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ஆண்டறிக்கை

ANNUAL REPORT

2022

ලෝහෝර් ආර්යා ණය අරමුදල – මුදල් අමාත්‍යංශය

லோஹோர் சீமாட்டி கடன் நிதியம் - நிதி அமைச்சு

Lady Lochore Loan Fund - Ministry of Finance

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Lady Lochore Loan Fund - Ministry of Finance

Content

Lady Lochore Loan Fund

Vision

To be a leading financial supporter for the employees of Government, Public Corporations, Statutory Institutions and Members of the three Forces.

Mission

To contribute in creating a contented Public Service by releasing Employees of Government, Public Corporations, Statutory Institutions and Members of the three Forces from indebtedness.

Objective

To relieve Indebtedness of Employees of the Government, Public Corporations, Statutory Institutions and Members of the three Forces, by providing short term loans without delay on concessionary interest rates under easy terms.

Functions

- Providing Loans to clients by maintaining the Fund sustainably.
- Improving institutional promotion and comparative capacity.
- Formulation and implementation of procedures for raising funds and maintaining the Fund.
- Developing best practices for loan management, efficiently lending and improving lending facilities.
- Acting as a facilitator of implementation of loan schemes for the employees of the other Government Institutions.
- Dealing with a proper financial control system in lending and maintaining loan affairs.

Corporate Information

Name and the Address of the Institution:

- Lady Lochore Loan Fund
- 100/ 3/2, Sir Chiththampalam A Gardiner Mawatha, Colombo 02

Establishment:

- Lady Lochore Loan Fund has been established under the Act No. 38 of 1951 (amended in 1953) and it is being operated under the purview of the Ministry of Finance.

Board of Trustees :

Mr. A.P.Kurumbalapitiya	-	President ,(Additional Director General - Department of Audit Management),Ministry of Finance. (Until 2022.03.07)
Mrs.J.K.N.Samanmalee	-	President,(Director – Department of Investment and Policy), (Since 2022.03.07)
Ms. Kamala Ranathunga	-	Managing Trustee, Lady Lochore Loan Fund
Mr.Thushara Senevirathne	-	Trustee
Mr. Pradeep N. Weerasinghe	-	Trustee ,(Until 2022.10.29)
Mr. A.S.P.S.P. Sanjeewa	-	Trustee, (Until 2022.10.29)
Mrs. M.C.Subasinghe	-	Trustee, (Since 2022.11.09)
Mr. Sarith Pathirathne Maheeputhra	-	Trustee, (Since 2022.11.09)

Audit Committee:

Mrs. K.M.B.P.Weerasinghe	-	Chief Accountant, (Ministry of Finance)
Mr. Thushara Senevirathne	-	Member (Trustee,Lady Lochore Loan Fund)
Mr. A.S.P.S.P. Sanjeewa	-	Member (Trustee,Lady Lochore Loan Fund) (Until 2022.10.29)
Mr. Sarith Pathirathne Maheeputhra	-	Member (Trustee,Lady Lochore Loan Fund) (Since 2022.11.09)

Auditor:

HMW Associates,
Chartered Accountants,
28, U.E. Perera Mawatha,
Rajagiriya.

Official Banker:

People's Bank,
Head Quarters,
Colombo 02.

PRESIDENT'S MESSAGE

In the year 2022, it was able to maintain operations as previous manner, after recovering from the Corona epidemic that lasted for about three years, and enable to provide relief during the year to huge number of government officials who were embarrassed by policies such as high bank interest rates and discouraging borrowings, adopted to get rid of the severe economic crisis prevailed in Sri Lanka amidst the Corona epidemic and the downturn in the global economy. Accordingly, the year 2022 can be identified as a year that has contributed more to the relief of those who are burdened by debt, which was the initial goal of Scottish Lady Jean Lochore, the Founder of the Fund.

Focusing on the financial performance of the Fund, it is observed that the Fund has been able to successfully continue the progress achieved in the past years. The total income of the year has increased by Rs. 14.7 compared to the previous year, and the Fund managed to limit the increase in operating expenses to Rs. 2.7 Mn. The net profit before-tax of the Fund, which had fallen in the last year due to the overall economic downturn, was increased to Rs. 60 Mn. Furthermore, the Fund was able to actively contribute to the policies to be followed to get rid of the current economic crisis through being able to contribute to the government's income by Rs.15.8 million in taxes and maintain as a public enterprise that carries out its operations independently without depending on government funds.

In the year 2022, the Fund was able to provide Rs. 484 Mn as loan facilities for 2705 government employees, which is a very high increase compared to the amount of loans granted in previous years. A major challenge faced by the Fund was to manage the high demand for loans due to the tendency of a large number of government employees to obtain loans from the Fund in the policy of discouraging loans from the banking system that was implemented this year. The Fund was able to successfully meet the challenge to some extent, although not completely, by recovering the finance invested in fixed deposits due to the decrease in the demand for loans in the previous years and thereby increasing the loan payments. Accordingly, the number of government employees obtained loans from the Fund has increased by 200%, compared to previous year.

Further, extra income could be earned by temporarily investing the surplus funds in the current account in a Money Market Savings Account in order to use the financial assets with maximum efficiency. Furthermore, the risk posed by the old electrical circuit system to the Fund was removed by installing a new electrical circuit system in place of the old electrical circuit system of the existing building which was constructed in the 1960s, under the development of physical resources.

I would like to express my sincere gratitude towards the Board of Trustees for their contribution in making policy decisions to achieve high performance in the year 2022. There is no doubt that this performance would not have been possible without the contribution of the staff.

Accordingly, I wish that the staff may be able to continue the progress achieved by the Fund in the year 2023! and assure that I would be committed to act with the Board of Trustees in order to achieve the same.

J. K. N. Samanmalee
President
Lady Lochore Loan Fund

MESSAGE OF MANAGING TRUSTEE

It is a pleasure that people around the world and Sri Lankans have been able to get rid of the Corona global epidemic situation that arose in the years 2020-2021, during the year 2022 which celebrates 95 years since the Lady Lochore Loan Fund was established. Accordingly, on the elimination of a major obstacle to the ordinary operation of the Fund, it was able to launch the operations in this year in order to cover the objectives of establishing the Fund by Lady Jean Lochore, the Founder of the Fund, in an extreme manner.

It is a matter of pride that it has been able to achieve the initial objectives of the Lady Lochore to the maximum extent in this year by granting loans of Rs. 484.1 Mn for 2705 government officials and accordingly, could be provided considerable relief to such people for their urgent financial needs. It is pleasure that, concurrently it was able to earn a total income of Rs.113.5 Mn after recovering Rs.267 Mn as loan recoveries and then, earned a net profit before-tax of Rs. 60.4 Mn, provided tax revenue of Rs. 15.8 Mn to the Government and then could be achieved a net profit after-tax of Rs. 44.6 Mn.

I strongly believe that this situation can affect the progress of the Fund in a very positive manner for the year 2023 as the expected operational affairs have been able to reach its maximum level, in this year.

The Board of Trustees that constantly provide the necessary policy decisions to achieve the same success, the Ministry of Finance which provides all the guidelines, and staff of the Fund who carry out operational affairs with dedication, can be called the pilots of this success.

Plans will be made to widely implement the services of the Fund in the future, and I wish the Board of Trustees and staff of the Fund would have strength, courage and fortune to further expansion of the affairs of the Fund in accordance with the objectives of the founder of the Fund.

Kamala Ranatunga
Managing Trustee
Lady Lochore Loan Fund

01

BACKGROUND OF THE FUND

An initial capital of 300 Sterling Pounds for the establishment of the Loan Fund had been donated by Lady Jean Lochore, who was a Scott national and lived in Sri Lanka for a long period. Then the Commissioner of Charity, Reverend Father C. E. V. Nathanielz had taken initiatives to establish the Fund on 26th March 1927 and it was named as Lady Lochore Loan Fund. The Fund was transformed into a Statutory Body by the Lady Lochore Loan Fund Act No. 38 of 1951.

Since then by granting loans and recovering loans, the Fund has functioning as a revolving fund, as the existing banking system was not supportive of fulfilling short-term financial requirements of the employees of the Public and Private Sector Institutions, they were compelled to obtain loans at very high interest rates from outside lending organizations or from individuals. Due to this reason, the employees of the public sector as well as private sector were suffering from indebtedness immensely. The establishment of the Lady Lochore Loan Fund had brought a great relief to all these employees concerned. After the establishment of this Fund as a Statutory Body in 1951, a three storied building owned by this institution was constructed with the donations received from the government and other donors.

Lady Jean Lochore

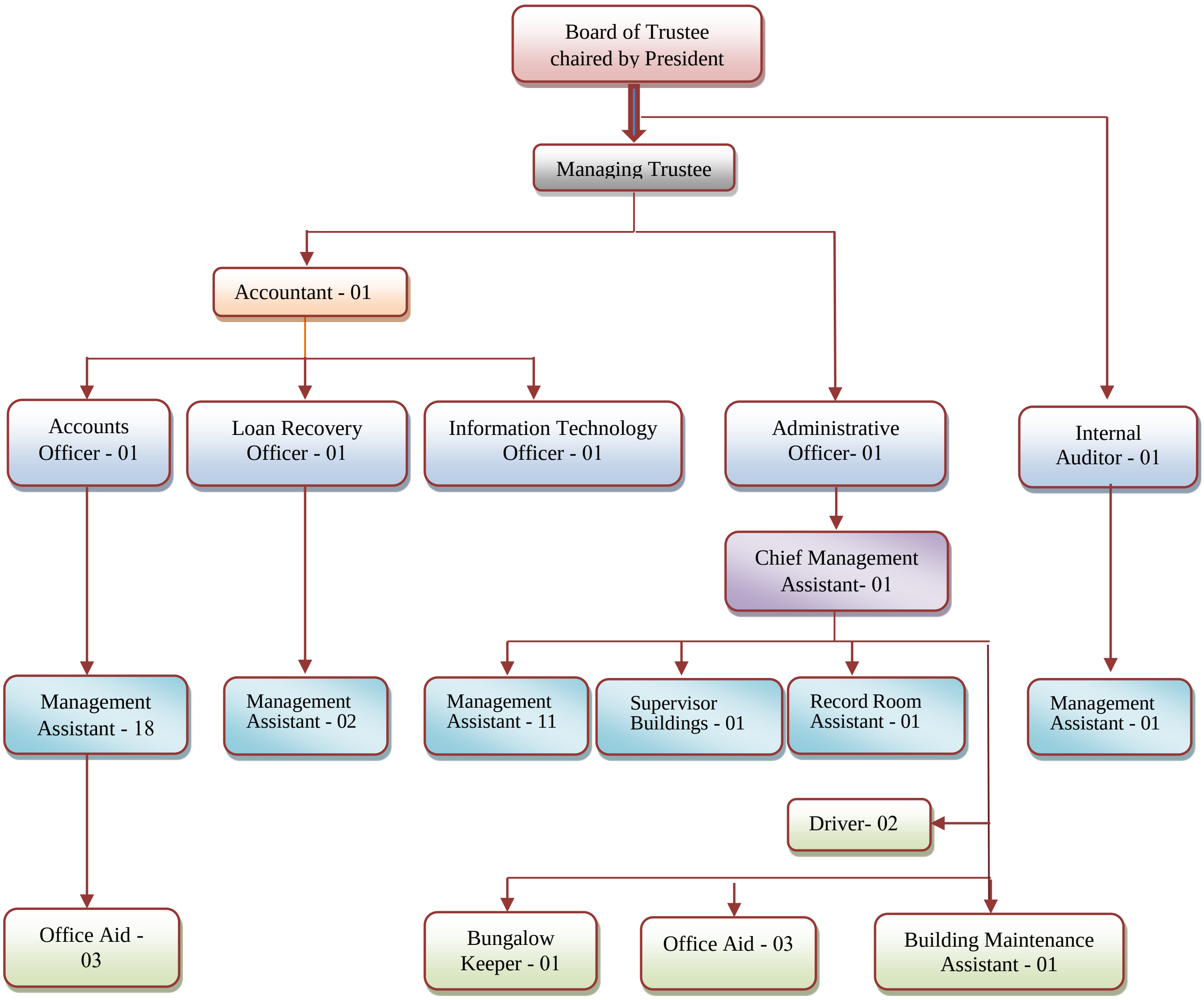
1.1. Board of Trustees

Board of Trustees consists of qualified representatives from the public and private sectors appointed by Hon. Minister of Finance. The patron of this institution is held by the Minister of Finance. The Managing Trustee for administration purposes of the Fund is appointed from the members appointed to the Board of Trustees, as per the section 10 and 11 of the Act of the Lady Lochore Loan Fund. As per the clause 5 of the said Act, the post of the President of the Fund is held by the Treasury Representative.

Table 01 - Cadre of the Fund in Year 2022

Approved Position	Approved Number	Existing Number
Accountant	01	01
Administrative Officer	01	01
Accounts Officer	01	01
Internal Audit Officer	01	01
Loan Recovery Officer	01	01
Information Technology Officer	01	-
Management Assistant (Non - Technical Grade) (Including Record Room Assistant)	34 } 35	28
Building Supervisor (MA - Technical Grade)	01	-
Office Aid (Primary Non - Technical) (Including Bungalow Keeper)	07	06
Building Maintenance Assistant (Primary Semi Skilled)	01	01
Driver (Primary Skilled)	02	02
Total	**51**	**42**

1.2 Organizational Structure



02

PERORMANCE OF THE FUND IN 2022

2.1 Beneficiaries 2022

2705 employees of the government and semi government sectors had benefited from this Fund in the year 2022. District wise categorization of the beneficiaries shown in Table - 02 and 200% reduction in loan amount has been indicated in the year 2022 compared to the previous year, due to the shutdown of the country and the imposition of various restrictions due to the global pandemic situation, and the decreasing of the bank interest rate by the Government. Following table indicates that the high number of beneficiaries represent Personnel from Defense Sector and percentage wise it is around 75% of beneficiaries.

Table 02 - District wise Beneficiaries of Government and Semi Government Sector who have obtained Loans in the Year 2021/2022

No. of Beneficiaries				
District	**2022**	**(%)**	**2021**	**(%)**
Colombo	582	21.52	210	23.31
Gampaha	492	18.19	197	21.86
Anuradhapura	104	3.84	39	4.33
Kandy	134	4.95	43	4.77
Vavuniya	1	0.04	0	-
Kalutara	302	11.16	108	11.99
Rathnapura	100	3.70	27	3.00
Galle	116	4.29	53	5.88
Kurunegala	230	8.50	60	6.66
Puttalam	28	1.04	8	0.89
Jaffna	1	0.04	0	-
Polonnaruwa	45	1.66	12	1.33
Trincomalee	13	0.48	11	1.22
Mullaitivu	0	-	0	-
Badulla	74	2.74	17	1.89
Matale	49	1.81	9	1.00
Hambantota	74	2.74	18	2.00
Kegalle	146	5.40	39	4.33
Baticaloa	1	0.04	2	0.22
Ampara	33	1.22	12	1.33
Monaragala	64	2.37	12	1.33
Nuwara Eliya	47	1.74	5	0.55
Mannar	0	-	0	-
Matara	69	2.55	19	2.11
Total	**2705**	**100**	**901**	**100**

Chart 01 - District Wise Government and Semi Government Sector Beneficiaries who have obtained Loans in the Year 2022

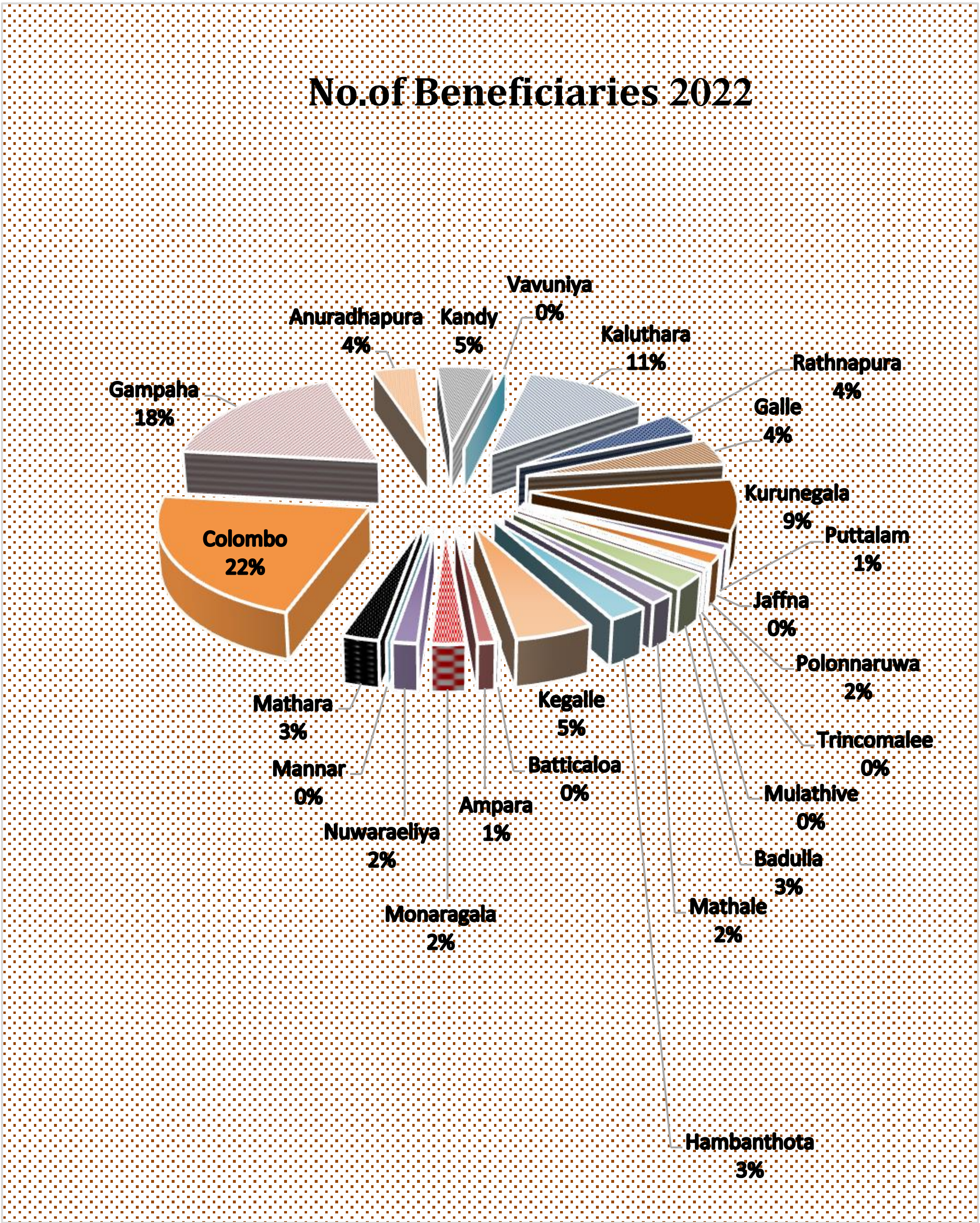


Table 03 - Progress of Public Sector Beneficiaries according to the Service Categories in Year 2021 and 2022

Designation	2022	2021
Corporal	590	115
Army Soldier	85	18
Army Sergeant	190	25
Major	48	13
Lieutenant	16	5
Brigadier	1	0
Chef	8	7
Waiter	12	4
Police Constable	294	154
Police Sergeant	223	152
Police Inspector	9	5
Chief Police Inspector	22	9
Sub Police Inspector	50	12
Police Security Assistant	1	0
Civil Police Assistant	2	0
Firemen	18	5
Driver	94	52
Driver Assistant	1	2
Prison Guard	8	1
Assistant Survey Officer	5	0
Health Administrator	0	0
Attendant	1	0
Ordinary Laborer	266	80
Office Assistant	285	94
Management Assistant	147	42
Development Assistant	41	19
Ayurvedic Medical Assistant	0	0
Pharmacist	2	1
Watcher	12	9
Security Officer	3	1
Motor Mechanic	5	0
Technician	0	0
Carpenter	2	0
Human Resource Assistant	0	0
Administrative Officer	6	0
Mason	1	0
Accountant	13	3
Store Assistant	1	3
Electrician	2	0
Overseer	7	0
Assistant Director	17	2
Assistant Secretary	1	2
Rehabilitation Officer	0	0
Summoner	0	1
Wildlife Conservation Officer	2	2
Meteorological Officer	0	0
Receptionist	0	0
Book Binder	1	0
Grama Niladhari	0	1
Programme Assistant	2	0

Non-commissioned Officer	47	17
Accounting Officer	0	1
Survey Field Assistant	1	0
Laboratory Assistant	1	0
Industry Administrator	1	2
Nurse	9	0
Captain	14	4
Horse Driver	4	1
Helper	0	0
Agriculture Instructor	0	0
Painter	3	0
Technical Officer	3	5
Postman	9	0
Supervisor	2	0
Postal Officer	12	0
Registrar	0	0
Colonel	16	1
Pre-school Teacher	1	0
Commissioner	0	0
Librarian	0	0
Library Assistant	8	1
Leth Machine Operator	0	2
Machine Operator	4	0
Electrical Lamp Lightener	3	0
Veterinary	1	0
Cemetery Caretaker	3	0
Translator	1	0
Other	68	28
Total	**2705**	**901**

2.2 Loan Procedure and the Progress 2022

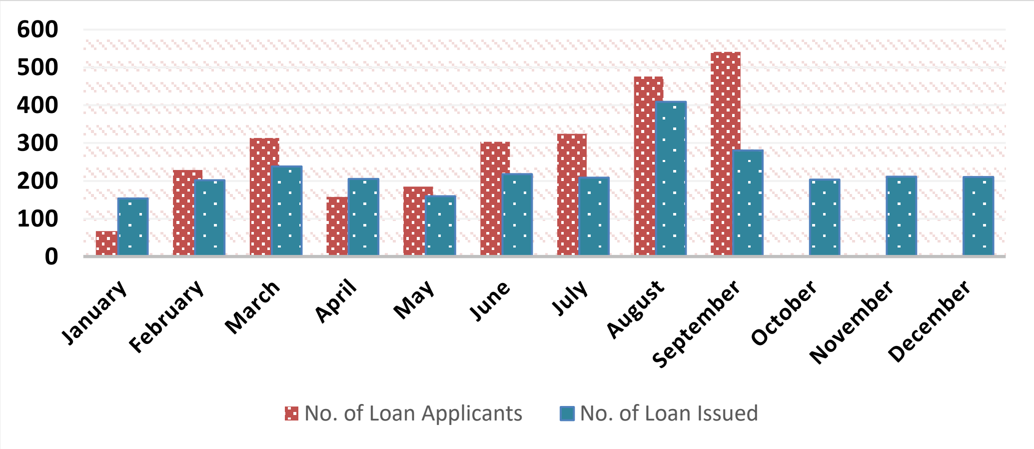
Employees in Government or Semi Government Sector, who have the following qualifications, could apply for loans from this Fund.

- Be a pensionable public officer who has completed minimum of 3 years permanent service in government sector.
- A semi government employee should complete minimum of 5 years of permanent service.
- Should have sufficient service period for recovering the loan amount prior to the retirement. (The age is considered as 59 years)
- Two guarantors for the applicant with qualifications maintained above.
- For an employee of a semi government sector, one of the two guarantors should be a public officer who has completed minimum of 03 years of permanent service in government sector.
- Ability to recover the loan installment within the 40% limit of loan applicant's monthly salary.

Table 04 - The progress of processing the loan applications submitted by the qualified loan applicants and issuing of loans in the year 2022 are as follows.

Month	No. of Loan Applicants	No. of Loan Issued	Loan Value (Rs. 000)
January	68	154	24,250,000
February	229	202	32,995,000
March	314	239	41,745,000
April	158	206	34,635,000
May	185	160	26,080,000
June	304	218	39,950,000
July	325	209	40,925,000
August	476	409	77,575,000
September	541	281	56,625,000
October	0	204	38,930,000
November	0	212	35,230,000
December	0	211	35,200,000
Total	**2600**	**2705**	**484,140,000.00**

Chart 02 - Loan Disbursement – 2022



2705 loans had been issued against 2600 loan applications received. The recent reasons for this difference are the receipt of applications in the year 2022 that did not made signature of the guarantee in the last months of 2021. The receipt of CL licenses that required for issuing loans in the year 2022, for the applications of armed forces issued in the last months of 2021.

2.3 Loan Categories Issued and Monitory Value of Loans

In the year 2022, the loan category of Rs.350,000.00 was introduced to the applicants in the service category that granted the loan amount of Rs.250,000.00, and the loan category of Rs.250,000.00 was also made to the applicants in the service category that granted the loan amount of Rs.175,000.00.

Further, the loan category of Rs.500,000.00 has been introduced in the year 2022, for applicants in the service category that granted the loan amount of Rs.300,000.00.

Table 05 - Progress according to the Limit of Loans

Maximum Credit Limit (Rs.)	Number of Loans Issued	Loan Amount (Rs.)
500,000	54	27,000,000
350,000	72	25,200,000
300,000	124	37,200,000
250,000	257	64,250,000
175,000	1373	240,275,000
150,000	277	41,550,000
100,000	391	39,100,000
75,000	75	5,625,000
50,000	69	3,450,000
40,000	10	400,000
30,000	03	90,000
Total	**2705**	**484,140,000**

2.4 Progress of Loan Recovery

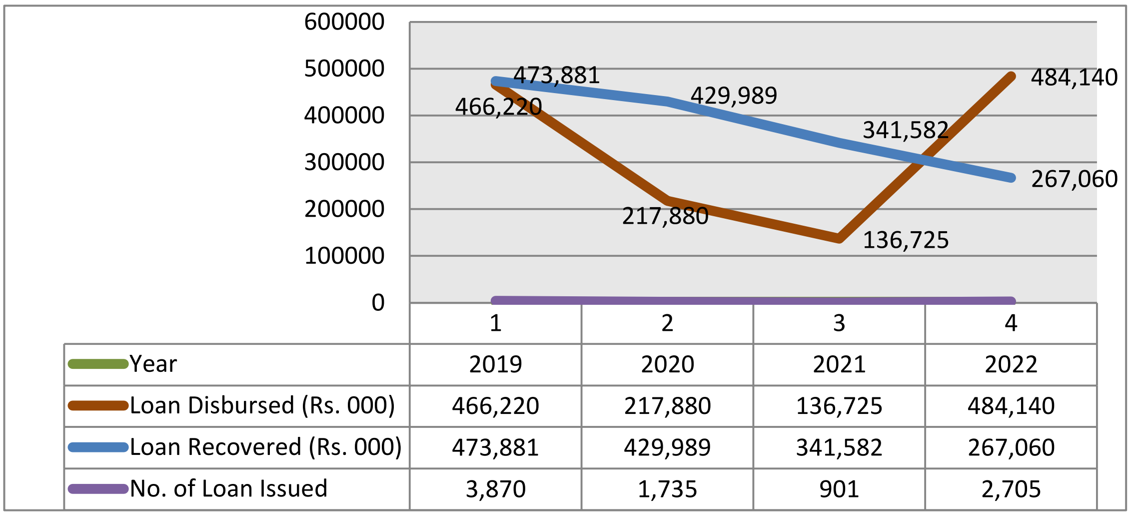
During the period from year 2019 to 2022, the progress of issuing loans and loan recoveries are shown in Table 06 and Chart 03.

- Issuing of Loan - Increase - 254.1%
- Loan Recovery - Increase - 21.8%

Table 06 - Issuing of Loans and Recovery of Loans from Year 2019 to 2022

Year	No. of Loan Issued	Loan Disbursed (Rs. 000)	Loan Recovered (Rs. 000)
2019	3870	466,220	473,881
2020	1735	217,880	429,989
2021	901	136,725	341,582
2022	**2705**	**484,140**	**267,060**

Chart 03 - Progress of Loan Disbursement and Loan Recovery



2.5 Office Complex of Lady Lochore Loan Fund

2.5.1 Rent Income

While using 5,500 square feet of the Lady Lochore Loan Fund building as the office premises of the Fund, the additional space had allocated to the following institutions on the basis of lease rent and thereby the Fund had earned Rs.19.26 million as the rent income in the year 2022.

Table 07 - Building Rent Income in Year 2022.

Serial No	Institution	Rented Floor	Square Feet	Income (Rs.)
01	Lady Lochore Loan Fund	3rd Floor	5500	-
02	Vehicle Park	Basement	5290	-
03	National Savings Bank	Ground Floor	5500	7,800,000
04	Co-operative Employees' Commission	1st Floor	2415	2,700,000
05	Ceylon Electricity Board	1st and 2nd Floor	4700	5,300,000
06	Ceylon Electricity Board – Information Division	2nd Floor	2750	3,263,141
07	Available on rental basis	2nd Floor	840	-
08	MAA Associates	No: 100/20	380	198,000
			27375	**19,261,141**

2.5.2 Sustainability of the Fund

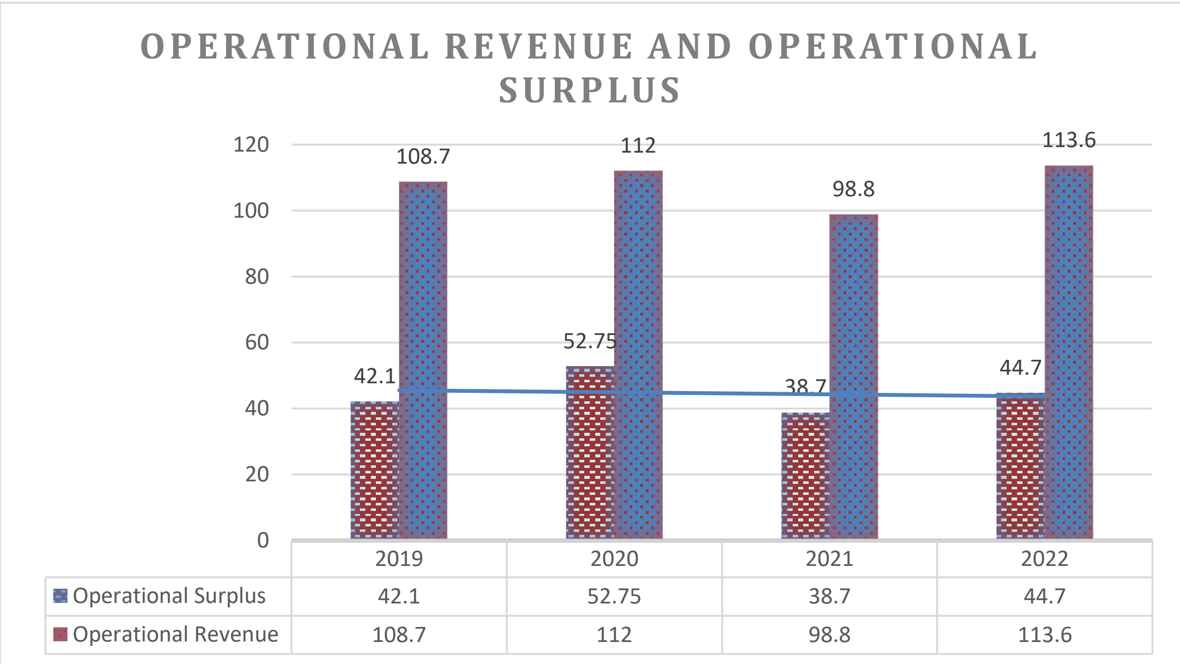
Special attention of the Board of Trustees had drawn on maintaining the operational and the financial sustainability of the Fund. This institution is not an institution depending on the grants of the Treasury or budgetary provisions, and all the expenses including salaries of the cadre and other operational costs are borne by the interest income of the Fund and the rental of the building. After covering all the operational expenses such as bad debts, administrative and other expenses for recovery of loans by this income, the surplus had invested at National Savings Bank and People’s Bank ensuring the sustainability of the Fund.

Type of Investments	Bank	2022/12/31 (රු.)	2021/12/31 (රු.)
Fixed Deposit	People's Bank	118,840,782	400,849,332
Fixed Deposit	National Savings Bank	63,766,379	24,446,002
Total		**182,607,161**	**425,295,334**

2.5.3 Operational Income

During the year 2022 the total operational income was Rs. 113.6 million while the net operational surplus was Rs. 44.7 million. Operational income and the net operational surplus of the year 2021 were 98.8 million and 38.7 million respectively. In the year 2022, there has been a decrease in profitability of 15% compared to year 2021, due to the growth of operational expenses exceeding operational income, in the face of recovery of the country smoothening the global epidemic situation prevailed in the year 2021.

Chart -04 - Operational Revenue and Operational Surplus 2019-2022



03

GENERAL ADMINISTRATION AND HUMAN RESOURCE DEVELOPMENT

3.1 Staff Training – 2022

The Staff Training which was suspended following the instructions of the Board of Trustees was not implemented in the year 2022. The reason for the suspension is that the employees were further reported on duty on a roster basis and additionally, the reasons such as issues in transportation to reach the workplace due to the struggles and agitations prevailed in the country, backward attitudes of the staff to focus on staff training, minimum number of employees maintained are mainly affected for the same.

3.2 Recruitment and Promotions of the Fund

Promotions and New Recruitments

3.2.1 Annual performance appraisal were made and four (04) officers holding the post of Management Assistant Grade III who completed the qualifications mentioned in the Recruitment Procedure were promoted to Management Assistant Grade II, accordingly. One officer of Management Assistant Grade III and two other officers of the same grade were promoted to Management Assistant Grade II from 16.01.2022 and from 15.08.2022, respectively.

- As per the instructions given by the Department of Management Services of the Ministry of Finance regarding the promotion of Mr. K. Sisira Priyantha, Building Maintenance Assistant III (Primary – Semi Skilled) which was being discussed for a long period of 3 years, the promotion to Building Maintenance Assistant Grade II was enforced with effect from 01.05.2022, subject to the approval of the Board of Trustees. The difference in the date of his first appointment and the date of appointment to the position had a problematic effect on his promotion.

3.2.2 New Recruitments

- No new recruitment made in the year 2022.

- A new officer in Management Assistant Grade III in probation period and a Driver Grade III of the minor staff resigned the service of the Fund in the year 2022.

- Accordingly, 09 number of vacancies in the approved cadre of the Fund were exists at the end of the year 2022 as 01 post of Junior Manager - Information Technology, 01 post of Management Assistant (Technical), 06 posts of Management Assistant (Non-Technical) and 01 post of Office Assistant.

- Due to the resignation of one driver of the minor staff on 31.12.2022, there was 01 vacancy in the post of driver as at 01.01.2023, and accordingly, the total number of vacancies in the cadre of the Fund was 10.

3.3 Maintenance of the Fund Premises

By the end of 2022, most of the settings in the premises of the Fund that were set up for the Corona epidemic situation were removed and the ordinary office environment was re-established. Purchasing of disinfectant liquids, disinfection processes were also suspended.

Considerable attention was paid to the minor maintenance of the office, official bungalow and building premises, ie. various repairs and fixtures.

3.3.1 Essential Maintenance in the Premises of the Fund

- The emergency repair of the men's toilet system of the Corporate Strategy and Regulatory Affairs Branch Office of the Ceylon Electricity Board, the lessee of the Block No. 100 2/2 of the second floor of the Fund building, were completed as at 22.06.2022, by paying only Rs.5,979/00 of the additional bill submitted for an amount of Rs. 9,979/00, in addition to full payment of the bill submitted for an amount of Rs.60,540/00.

- **Electrification of the Fund Office**

  The current electrical circuit of the Fund Office built in the 1960s is presently in a state of risk and the attention of the Board of Trustees were paid on the necessity of its immediate restoration taking into consideration the risk of maintaining the existing electrical system due to the fact that some parts of the same are periodically out of order. The consultancy service for the Electrification Project of the Fund Office, which was initiated as a component of the Interior Decoration Project of the Fund, is provided by the Central Engineering Consultative Bureau (CECB), and **C/S Venora International Projects (Pvt) Ltd**, which was selected following formal procurement, was assigned to carry out this electrification at a cost of Rs. **7,015,777.00**.

  Accordingly, the work of electrification of the Fund Office was initiated at the end of the year 2022 i.e. in December.

3.4 Streamlining Staff Administration and Office Procedures

- The agreement that the new appointees who join the service of the fund must sign to serve until the probationary period is completed, preventing them from resigning during the probationary period, was introduced and implemented. The agreement was enforced subject to the payment of 3 months basic salary, in case of violation of this agreement.

  The Fund established and implemented the system of directing new officers recruited to the Fund to undergo a medical examination before the end of their probationary period and obtaining a medical report on their physical fitness to engage in employment.

- On the basis of the medical conditions reported by Mr. S. H. P. Neil Nandasiri, the driver of the three-wheeler No. WP-ABJ 7905 owned by the Fund, he was referred to the Cardiology Unit of the National Hospital, Colombo. Based on the recommendation made to assign only in light duties after the medical test, Mr. Nandasiri was released from the driver duties he had engaged so far.

  Accordingly, due to having only one driver in the staff to drive the 3 vehicles owned by the Fund, the Board of Trustees approved the immediate recruitment for the driver position vacant and initiated the recruitments in accordance with the formal recruitment procedure.

- The official vehicle No. WP-CAF 5009 and van No. WP-NC 2751 registered in the name of the Secretary of the Ministry of Finance were transferred to the Lady Lochore Loan Fund in the year 2021 and the vehicle licenses and insurance certificates of both the vehicles were registered in 2022, under the name of the Fund according to the increased market value.

- **Providing a Pair of Shoes to the Minor Staff entitled for Uniforms**

  In addition to the allowance of uniforms granted to the minor staff, the Board of Trustees also approved the provision of shoes to the minor staff entitled for uniforms as per the provisions of the Establishment Code and Public Administration Circulars, and therefore, the method of issuing one pair of shoes once in 3 years to the staff of the Fund entitled for uniforms was implemented in the Fund Office.

- The Board of Trustees approved to continue the issuance of an office bag for the staff officers which was initiated as per the provisions of the Finance Circulars and Establishment Code, subject to return the used office bag to the stores once in 5 years, and action was taken to implement the practice in more formalized manner.

- **Monthly Transportation Allowance provided to Staff of the Fund**

  The transportation allowance provided to the employees of the institutions operating in the category of Statutory Boards, was granted to all the staff of the Fund from 01st August 2022, subject to the conditions of daily attendance. A monthly transportation allowance of 3250/= for non-staff grade officers and revision of monthly transportation allowance currently paid to other staff grades officers by increasing Rs.500/=, were implemented.

- Due to the inability of the Accountant who has reached the maximal of the salary scale to get the next promotion in relation to the position of Accountant according to the organizational structure, the Board of Trustees decided to increase the transportation allowance currently paid and accordingly, payment of Rs. 12,500/- was processed to the accountant as per his request.

- **Providing Communication Facilities to Administrative Officer**

  A monthly telephone allowance subject to a maximum of Rs.1000/= was granted to the Administrative Officer under the provision of communication facilities to the officers of the state corporations, statutory bodies and government-owned companies, taking into account the duties performed by the Administrative officers via telephone communication.

  The system of obtaining the approved monthly telephone allowance reimbursed by the Administrative Officer for providing communication facilities was established and implemented, accordingly.

- **Annual Performance Appraisal**

  Taking into account the problematic situations that have arisen regarding the annual performance appraisal and marking system of the staff that established and implemented in the Fund and the possibility of demoralizing the employees due to the same, the system of conducting the annual performance appraisal of the staff of the Fund was revised.

  According to the revisions, the new performance appraisal system was implemented in the Fund, where the annual performance of the staff is only based on the evaluation of the Heads of the Departments and the salary increment is granted under the approval of the Managing Trustees.

❖ **Managing Paper Shortages following Cost-Effective Methods**

Taking into account the shortage of paper and the high prices of stationery in the country, measures were taken to reduce the usage of paper, and to use soft copies of documents. The shortage of paper was managed by following frugal office methods such as storing such copies, filing them, and refer papers utilized one side only for internal usage, and using both sides of A4 paper etc.

❖ **95th Anniversary Celebration of the Fund**

The 95th anniversary of Lady Lochore Loan Fund scheduled to hold on 26th March 2022 was celebrated with a charming ceremony on 25.03.2022 morning at the Board room by commencing Pirith Chanting. At the end of the Pirith Chanting, a tea ceremony was held symbolically for the 95th Anniversary welcoming the new President of the Fund, the Trustees, the Staff and the Corporate Representatives who came to represent the leaseholders of the Fund building.

Highlights of 95th Anniversary Celebration of the Fund

3.5 Staff Loan

- Since the interest rate charged for loans issued to the public from the Fund has been reduced to 10%, the 11.5% interest rate for corporate loans issued to staff has been reduced to 10% from 29.03.2022. Accordingly, corporate staff loans were issued at a reduced new loan interest rate of 10%.
- The new loan system introduced to the staff or their children granting Rs. 100,000/00 to purchase a Tab at interest rate of 4.5% was revised in the year 2021. Under the revised system, provision was made for the staff to obtain the loan for the purchase of a Tab once in every three (3) years.

The maximum loan amount granted by the Fund has been limited to Rs.300,000/= from 01.09.2022 in order to manage the increased loan demand due to the reduction of the interest rate of 11.5% applied for the loans issued by the Fund to rate of 10%.

3.6 Land Deeds and Bonds

At the time of initiations of the Fund; granting of loans on the surety of deeds of land was conducted. Since 1960, the Fund is responsible for 267 surety bonds taken in under this method. As this method of granting loans is no longer in operation, the Audit Committee has recommended to release the surety bonds according to the relevant office of District Land Registrar and complete the release by registering the cancellation of surety under the names mentioned in the bonds. Meeting of 831st Board of Trustees has approved to release the said bonds accordingly. Thus 191 bonds had been released in that regard, however no bonds were released during the period from 01.01.2022 to 31.12.2022.

3.7 Meetings of the Board of Trustees

13 Meetings of Board of Trustees had been conducted in the year 2022.

Ms. J. K. N. Samanmali, Director of the Department of Trade and Investment Policy of the Ministry of Finance was appointed to the President of the Board of Trustees of the Fund with effect from 29.03.2022. A plaque was presented to Mr. Kurumbalapitiya, former President of the Board of Trustees, in appreciation of the service rendered for the advancement of the Fund for a period of 06 years

3.8 Audit and Management Committee

Four (04) Audit and Management Committee meetings had been conducted in the year 2022 as follows. Action had been taken to update the audit queries related documents and submitted for the consultation of the Board of Trustees. Further, the important matters arising from the inquiry reports were implemented under the approval of the Board of Trustees.

Serial No	Date of Committee Held
01	2022.03.21
02	2022.06.22
03	2022.10.12
04	2022.12.15

04

FUTURE PLANS

- Amend the clauses of Lady Lochore Loan Fund Act in order to generate funds with the purpose of providing financial facilities to the private sector employees in the future which is currently limited only to public sector employees.

- Convert the Fund to a service level lending institution and change its scope and activities in order to support the beneficiaries.

- Complete the electrical wiring work and interior decorations of the office of the Fund.

HMW Associates

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LADY LOCHORE LOAN FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lady Lochore Loan Fund, which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standard (SLPAS).

Basis for Opinion

We conducted our audit in accordance with the 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 Fund in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, 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 Sri Lanka Accounting Standards 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standard Committee website at:http://slaasc.com/auditing/auditorsresponsibility.php. This description forms part of our auditor's report.

ASSOCIATES CHARTERED ACCOUNTANTS FRM 216 W/A 7066

Chartered Accountants
Date: 01/06/2023
Rajagiriya.

LADY LOCHORE LOAN FUND
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	31/12/2022	31/12/2021
		Rs.	Rs.
Revenue	5	57,862,585	62,797,935
Other income	6	55,713,743	36,058,370
		113,576,327	**98,856,305**
Operating expenses			
Personnel cost	7	(34,356,814)	(35,221,534)
Premises, equipment and establishment expenses	8	(16,841,466)	(14,450,374)
Fees, commission & others	9	(1,881,816)	(684,434)
		(53,080,095)	**(50,356,342)**
Surplus before taxation		**60,496,232**	**48,499,963**
Tax expense	10	(15,818,536)	(9,749,747)
Surplus for the year		**44,677,696**	**38,750,216**

The above Financial Position is to be read in conjunction with the accounting policies and notes to the financial statements which form an integral part of these financial statements.

LADY LOCHORE LOAN FUND

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

	Note	31/12/2022	31/12/2021
		Rs.	Rs.
Assets			
Non current assets			
Property plant & equipment	11	79,785,213	79,963,687
Investment property	12	24,266,664	25,257,140
		104,051,877	**105,220,827**
Investment in FD	13	182,607,160	425,295,334
Current assets			
Inventory	14	1,085,436	325,555
Other assets	15	14,943,465	6,962,671
Loan and advances	16	500,930,482	217,228,841
Cash & short term funds	17	12,158,144	11,796,966
		529,117,527	**236,314,033**
Total assets		**815,776,563**	**766,830,194**
Funds and reserves			
Accumulated fund		621,694,922	576,887,092
Revaluation reserves		146,649,586	146,649,586
Total funds and reserves		**768,344,508**	**723,536,678**
Non current liabilities			
Retirement benefit obligation	18	22,579,760	22,696,045
		22,579,760	**22,696,045**
Current liabilities			
Other current liabilities	19	14,572,893	15,092,994
Income tax payabl	20	10,279,402	5,504,476
		24,852,295	20,597,470
Total liabilities		**47,432,055**	**43,293,515**
Total funds and liabilities		**815,776,563**	**766,830,194**

The above Financial Position is to be read in conjunction with the accounting policies and notes to the financial statements which form an Integral part of these financial statements.

I certify that the above Financial Statements have been prepared in compliance with relevant regulatory requirements.

……………………..

Accountant

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. **Approved and Signed for and on behalf of the Board by;**

……………………...

President

Date : 2023.06.01

………………………

Managing Trustee

Date : 2023.06.01

LADY LOCHORE LOAN FUND

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022

	Revaluation Reserve Rs.	Accumulated Surplus Rs.	Total Net Assets/Equity Rs.
Balance as at 31/12/2020	146,649,586	538,155,582	**684,805,168**
Prior year adjustment	-	(18,705)	(18,705)
Surplus for the year	-	38,750,216	38,750,216
Balance as at 31/12/2021	**146,649,586**	**576,887,093**	**723,536,679**
Balance as at 31/12/2021	146,649,586	576,887,093	**723,536,679**
Prior year adjustment	-	130,134	130,134
Surplus for the year	-	44,677,696	44,677,696
Balance as at 31/12/2022	**146,649,586**	**621,694,922**	**768,344,508**

LADY LOCHORE LOAN FUND
STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2022

	2022/12/31 Rs.	2021/12/31 Rs.
Cash flow from operating activities		
Net surplus for the year	60,496,232	48,499,963
Adjustments for		
Depreciations	4,392,573	4,436,608
Gratuity	(116,285)	3,782,405
Prior year adjustment	130,134	(18,705)
Gain on disposal	-	(11,940)
Interest income on savings	(45,774)	-
Interest income on fixed deposits	(35,520,016)	(17,782,634)
Operating surplus before changes in operating assets	**29,336,864**	**38,905,697**
Working capital adjustments		
(Increase)/decrease in inventory	(759,881)	(31,828)
(Increase)/decrease in loan & advances	(283,701,641)	124,915,434
(Increase)/decrease in other assets	(7,980,794)	(260,327)
(Increase)/decrease in other liabilities	(520,101)	(38,199)
	(292,962,417)	**124,585,080**
Net cash flow from operating activities	(263,625,553)	**163,490,778**
Gratuity paid	-	(1,932,900)
Tax paid	(11,043,610)	(10,403,160)
	(11,043,610)	**(12,336,060)**
Net cash flow generated/ (used in) operating activities	**274,669,163**	**151,154,718**
Cash flow from investing activities		
Acquisition of property, plant & equipment	(3,223,622)	(276,087)
(investments)/withdrawal in fixed deposit	242,688,173	(171,636,037)
Sale of property, plant and equipment	-	24,862
Interest received	35,565,790	16,472,270
Net cash flow generated from investing activities	**275,030,341**	**(155,414,991)**
Cash flow from financing activities		
Net increase in cash & cash equivalents	361,178	(4,260,273)
Cash & cash equivalents at the beginning of the year	11,796,966	16,057,239
Cash & cash equivalents at the end of the year	**12,158,144**	**11,796,966**
Analysis of the cash and cash equivalents		
Cash at bank	12,138,144	11,776,966
Cash in hand	20,000	20,000
	12,158,144	**11,796,966**

Principal Accounting Policies

01. General Information

The Lady Lochore Loan Fund is established by Lady Lochore Loan Fund (Board of Trustees) Act No 38 of 1951 (Revised 1956) and the fund is domiciled in Sri Lanka. The registered office of the Fund is located at 100, 3/2, Sir Chittampalam A Gardiner Mawatha, Colombo 02.

1.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAS).

1.2 Responsibility of Financial Statements

The board of Trustees is responsible for the preparation and presentation of the Financial Statements.

1.3 Basis of Preparation

The Financial Statement of the Fund presented in Sri Lanka Rupees, have been prepared on a historical cost basis.

1.4 Events occurring after the Balance Sheet Date

All material post Balance Sheet events have been considered and where appropriate adjustments to or disclosures have been made in the respective Notes to the Financial Statements.

1.5 Taxes

Current tax

The provision for income tax is based on the elements of the income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue (Amendment) Act No 24 of 2017.

1.6 Comparative Information

The accounting policies applied by the Loan Fund are unless otherwise stated, consistent with those used in the previous year. Previous year’s figures and phrases have been re-arranged where necessary, to confirm to the current year’s presentation.

02. ASSETS AND BASES OF THEIR VALUATION

2.1 Provision for Loan Losses

Provision for Bad and Doubtful Loans are made on the basis of a review made by the Trustee s loans from customers are stated at the outstanding carried forward balances less provision made as at the end of the Reporting period.

2.2 Fixed Deposits

Fixed deposits and other interest bearing securities held for resale in the near future to benefit from short term market movement are accounted for at cost plus the relevant proportion of the discount or premium.

2.3 Property, Plant & Equipment

Property Plant & Equipment is stated at cost of purchase together with any incidental expenses thereon. The assets are stated at cost less accumulated depreciation, which is provided for on the basis specified below.

Building	4%
Computer Equipment	25%
Furniture and Fittings	10%
Office Equipment	10%
Electrical Fixtures and Fittings	10%
Motor Vehicle	25%

From the year 2008/09, the Loan Fund has changed its accounting policy to provide depreciation from the month of purchase to the month of disposal.

Up to the year 2007/08, depreciation was not provided on the assets purchased and used during the year also no depreciation was provided in the year of disposal.

2.4 Other Receivables

Other receivables are stated at the amounts they are estimated to realize.

2.5 Cash & Cash Equivalents

Cash and Cash Equivalents are defined as cash in hand and demand deposit and short term liquid investment readily convertible to identified amounts of cash and subject to insignificant risks of changes in value. The cash Flow Statement has been prepared using the indirect Method.

03. LIABILITIES AND PROVISIONS

All known liabilities have been provided in preparing the financial Statements.

3.1 Capital Commitments

Capital commitments of the Loan Fund are disclosed in the respective notes to the Financial Statements.

3.2 Pensions and Retirement Benefits

A provision has been made for Retiring Gratuity Payable under the payment of Gratuity Act No.12 of 1983. This provision has been computed in accordance with the gratuity formula adopted by the board of Trustees.

3.3 Defined Contribution Plans – Employees' Provident Fund and Employees' Trust Fund

All employees are eligible for Lady Lochore staff provident Fund contributions and Employees' Trust Fund contributions in line with respective statues and regulations. The loan Fund contributes 16% of gross emoluments or employees to Lady Lochore staff provident Fund and 3% of gross emoluments of employees to the Employees' Trust Fund which are externally funded.

04. INCOME STATEMENT

4.1 Revenue Recognition

4.1.1 Interest Income

Interest Income recognized on an accrual basis. The Fund considers Loans granted to Government employees from whom recoveries have ceased for 03 months as “Non Performing Loans”. Thereafter the interest is recognized on such loans on cash basis.

4.1.2 Rental Income

Rent income is recognized on an accrual basis.

4.1.3 Expenditure Recognition

All expenditure incurred in the running of the Loan Fund and in maintaining the capital assets in a state of efficiency have been charge to revenue in arriving at the profit for the year.

All expenditure incurred in the acquisition, extension or improvement of assets of a permanent nature in order to carry on or increase the earning capacity of the Loan Fund has been treated as capital expenditure.

		31/12/2022 Rs.	31/12/2021 Rs.
5	**Revenue**		
	Interest on loan firm & corpotation	56,901,010	62,043,340
	Interest on staff loans 11.5% (250,000)	511,324	42,694
	Interest on new staff loans 4.5%	318,194	311,471
	Interest on tab loan	103,560	44,625
	Interest on staff loans 11.5% (100,000)	26,734	353,531
	Interest on special advance	1,615	2,202
	Interest on cycle loan	147	71
		57,862,585	**62,797,935**
6	**Other income**		
	Interest income on fixed deposit	35,520,016	17,782,634
	Rent income	19,261,141	17,690,809
	Received from application	387,600	149,550
	Sundry income	251,927	39,850
	Special income	131,000	29,000
	Gratuity provision	116,285	-
	Interest income on savings	45,774	-
	Loan loss provision	-	366,527
		55,713,743	**36,058,370**
7	**Personnel cost**		
	Salaries	17,725,092	18,702,743
	Special allowance	3,928,441	403,475
	Allowances for staff	3,511,242	4,185,644
	Staff provident fund board share	3,477,280	3,663,057
	Allowances - managing trustee	1,850,589	1,874,200
	Annual bonus	1,452,500	687,500
	Employee trust fund board share	651,990	686,823
	Fuel allowances - mt	541,285	245,110
	Allowances-board members	485,757	264,039
	Chairman allowance	392,947	434,900
	Allowances-audit committee	120,190	86,890
	Salary arrears	80,670	8,262
	Uniforms	62,233	-
	Overtime	41,600	55,186
	Special transport	35,000	-
	Gratuity	-	3,782,405
	Ex-gratia payment	-	141,300
		34,356,814	**35,221,534**

		31/12/2022 Rs.	31/12/2021 Rs.
8	**Premises, equipment and establishment expenses**		
	Depreciation	4,392,573	4,436,608
	Printing, stat. & office requires	2,468,094	1,860,028
	Security	2,044,390	1,723,550
	Municipal rates	1,865,082	1,849,720
	Office computers maintenance	1,281,465	800,468
	Electricity	1,064,294	873,560
	Janitorial Charges	795,782	-
	Fuel & motor vehicle maintenance	566,649	501,841
	Office equipment maintenance	519,678	197,395
	Telephone	413,503	392,358
	Inspection charge	397,440	115,160
	Postage & telegrams	349,853	162,270
	Lift maintenance	251,850	252,081
	Building insurance	120,514	74,618
	Water	95,115	97,080
	Donation	63,000	63,000
	Stamp duty	49,200	57,800
	News paper & periodicals	45,840	32,594
	Building maintenance	36,433	797,540
	Bungalow expenses	11,275	14,221
	Crown land tax	5,000	5,000
	Staff welfare	2,655	141,572
	Travelling	1,780	1,910
		16,841,466	**14,450,374**
9	**Fees, commission & others**		
	Provision for loan loss	1,572,922	-
	Professional fees	205,000	205,000
	Audit fees	64,200	80,000
	Bank charges	26,894	33,220
	Legal fees	12,800	123,913
	Consultancy fees	-	229,379
	Disposal account	-	12,922
		1,881,816	**684,434**
10	**Tax expense**		
	Adjusted profit from business income on finance service		
	Surplus before tax	**60,496,232**	**48,499,963**
	Adjustments	**3,715**	**-**
	Aggregate expenses disallowed for tax	6,101,770	8,296,234
	Aggregate deductible expenses for tax	(691,149)	(2,630,934)
	Adjusted profit from business income on finance service	**65,910,568**	**54,165,263**
	Total taxable income	**65,910,568**	**54,165,263**
	Income tax expense - First 06 moths @ 18 %	5,931,951	9,749,747
	Income tax expense - balance 06 moths @ 30 %	9,886,585	-
		15,818,536	**9,749,747**

11	Property, plant & equipment cost/valuation	Balance as at 01.01.2022 (Rs.)	Additions During the year (Rs.)	Discarded During the Year (Rs.)	Balance as at 31.12.2022 (Rs)
	Free hold				
	Building	10,400,000	-	-	10,400,000
	Motor vehicles	16,008,750	-	-	16,008,750
	Electrical fixture & fittings	3,677,439	1,537,831	-	5,215,270
	Computer equipment	5,914,770	823,000	-	6,737,770
	Furniture & fittings	1,444,168	-	-	1,444,168
	Office equipment	2,290,570	862,791	-	3,153,362
	Leased hold	98,000,000	-	-	98,000,000
		137,735,697	**3,223,622**	**-**	**140,959,319**

	Accumulated depreciation	Balance as at 01.01.2022 Rs.	Charge for the year (Rs.)	Discarded During the Year (Rs.)	Balance as at 31.12.2022 (Rs)
	Free hold				
	Building	8,419,045	247,619	-	8,666,664
	Motor vehicles	15,965,344	17,188	-	15,982,531
	Electrical fixture & fittings	3,481,881	53,005	-	3,534,886
	Computer equipment	4,181,397	454,649	-	4,636,046
	Furniture & fittings	994,832	100,648	-	1,095,480
	Office equipment	1,396,179	195,655	-	1,591,833
	Leased hold	23,333,333	2,333,333	-	25,666,667
		57,772,010	**3,402,096**	**-**	**61,174,107**
	Written down value	79,963,687			**79,785,213**

12	Investment property Cost/Valuation	Balance as at 01.01.2022 (Rs.)	Additions During the year (Rs.)	Balance as at 31.12.2022 (Rs)
	Investment property	41,600,000	-	**41,600,000**
		41,600,000	-	**41,600,000**

	Accumulated amortization	Balance as at 01.01.2022 (Rs.)	Charge for the year (Rs.)	Balance as at 31.12.2022 (Rs)
	Investment property	**16,342,860**	990,477	**17,333,336**
		16,342,860	990,477	**17,333,336**
	Written down value	**25,257,140**		**24,266,664**

		Note	31/12/2022 Rs.	31/12/2021 Rs.
13	**Investment in fixed deposit**			
	FD in People's bank		118,840,782	400,849,332
	FD in N.S.B. city branch		63,766,379	24,446,002
			182,607,160	**425,295,334**
14	**Inventories**			
	Stationery stock		831,508	164,099
	Printed stationeries		194,039	110,393
	Electric items		42,693	40,000
	Sanitary items		17,196	11,063
			1,085,436	**325,555**
15	**Other assets**			
	Interest receivable on fixed deposit		12,259,394	4,475,419
	Rent receivable		2,155,000	2,139,576
	Rent deposit reciverble		529,071	347,676
			14,943,465	**6,962,671**
16	**Loan & advances**			
	Loans to employees of government institutions	**16.1**	486,486,212	206,682,105
	Staff loans and advances	**16.2**	14,444,270	10,546,736
			500,930,482	**217,228,841**
16.1	**Loans to employees of government institutions**			
	Government corporations & firms			
	Performing loans		477,264,926	194,597,594
	Non performing loans		12,407,638	15,643,394
			489,672,564	**210,240,988**
	Interest in suspense - non performing		(1,560,365)	(3,505,818)
	Provision of loan loss		(1,625,986)	(53,064)
			486,486,212	**206,682,105**
16.2	**Staff loans and advances**			
	Staff loans -new sheme-10 month		6,603,959	5,788,016
	Staff loans 11.5% (250,000)		5,992,544	2,404,341
	Staff loans-tab loan 4.5%		1,622,946	2,115,759
	Staff loans 11.5% (100,000)		175,251	230,620
	Cycles loans		40,320	8,000
	Festival advance		9,250	-
			14,444,270	**10,546,736**
17	**Cash & short term funds**			
	Peoples bank a/c no: 204200 2300 85389 (saving)		8,387,783	-
	Peoples bank a/c no: 204100 1600 85389 (current)		1,931,186	8,803,638
	Peoples bank a/c no: 204100 1800 85388 (current)		1,215,228	1,431,365
	Peoples bank a/c no: 204100 2500 85389 (current)		603,947	1,541,963
	Cash in hand		20,000	20,000
			12,158,144	**11,796,966**
18	**Retirement benefit obligation**			
	Balance at the beginning of the year		22,696,045	20,846,540
	During the year provision		(116,285)	3,782,405
	During the year payments		-	(1,932,900)
	Balance at the end of the year		**22,579,760**	**22,696,045**

			31/12/2022 Rs.	31/12/2021 Rs.
19	**Other current liabilities**			
	Rent deposit	19.1	9,320,571	9,020,571
	Over recoveries on loans to government employees		3,561,238	4,356,708
	Accrued expenses	19.2	1,149,339	1,253,669
	Creditors Refundable deposit	19.3	296,745	342,046
	Other refundable deposit - reliable & alert security (pvt) ltd		145,000	20,000
	Accrued expenses		100,000	100,000
			14,572,893	**15,092,994**
19.1	**Rent deposit**			
	National savings bank		3,540,000	3,540,000
	Ceylon electricity board		2,700,000	2,400,000
	Ceylon electricity board - it		1,631,571	1,631,571
	Co-operative employees commission		1,350,000	1,350,000
	M.A.A. Associates		99,000	99,000
			9,320,571	**9,020,571**
19.2	**Accrued expenses**			
	Building maintenance		347,907	347,907
	Security charges		175,240	153,280
	Electricity		109,153	92,039
	Special allowances		131,367	-
	Building insurance		98,657	-
	Janitorial expenses payable		77,401	-
	Audit fees		70,000	155,000
	Printing & stationary		7,200	146,139
	Telephone		44,386	33,581
	Annual bonus		27,813	40,313
	Professional fee payble		25,000	25,000
	Stamp duty		12,225	14,825
	Water		11,014	7,737
	Overtime		10,843	-
	Salary arrers		1,135	2,270
	Consultancy fees		-	229,379
	Managing trustee		-	6,201
			1,149,339	**1,253,670**
19.3	**Creditors**			
	Suspense cr-s/l ledger		285,838	342,046
	Release the deeds		10,907	-
			296,745	**342,046**
20	**Income tax payable**			
	Balance at the beginning of the year		5,504,476	6,157,888
	During the year provision		15,818,536	9,749,747
	Settlement for the year		(11,043,610)	(10,403,160)
	Balance at the end of the year		**10,279,402**	**5,504,476**

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