading civil society organisations and policy makers so as to define a role that India can play in the case of the Bhutanese refugees.

SAHR has followed developments regarding Bhutanese refugees since the December 2006 mission by posting

regular alerts on its website and will continue to support their cause in the coming years as well.

4. FACT-FINDING MISSIONS

SAHR carried out several fact-finding missions in 2008 relating to governance, human rights and minority rights issues. The missions focused mainly on the issues of internally displaced persons (IDPs) and custodial torture. A fact-finding mission on the use of religion by the majority is also underway.

Fact-finding missions on IDPs in Baluchistan

Pursuant to fact-finding missions and a survey conducted by the Human Rights Commission of Pakistan (HRCP) on behalf of SAHR, a report has been produced highlighting the effects of the conflict between the Pakistan government and armed opposition groups in Baluchistan within the framework of displacement and its impact on the lives of IDPs. It also contains a set of recommendations to the Government of Pakistan to fulfil its obligations under customary law to protect civilians from the impact of armed

conflict and to improve the condition of Baluch IDPs. These include, inter alia, protection of basic human rights for all IDPs with special attention to meeting their basic needs, ensure proper camps for IDPs with basic amenities and facilities, ensure security for IDPs.

The report has been circulated to policy makers, parliamentarians and other political party representatives and international organizations working in Pakistan. The findings were also disseminated through media (through HRCP and SAHR press statements).

Study on Custodial Torture

This study looks at the incidence of custodial torture in Afghanistan, Bangladesh, India, Nepal, Pakistan and Sri Lanka by law enforcement agencies, and examines the sources of their impunity in the laws and practices in each country. It will be used by SAHR for its campaign to create public awareness of such violations, to raise public voices against impunity and to advocate for changes in laws, policies and methods of law enforcement. The report is expected to be published early 2009.

5. MONITORING THE HUMAN RIGHTS SITUATION

All country chapters have been responsible for monitoring the human rights situation in their respective countries by looking through secondary sources such as newspapers, magazines, library and documentation centres, the broadcast media and the Internet. The information gathered by the chapters is also used to compile briefing papers and situation reports on a country or on a thematic basis. A selection of these articles is also uploaded to the SAHR website.

6. RAPID RESPONSE ALERTS

This alert system is part of the SAHR website and is used to post appeals or statements on human rights violations that demand immediate attention on the part of the human rights community worldwide. Specific alerts have also been sent directly to the parties that can immediately make a difference, i.e. UN Special Rapporteurs, International Crisis Group, Amnesty International, Human Rights Watch and country leaders.

7. STRENGTHENING REGIONAL RESPONSES AND MOBILISING PUBLIC OPINION ON A REGIONAL LEVEL

SAARC intervention

One of the objectives of SAHR is to maintain mutually beneficial relations with international and regional agencies such as the UN and SAARC and to promote dialogue and mutual cooperation.

SAHR consultant Mr. Bhim Prasad Bhurtel of Nepal provided a paper on SAARC progress vis-à-vis democracy and human rights as well as possible intervention strategies that SAHR and South Asian civil society could utilise to lobby SAARC. The Sri Lankan Daily News referred to this paper in its article 'Reviewing the SAARC Process' which was published during the SAARC summit held in Colombo on 27 July.

SAHR prepared a press release for the SAARC summit, which primarily focused on the state of human rights in each of the member states, pointing out the problems and needs in the region. The press release was disseminated to organisations, government offices, universities and also published in daily newspapers in the region. It was also posted on the SAHR website (<http://www.southasianrights.org/showPressNews.php?id=48>), and other websites of organisations dealing with human rights in the region.

ADVOCACY & VISIBILITY

1. PEOPLES' SAARC 2008

The Peoples' SAARC took place in Sri Lanka from 17 to 20 July. Hundreds of women, workers, peasants, artisans, urban and rural poor, students and youth, cultural activists, scholars, and representatives of marginalised and excluded social groups and communities from South Asia gathered at the assembly to show their solidarity with others from the SAARC region.

The Peoples' SAARC called on South Asian leaders ahead of their July 27 summit to 'Imagine a New South Asia' free from hunger, poverty, disasters, bad governance, authoritarian rules and lack of control over their resources through new neo-colonial masters.

Discussions, debates at plenary sessions and over thirty workshops were conducted on a wide range of topics, dealing with issues relevant to the SAARC region. SAHR was involved in organising the workshop on "Conflict, Right to Protection and Transitional Justice. Speakers included SAHR Bureau members Mr. J. C. Weliamuna (Executive Director of Transparency International Sri Lanka) and Mr. K. S. Ratnavel (Lawyer and Activist), along with Mr. V. S. Ganesalingam

(Attorney-at-Law, Home for Human Rights), and Dr. Gopal Krishna Siwakoti (President, International Institute for Human Rights, Environment & Development).

SAHR publications were also distributed at the workshop including the publications on Bhutan - "No Gross National Happiness for Bhutanese Refugees" and "Refugees in Exile, the Case of Bhutan". The paper on Bhutanese refugees by SAHR bureau member Devendra Raj Panday was also distributed at the workshop.

2. PEACE DELEGATION, INDIA-PAKISTAN

The terrorist attack in Mumbai in November 2008 strained ties between India and Pakistan. The voice of civil society in both countries were overtaken by war hysteria and frenzy among the masses and politicians, compounded by a vociferous media.

SAHR issued a statement condemning the attack and it was also posted on its website. See <http://www.southasianrights.org/showPressNews.php?id=63>

3. CONVENTION ON DRACONIAN LAWS

SAHR took part in a two-day national level convention on 26-27 July in New Delhi which discussed draconian laws in India and testimonies by victims. Members of Parliament belonging to different political parties shared their views, plans and strategies to deal with the laws.

4. DEMONSTRATION IN COLOMBO CONDEMNING THE ATTACK AGAINST HUMAN RIGHTS LAWYER

The house of SAHR bureau member J C Weliamuna came under grenade attack in late September. Mr. Weliamuna is a human rights lawyer and Executive Director of Transparency International Sri Lanka. He has taken up many public interest litigation cases and has constantly appeared in controversial cases on behalf of victims of torture, extra-judicial killings and disappearances. SAHR issued a statement vehemently condemning the attack and calling for an investigation in order to bring the perpetrators to justice. SAHR also participated in a demonstration in Colombo with a host of human rights and civil society organisations.



5. HUMAN RIGHTS DAY CELEBRATIONS IN SOUTH ASIA

SAHR took part in celebrations to mark the 60th Anniversary of the Universal Declaration of Human Rights (10 December).

In Colombo, Sri Lanka, members of SAHR joined hands with hundreds of others from NGOs, the judiciary, the bar association, and other civil society organisations for a peaceful yet powerful demonstration condemning the blatant violation of human rights in the country. Demonstrators wore black coloured hand-bands and gags to show solidarity with the many journalists who lost their lives and who were termed as 'missing'.

The India chapter organized a gathering of a few hundred people – civil society groups, campaigners, grassroots activists, students from Delhi University and Jamia Millia Islamia. The gathering met in Delhi at the Gandhi King Plaza, Indian International Centre, to share their struggles, express their solidarity towards peace, and demand justice for their respective struggles.

The event started with an exhibition by different civil society groups. Posters, books, monographs, and other audio and video material were on display. Cultural performances such as songs and brief statements by various activists from different grassroots movements in the country followed. The evening ended with the lighting of candles.

6. PRESS STATEMENTS

Press releases prepared by SAHR during 2008 were distributed to media (national or regional as appropriate), as well as uploaded to the SAHR website. SAHR also continued to add to a mailing list of organisations in each country to circulate such releases in order to increase the outreach without relying only on media and its channels. The complete list of press statements is accessible at <http://www.southasianrights.org/ListPressNews.php>.

Newsletter

The SAHR bureau meeting in November decided on the publication of a tri-annual newsletter which will contain brief situation reports of each South Asian country in order to provide an easy-to-read

ADVOCACY & VISIBILITY

overview of the state of human rights in the region. Latest news on SAHR activities will keep the membership, SAHR contacts and the bureau updated and enable them to engage with SAHR's work. An analytical article and information about the progress of SAHR's projects and publications will also be presented in the newsletter. The first issue is scheduled for February 2009.

7. MEETING WITH HUMAN RIGHTS DEFENDERS AND ADVOCATES

SAHR organised a meeting in India on 9 November between HR defenders, advocates, civil society activists, and others. The meeting provided a useful platform for networking and contact building between persons working in similar fields. Visibility for SAHR and its work increased with the distribution of a number of human rights reports compiled by SAHR.



ACTIVITIES AT THE NATIONAL LEVEL

SAHR Bangladesh

A general members' meeting was organized on 14 February in Dhaka. The Report on SAHR Bureau Meeting on Electoral process held in Kathmandu from 3-5 December, 2007, Discussion on Present Human Rights Situation in Bangladesh, Discussion on National Human Rights Commission in Bangladesh were the main agenda of the meeting.

A press conference was organized on 26 February in Dhaka where the human rights bodies expressed deep concern over a number of provisions of the National Human Rights Commission Ordinance 2007.

SAHR Bangladesh sent a statement to the Caretaker Government protesting the detention and alleged torture of an Indigenous Human Rights Defender Rang Lai Mro and a memorandum on the National Policy for Women's Development. It also prepared bi-annual human rights reports, the draft report on SAPCROM Review and another brief report on prospective areas for a joint study with minority rights groups for Bangladesh. Alerts on related issues were also prepared and sent to the SAHR Secretariat for onward dissemination.

The research on Custodial Torture in Bangladesh was conducted by Dr. Abdullah Faruque titled 'A Critical Assessment of Legal and Institutional Framework' and a list of experts and organisations to be contacted for collecting information to compile the questionnaire on transparent governance was prepared.

SAHR India

SAHR India helped prepare the committee meeting on Rights to Transparent Governance in March, as well as the consultation on Bhutanese refugees, also in March.

The bureau also organized a gathering of civil society groups, campaigners, grass root activists and students from Delhi University and Jamia Millia Islamia which met on 10th of December at the Gandhi King Plaza, India International Centre, to share their struggles, express their solidarity towards peace, and demand justice for their respective struggles.

ACTIVITIES AT THE NATIONAL LEVEL

SAHR Nepal

SAHR Nepal was in constant touch with delegates participating in the consultation on Bhutanese refugees to discuss problems relating to their transition period in Nepal. Their lodging facilities and conditions were also discussed and noted.

Human rights activists and civil society members under the leadership of SAHR bureau member Dr. Devendra Raj Panday visited Kapilvastu from 23rd to 25th September, where at least 31 people were killed in the aftermath of the murder of Mr. Abdul Moid Khan, an influential leader. The team submitted its report to the Prime Minister Girija Prasad Koirala.

The study on Custodial Torture was done by a team consisting of members from the SAHR Nepal office and FOHRID organization.

Pursuant to the SAHR strategy of lobbying SAARC, a meeting was held with the SAARC office on August 28 to discuss various issues relating to human rights.

SAHR Pakistan

SAHR Pakistan remained active, mainly through its Secretariat in the Human Rights Commission of Pakistan (HRCP), in advocating on rights issues through various channels. It compiled a bi-annual human rights report, documenting and highlighting the status of human rights in the country. In addition, the chapter also ensured the completion of the study on custodial torture.

A fact finding report on the situation on IDPs in Baluchistan was also completed after conducting a survey in the war torn areas. Work on the Right to Governance initiative was commenced with the help of a number of consultants and bureau members. A questionnaire on transparency of parliamentary procedures was drafted and circulated in all SAHR chapters.

The bureau members remained actively involved in various issues that included the restoration of judiciary, Indo-Pak peace process, monitoring situation of IDPs in war torn provinces of Baluchistan and North-West Frontier Province through various visits, workshops, seminars, meetings, fact finding missions and protest rallies.

PUBLICATIONS & BRIEFING PAPERS

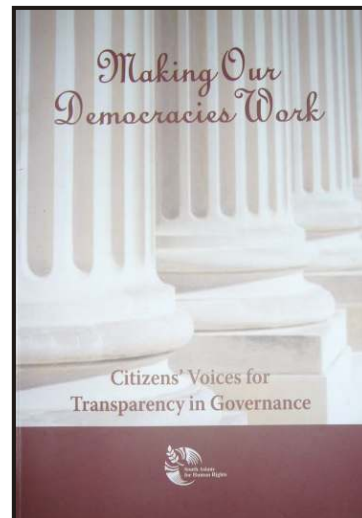
Briefing Papers

- *Situation report on Bhutan*
- *Situation report on Sri Lanka, January – October 2008*
- *Situation report on Nepal, January – October 2008*
- *Situation report on Bangladesh, January – October 2008*
- *Situation report on India, January- October 2008*
- *Situation report on Pakistan, January- October 2008*

Publications

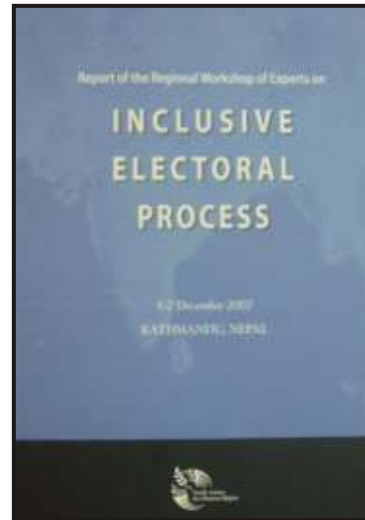
Making Our Democracies Work [ISBN 978-955-1489-09-0]

This is a *comprehensive report of the proceedings of national and regional level consultations on democracy, human rights, diversity and transparent governance.*



**Inclusive Electoral Process [ISBN
978-955-1489-08-3]**

This report is the outcome of a three-day regional workshop held in December 2007 in Kathmandu. The report identifies specific problems and provides recommendations based on the presentations and discussions that took place at the workshop.



**Publications from Bureau
Members**

The Human Rights Commission of Pakistan including some of the SAHR Bureau members have been involved in a number of publications on the human rights situation there. Three such published reports were – “Slow march to gallows: death penalty in Pakistan”, “Terrorist unless proven otherwise: Human rights implication of anti-terror laws and practices in Pakistan” and “Carnage in Karachi – A city under siege”.

ORGANISATIONAL STRUCTURE

SAHR Bureau – SAHR's executive body

Elected from among the SAHR membership, bureau members represent the countries making up the SAHR map and act as the organisation's executive body, providing policy and programme guidance to SAHR staff based in the secretariat and at national level.

SAHR Secretariat and National Coordinators

The SAHR Secretariat in Colombo, Sri Lanka provides overall support to the running of the organisation and also coordinates work at the national level.

National coordinators in Dhaka, Kabul, Kathmandu, Lahore and New Delhi ensure contributions from their countries for SAHR regional programmes and projects, and also coordinate local-level activities that fulfil SAHR's institutional objectives and provide it visibility.



Bureau meeting held in New Delhi

Ms. Shiranthi Jayatilaka

(Executive Director)

Ms. Tharangani Seneviratne

(Accountant)

Mr. Premjit Williams

(Communications Coordinator)

Ms. Brindhini Peiris

(Coordinator)

Mr. Roshan Manjula

(Office assistant/Clerk)

National coordinators

Afghanistan – Mr. Asad Katawazai

Bangladesh – Ms. Irfath Iva

India – Mr. Dhananjay Tripathi

Nepal – Ms. Tulika Jha

Pakistan – Ms. Hina Shaikh

THE SAHR BUREAU

AFGHANISTAN

Mr. Abdul Rahman Hotaki

Director, Afghan Organisation of Human Rights and Environmental Protection

BHUTAN

Mr. Tek Nath Rizal

Human rights activist

BANGLADESH

Dr. Hameeda Hossain

Leading women's rights activist and founder member of Ain o Salish Kendra (ASK)

Ms. Sara Zaker

Leading theatre activist and founder member of the Liberation War Museum

Ms. Shaheen Anam

Executive Director, Asiatic Marketing Communication Ltd

INDIA

Mr. I. K. Gujral

Former Prime Minister and Former Foreign Minister of India; human rights activist; presently Chancellor of the Maulana Azad National Urdu University, Hyderabad

Ms. Kamla Bhasin

Women's rights activist; freelance trainer and resource person on issues related to gender, women's empowerment and sustainable livelihoods.

Ms. Aruna Roy

Human rights activist; Founder member, Mazdoor Kisan Shakti Sangathan (MKSS)

Ms. Maja Daruwala

Human rights activist; Director of the Commonwealth Human Rights Initiative.

THE SAHR BUREAU

NEPAL

Dr. Devendra Raj Panday

Former Finance Secretary and Former Finance Minister of Nepal; a well-known figure in Nepal's development and democratisation process; Chairperson of the Rural Self-Reliance Development Center (RSDC)

Mr. Vijay Kumar Singh

Advocate, Supreme Court of Nepal; human rights activist.

Ms. Mohammedi Siddiqui

Social and human rights activist

PAKISTAN

Mr. I. A. Rehman

Director, Human Rights Commission of Pakistan and senior journalist

Ms. Sairah Irshad Khan

Editor, Newline Magazine, a monthly magazine which provides political analysis.

Ms. Salima Hashmi

Artist and Professor of Art; currently Dean, Beaconhouse National University, Lahore

Mr. Salman Raja

Lawyer and human rights activist

SRI LANKA

Mr. J.C.Weliamuna

Advocate, Supreme Court of Sri Lanka, and a leading human rights lawyer; Executive Director, Transparency International, Sri Lanka

Mr. K.S. Ratnavel

Attorney-at-Law and human rights activist

Ms. Shreen Saroor

Development worker

Ms. Sithie Tiruchelvam

Lawyer and human rights activist

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF SOUTH ASIANS FOR HUMAN RIGHTS

1. Report on the Financial Statements

We have audited the financial statements of **South Asians for Human Rights** which comprise the Balance Sheet as at 31st December 2008, the Income & Expenditure Account, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 06 to 12 of these financial statements.

2. Bureau Members Responsibility for the Financial Statements

The Bureau Members are responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

3. Scope of Audit and Basis of Opinion

3.1 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

4. Opinion

In our opinion, so far as appears from our examination, the Organisation maintained proper accounting records for the year ended 31st December 2008, and the financial statements give a true and fair view of the state of affairs of the organisations as at 31st December 2008, and its surplus and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards.


Chartered Accountants
Date : 07/04/2009
Colombo 02.


BALANCE SHEET AS AT 31st DECEMBER, 2008

	Notes	2008		2007	
		Rs.	US \$	Rs.	US \$
Assets					
Non Current Assets					
Property, Plant & Equipment	1	466,250	5,701	690,372	6,472
Current Assets					
Balance Receivables	2	535,021	4,751	664,875	6,151
Payment in Advance	3	128,250	1,140	128,250	1,187
Cash & Cash Equivalents	4	29,673,407	263,483	19,289,957	178,462
		30,336,678	269,374	20,083,082	185,800
Total Assets		30,802,928	275,074	20,773,454	192,272
Fund & Liabilities					
Fund					
Accumulated Fund					
Balance Brought Forward		19,722,444	182,548	12,412,208	115,993
Net Surplus for the Year		10,408,421	86,559	7,310,236	66,555
		30,130,865	269,107	19,722,444	182,548
Non Current Liabilities					
Retirement Benefit Obligations	5	292,270	2,595	189,908	1,757
Current Liabilities					
NGO Tax Obligation		-	-	386,865	3,579
Balance Payable - India		10,586	94	10,160	94
Accrued Expenses	6	369,207	3,278	464,076	4,293
		379,793	3,372	861,101	7,967
Total Fund & Liabilities		30,802,928	275,074	20,773,454	192,272

We certify that the above Balance Sheet and the related statement of Income and Expenditure to the best of our knowledge and beliefs contains true accounts of the Surplus and Cash & Cash Equivalent of the organisation.

Approved and signed for and on behalf of the organisation.


Executive Director


Director

INCOME AND EXPENDITURE

For the year from 01st January 2008 to 31st December 2008

	Notes	2008		2007	
		Rs.	US \$	Rs.	US \$
<u>Income</u>					
Grants	7	18,363,675	166,413.00	29,922,715	277,731
Other Income	8	1,868,660	9,153.84	1,103,670	8,949
Total Income		20,232,335	175,566.84	31,026,386	286,679
<u>Less: Expenses</u>					
Programme Expenses	9	4,244,285	38,445.17	18,585,415	172,503
Staff Support	10	3,979,168	36,059.53	3,252,604	30,190
Office Expenses	11	1,600,461	14,503.62	1,491,266	13,841
Total Expenditure		9,823,914	89,008.32	23,329,285	216,534
Taxation	12	-	-	386,865	3,591
Net Surplus for the Year		10,408,421	86,558.52	7,310,236	66,555

CASH FLOW STATEMENT

For the year from 01st January 2008 to 31st December 2008

	2008		2007	
	Rs.	US \$	Rs.	US \$
<u>Cash Flow from Operating Activities</u>				
Net surplus for the year	10,408,421	86,559	7,310,236	66,555
<u>Adjustment for</u>				
Gratuity provision	102,362	928	189,908	1,757
Depreciations	227,235	2,059	290,555	2,607
Interest Income	(465,081)	(4,215)	(491,755)	(4,564)
Loss on Disposal of Fixed Assets	6,888	62	16,299	151
Operating surplus before changes in working capital	10,279,823	85,393	7,315,244	66,596
<u>Changes in Working Capital</u>				
(Increase) / Decrease in Receivables	129,854	1,447	227,897	2,170
Increase / (Decrease) in Payables	(481,308)	(4,594)	(569,104)	(5,351)
	(351,454)	(3,148)	(341,207)	(3,181)
Net Cash Flow from Operating Activities	9,928,370	82,245	6,974,037	63,416
<u>Cash Flow from Investing Activities</u>				
Acquisition of Property, Plant & Equipment	(10,000)	(94)	(397,542)	(3,314)
Interest Received	465,081	4,215	491,755	4,564
Cash Proceeds on Disposal of Fixed Assets	-	-	40,000	372
Net Cash Flow from Investing Activities	455,081	4,123	134,213	1,622
Cash Flow from Financing Activities	-	-	-	-
Net Increase / (Decrease) in cash & Cash Equivalents for the year	10,383,451	86,366	7,108,251	65,038
Effect of foreign currency transaction	-	(1,346)	-	-
Cash & Cash Equivalents at the Beginning of the Year	19,289,957	178,462	12,181,706	113,424
Cash & Cash Equivalents at the End of the Year	29,673,407	263,483	19,289,957	178,462
<u>Analysis of the Cash and Cash Equivalents shown in balance sheet</u>				
USD FD A/C - 91502638005	4,905,413	43,557	4,611,982	42,668
USD FD A/C - 91502638006	1,231,465	10,935	1,151,793	10,656
USD FD A/C - 91502638007	11,642,970	103,383	10,883,590	100,690
LKR Savings A/C - 18 1502638 01	739,634	6,568	7,713	71
Cash in Hand - Foreign Currency	249,453	2,215	294,329	2,723
Currents A/C	174,946	1,553	137,583	1,273
Dollar A/C	10,709,084	95,090	2,190,329	20,264
Petty Cash	20,442	182	12,639	117
	29,673,407	263,483	19,289,957	178,462

NOTES TO THE FINANCIAL STATEMENTS

For the year from 01st January 2008 to 31st December 2008

1. Principle Accounting Policies

1.1 Basis of Accounting

The financial statements have been prepared in conformity with generally accepted accounting principles and accounting standards laid down by the Institute of Chartered Accountants of Sri Lanka which have been applied consistently on a historical cost basis, with no adjustments being made for inflationary factors affecting the financial statements.

Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.

2. Assets & the Basis of Their Valuation

2.1 Property, Plant & Equipment

The Property, Plant & Equipment are stated at cost of Acquisition / Transfers less depreciation. Assets received as donations during the year have been capitalized at cost determined by the association and corresponding figures are shown in the fund account created for the purpose.

Depreciation

Provision for depreciation is calculated by using a straight - line method on the cost of valuation of all property, plant & equipment in order to write off such amounts over the estimated useful economic life of such assets, from the time the assets became available for use.

The estimated useful lives of assets are as follows.

Office Equipment	Over 4 Years
Furniture & Fittings	Over 4 Years
Computers	Over 4 Years

NOTES TO THE FINANCIAL STATEMENTS

For the year from 01st January 2008 to 31st December 2008

3. **Income**

Income on foreign funds are recognized on cash basis.

4. **Expenditure**

All Expenditure incurred during the year has been charged to the statement of income & expenditure on accrual basis.

5. **Foreign Currency Transaction**

All foreign currency transactions are converted to Sri Lanka Rupees at the rate of exchange prevailing at the time the transactions were effected.

All monetary assets and liabilities denominated in foreign currencies have been translated into local currencies, at the rate of exchange ruling at the balance sheet date while all non monetary items are reported at the rate prevailing at the time transitions were effected.

The exchange differences arising there from have been dealt with in the income and expenditure statement.