Content

Lady Lochore Loan Fund

Vision

To be leading financial supporter for the Public Sector Employees.

Mission

To contribute to build up a satisfactory Public Service through freeing its' Employees from Indebtedness and providing reliefs in disaster.

Objective

To relieve Indebtedness of Employees of the Public Sector, Corporations and Local Governments, by providing short term loans expeditiously on concessionary interest rates under lenient conditions.

Functions

- Providing loans to beneficiaries by maintaining the fund sustainably.
- Improving institutional promotion and capacity.
- Policy formulation and implementation for raising funds and maintaining the Fund.
- Developing best practices for loan management and improving lending facilities.

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 (Director - Department of Public Finance), Ministry of Finance and Mass Media
- Mr. S. Winston Pathiraja - Managing Trustee
- Mr. W.D. Jayasinghe - Member
- Mr. Wasantha Perera - Member
- Ms. Merlin Dissananyake - Member

Audit Committee :

- Mr. P.B.S.C. Nonis - President, (Director - Department of Public Finance), Ministry of Finance and Mass Media
- Mr. W.D. Jayasinghe - Member
- Ms. Merlin Dissananyake - Member

Auditor : Ranwatta and Company,
Chartered Accountants,
141/3, Vauxhall Street,
Colomob 02.

Official Banker : People’s Bank,
Head Quarters Bank,
Colomob 02.

President's Message

The Lady Lochore Loan Fund was established on 26th March 1927. This fund was transformed into a legal entity by the Lady Lochore Loan Fund act No.38. of 1951.

Accordingly, it provided financial assistance to public and private sector employees to meet their short term financial requirements on concessional interest rates.

At present, apart from the loan facilities given from this institution, there have been requests made to the Fund to provide financial support for various purposes and needs of the present day. Also necessary steps have been taken to meet such requirements, considering the Fund's allocation limits. Thus the fund performs as an alternative system to the present commercial banking system in the country. Hence the main objective of the present administration is to amend the existing act to develop this opportunity and organize the processes of the Fund, according to the needs of the time using modern technology.

In addition to providing loan facilities to relieve the indebtedness, Boad of Trustees has focused their special attention on the capability of granting loan facilities for small and medium enterprises to improve the economic needs of the public servants who have retired from the service.

Also, due to the special follow up action which has been executed from the year 2017 to recover the long standing debts, many outstanding loan balances were recovered at the end of the year 2017 and necessary actions are being taken to maintain the minimum level in the deficit of the loan balance in future.

Operational process of the Fund has not been revised for a long period and the need has been arisen to change the operational system according to the timely changes done.

Thus, a Committee comprising a member of the Board of Trustees as the Chairman had been appointed to study the prevailing process of issueing of loans to eliminate the unnecessary procedures by introducing simpler methods and steps are taken to impement the recommendations of this Committee as well.

Apart from this the External Auditors are authorized to re-examine the prevailing systems of computerization including gratning of loans, recovery of interests and loan Installments and to recommend the ammendments to be done to the sysyetm.

Accordingly, the Board of Trutees will be ensured that the functions of the Fund are maintained formally in transparent manner to eliminate frauds and misdeeds.

Finally, in the year 2017 the Fund had been able to achieve successfully its objectives and targets set in its annual performance plan. The basic reason for this success was due to the collective and individual contribution and guidance of the Members of the Board of Trustees. Enhanced contributions made towards specific duties assigned to each member of the staff in addition to other activities of the Institution contributed to this success.

Accordingly, I am pleased with the performance accomplished in the year 2017 and will further ensure my dedication with the support of the Managing Trustee and the Members of the Board of Trustees and all the officials of the Staff of the Fund to fulfill the objectives in the year 2018.

A. P. Kurumbalapitiya
President
Lady Lochore Loan Fund

Message of Managing Trustee

Lady Lochore Loan Fund (LLLF) was founded on February 17, 1927 by Lady Jean Lochore, wife of a Millionaire Businessman from Scotland,UK, and later became a citizen of Sri Lanka (Ceylon),along with Fr.C.E.V.Nathanielz of Colombo and established under Lady Lochore Loan Fund Act No.38 of 1951 of the Ministry of Finance.Since then it has been managed by the Managing Trustee under the supervision of a Board of Trustees appointed by the Minister of Finance. I took over office of the LLLF as Managing Trustee, (Head of the Oraganization) on 27th February, 2015 with the formation of the Yahapalana Government on the 8th Janauary, 2015 under he President, Maithripala Sirisena and Hon. Prime Minister, Ranil Wickramasinghe.Being the retired senior Public Servant of the Sri Lanka Administrative Services (SLAS), my first move was to study the Oraganization and its operations well and have been able to set my foot on restructuring the entity to what it is today with the express approval of the Board of Trustees. Within the three years of my tenure of office, the processes of granting loans to public servants have been simplified and the administration, accounting and IT sectors of the LLLF streamlined to meet the challenges and the needs of the day in the competitive markets faced by the lending insititutions on the face of rapidly growing socio-economic needs and advanced technology.

The maximum amount of loan of Rs.50,000/- provided for nearly 30 years has been raised to Rs.100,000/- for non- staff public servants and Rs.250,000/- to staff-grade officers.

According to the simplified mechanism in place as at date, the loan application is processed and released within one week as against nearly two or three months to get the loan passd in the past. A loan applicant has to visit the LLLF only two occasions as against five times in the past and the loan application can be downloaded from the LLLf Website in all three languages from any part of the Island nation.

On the whole, the economic efficiency of the Oraganization and the productivity level of the work force have been remarkably enchanced through the staff training scheme put in place according to its training needs, and the welfare of the workforce is given pride of place to enable them to achieve self-satisfaction and self-actualization in the work place.

The building of LLLF which was not repaired for the last 50 years and was in a dilapidated condition has been fully refurbished with all modern facilities to enable the workforce and the clients who patronize the LLLF to do their business transactions in a very conducive, pleasant and healthy atmosphere .

The number of loans granted per month has steadily increased to around 386 in the year 2017 as against 372 in the year 2015 and the quantum of loan released per month is around Rs.33 m in the year 2017 as against Rs.24 m in the year 2015. Also the monthly rental received from five tenants who occupy the 2nd and 3rd floors of LLLF is around Rs.2 m, with which the LLLF meets ¾ of its monthly recurrent and operational expenditure and the profits generated from granting of loans are added to the profit of the LLLF. The annual profit earned by the LLLF after taxation stands at around 39.1m in the year 2017 as against around Rs.17.1 m in the year 2015.

A Complain Box is placed for the benefit of the clients who have any complain/suggestion to be brought to the notice of the Management and all such complains / suggestions are attentively looked into daily and attended to by the Managing Trustee along with the relevant officials concerned.

The objective of the LLLF for which it was founded by Lady Jean Lochore have now been achieved,meaning all public servants in the 25 districts of Sri Lanka should enjoy equally and with no discrimination or delay. The loan facilities provided by the LLLF.

The 90 years of yeoman service rendered by the LLLF was celebrated on the 27th February, 2017 at a colourful ceremony organized by the LLLF under my stewardship with the participation of the Minister of Finance and the grandson and his wife of Lady Jean Lochore at the premises of the LLLF with wide publicity given in the local print and electronic media.The grandson, Mr.John Hamish Lochore in his address made a noteworthy statement that if his grandmother, Lady Jean Lochore was alive, she would have been the happiest on earth for the simple reason that the meagre donation that she made in 1927 for a good cause has grown to the magnitude of LLLF as it stands today helping the deserving public servants of Sri Lanka.

The need of the hour for the Fund to march forward and continue to financially assist the public servants in distress, is to attract funds in the form of donations, gifts, investments, grants, etc. In this context, the Board of Trustees on a Board paper was put up by me as the Managing Trustee to obatain a grant from the Treasury to the tune of Rs.500 m with a view to expanding the services of the LLLF by establishing 10 Branch Offices of the LLLF in ten selected Districts to facilitate the public servants in the remote areas to obtain loans with no hassle and waste of time. Though the Treasury accepted our proposal in principle,due to Financial constraints it did not get materialize .However, we intend pursuing this matter in the hope that it would materialize one day and the public servants in the island nation will be able to benefit equally and with no discriminataion, as the demand for loans by public servants from LLLF has remarkably risen and the name LLLF has become very popular among the public servants today.

I would like to make use of this opportunity to extend my sincere gratitude to the Hon.Minister, State Minister and Secretary of the Ministry of Finance and others who gave us the guidance and support, and also to the Board of Trustees, officials of the fund who stood by me always and made their contributions to make my endeavors successful in mamaging the LLLF. I would continue to go forward with my creative, innovative, and competitive ideas and efforts to strengthen the LLLF for the betterment of the public servants who have developed great hopes and reliance on LLLF and its yeomen services extended to them.

S.Winston Pathiraja
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.Nathaniel 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

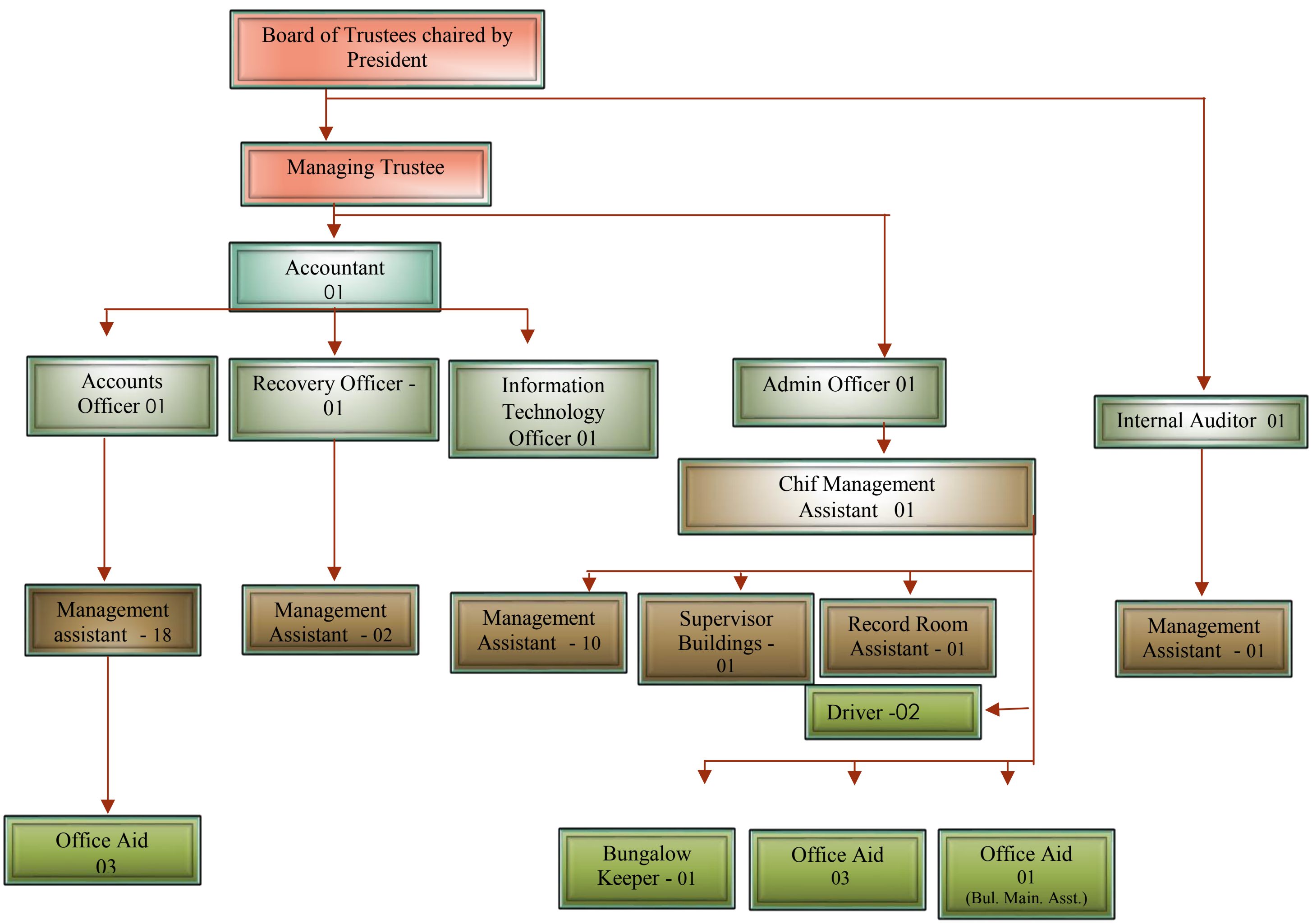
1.1 Board of Trustees

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 2017

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	01
Management Assistant (Non-Technical Grade) (Including Record Room Assistant)	34 } 35	32
Building Supervisor - (M A - Technical Grade)	01	-
Office Aid (Primary Non - Technical) (Including Bungalow Keeper)	07	07
Building Maintanence Assistant	01	01
Driver	02	02
Total	**51**	**48**

1.2 Organizational Structure



02

Performance of the Fund in 2017

2.1 Beneficialries in 2017

4,062 employees of the government and semi government sectors had benefited from this Fund in 2017. District wise categorization of the beneficiaries shown in table - 02 and when compared to the previous year, it is observed a deduction of 10.47% in the number of loans issued in 2016, where as an increase of 19.9% in loan amount issued. Table - 03 indicates that the high number of beneficieries represent Personnel from Defence 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 Year 2016/ 2017

District	Beneficiaries			
	2017	**(%)**	**2016**	**(%)**
Colombo	612	15.07	531	14.44
Gampaha	711	15.50	561	15.26
Anuradhapura	234	5.76	257	6.99
Kandy	230	5.66	205	5.58
Vavuniya	04	0.098	04	0.11
Kalutara	423	10.41	338	9.19
Rathnapura	164	4.04	154	4.19
Galle	234	5.76	205	5.58
Kurunegala	372	9.16	368	10.01
Puttalam	42	1.03	52	1.41
Jaffna	00	0.00	01	0.03
Polonnaruwa	85	2.09	107	2.91
Trincomalee	19	0.47	15	0.41
Mullaitivu	01	0.02	03	0.08
Badulla	161	3.96	146	3.97
Matale	92	2.22	77	2.09
Hambantota	100	2.46	111	3.02
Kegalle	222	5.47	212	5.77
Baticaloa	03	0.07	04	0.11
Ampara	68	1.67	68	1.85
Monaragala	105	2.58	93	2.53
Nuwara Eliya	56	1.38	58	1.58
Matara	124	3.05	107	2.91
Total	**4062**	**100**	**3,677**	**100**

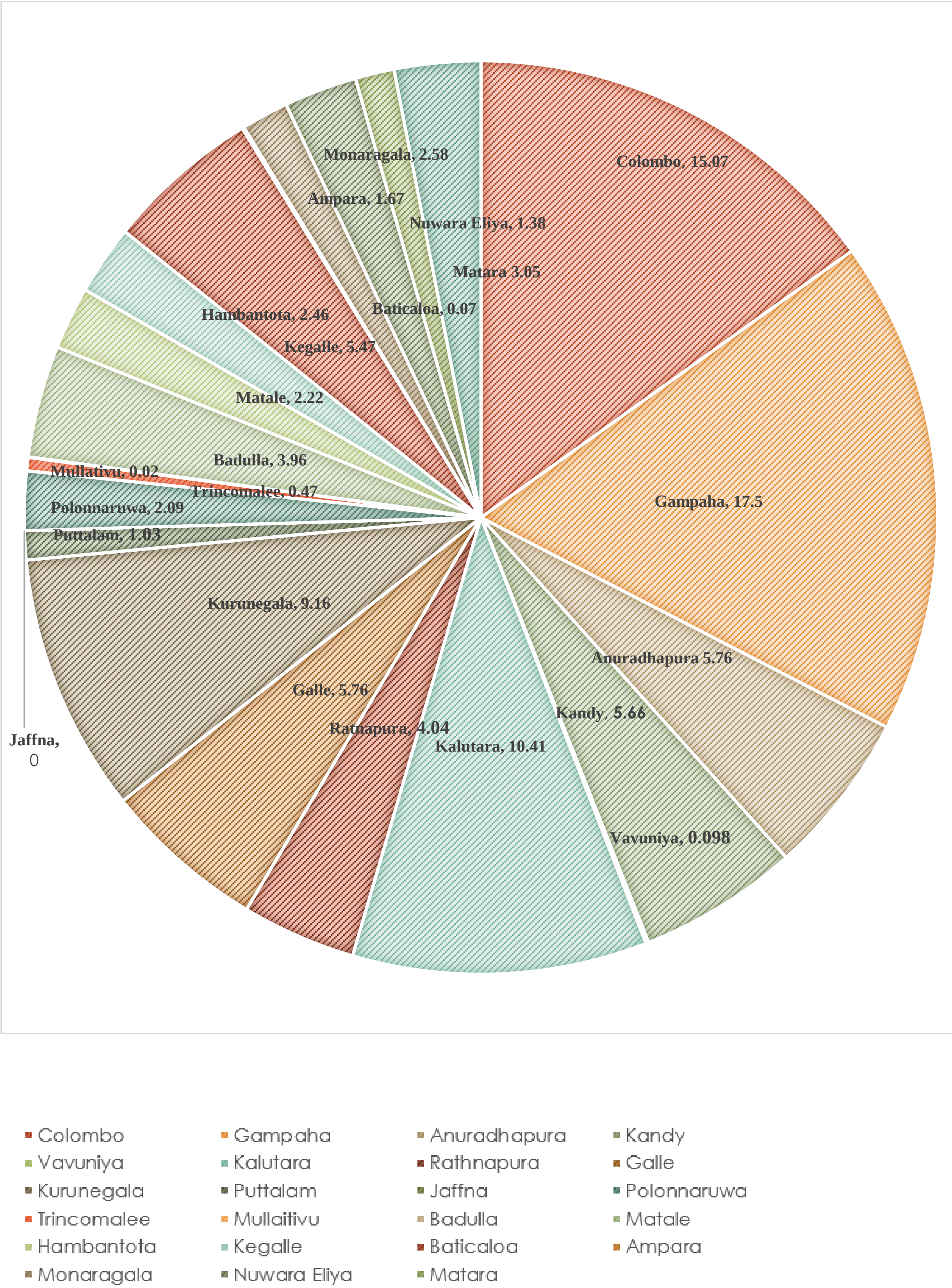


Chart - 01 District wise Government and Semi-Government Sector Beneficiaries who have obtained Loans in Year 2016/ 2017

Table 03 - Progress of Public Sector Beneficiaries according to the Service Categories

Designation	Public Sector Beneficiaries 2017	2016
Corporal	687	1117
Army Soldier	426	699
Army Sergeant	84	121
Major	22	16
Lieutenant	9	8
Chef	21	28
Waiter	30	32
Police Constable	1185	496
Police Sergeant	277	120
Police Inspector	46	31
Sub Police Inspector	60	28
Police Security Assistant	26	23
Civil Police Assistant	0	0
Firemen	20	15
Driver	134	105
Jailor	55	26
Assistant Survey Officer	36	26
Health Administrator	0	0
Attendant	4	3
Ordinary Laborer	288	232
Office Assistant	247	226
Management Assistant	162	116
Development Assistant	22	9
Watcher	4	11
Motor Mechanic	6	4
Technician	0	0
Carpenter	2	4
Human Resource Assistant	0	0
Administrative Officer	2	1
Mason	3	3
Accountant	12	5
Store Assistant	3	1
Technician	2	1
Overseer	2	1
Post Master	3	4
Assistant Director	1	2
Receptionist	0	1
Book Binder	1	3
Grama Niladari	0	0
Programmer Assistant	6	3
Non-commissioned Officer	4	4
Authorized Officer	10	9
Survey Field Assistant	0	6
Nurse	2	9
Captain	34	23
Horse Driver	1	5
Electrical Lamp Lightner	0	1
Machine Operator	3	1
Technical Officer	2	1
Postman	7	3
Translator	0	1
Colonel	0	5
Pre-school Teacher	0	2
Librarian	1	1
Library Assistant	1	0
Director	1	4
Cameraman	108	0
Other	0	81
Total	**4062**	**3677**

2.2 Loan Procedure and the Progress

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 03 years permanent service in government sector.
- A semi - government employee, should complete minimum of 05 years of permanent service.
- Should have sufficient service period for recovering the loan amount prior to the retirement. (The age is considered as 55 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 loaned amount within the 40 % limit of loan applicant's monthly salary.

The progress of processing the loan applications submitted by the qualified loan applicants as mentioned above and issueing of loans in the year 2017 are as follows.

Table - 04 - Procedure of Loan Disbursement - 2017

Month	No. of Loan Applicants	No. of Loan Issued	Loan Value (Rs. 000)
January	273	273	24,500
February	276	251	22,600
March	426	401	36,720
April	193	253	23,100
May	324	267	24,770
June	357	351	31,870
July	316	319	28,890
August	474	439	40,240
September	445	374	33,340
October	400	405	35,990
November	375	367	32,260
December	344	362	31,440
Total	**4203**	**4062**	**365,720**

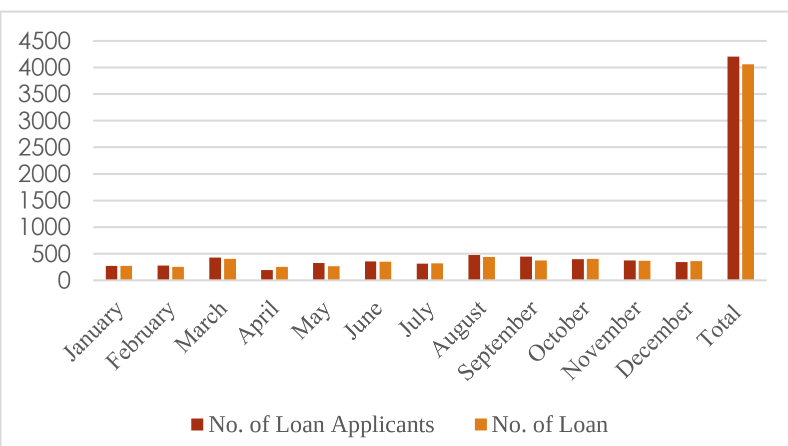


Chart - 02 Loan Disbursement - 201

In the year 2017, 4062 loans had been issued against 4203 loan applications. The reason for this reduction could be attributed to the applicants who have applied for loans but not obtained the loans as per their requests.

2.3 Loan Categories Issued and the Value of Disbursed Loans

The portfolio of loan categories issued increased in 2017 by 10.47% compared to the last year - 2016. The amount of loans also had increased by 19.9% compared to the year 2016. In anticipation of generating a higher income, focuss was placed on issueing of loan categories - Rs.250,000.00/= and Rs.100,000.00/= and by making aware of the loan procedure of the Fund by letters to other institutions had resulted in an increase of 116% in issueing of Rs. 250,000/- loan category and 27% increase in Rs. 100,000/- loan category as compared to year 2016. A substantial growth in the year 2017 had been achieved comperatively. Loan amount and the loan value also had increased in the year 2017 compared to the year 2016.

Table 05 – Progress of Loan Categories Issued

Loan Categories	No. of Loans Issued	Loan Value
250,000	78	19,500,000
100,000	2985	298,500,000
50,000	866	43,300,000
40,000	65	2,600,000
30,000	46	1,380,000
20,000	22	440,000
10,000	0	0
Total	**4062**	**365,720,000**

2.4 Progress of Loan Recovery

During the period from year 2014 to 2017, the progress of issuing loans and loan recoveries are shown in Table 06 and Chart 03. Compared to the progress of loan recoveries in 2016, an attractive progress has shown in 2017

- Progress of Issuing of Loan - 19.9 %
- Progress Loan Recovery - 13.8 %

Table 06 – Issuing of Loans and Recovery of Loans from Year 2014 to 2017

Year	No. of Loan Issued	Loan Disbursed (Rs. 000)	Loan Recovered (Rs. 000)
2014	5122	203,505	252,973
2015	4636	284,860	273,868
2016	3676	305,000	342,358
2017	**4062**	**365,720**	**389,506**

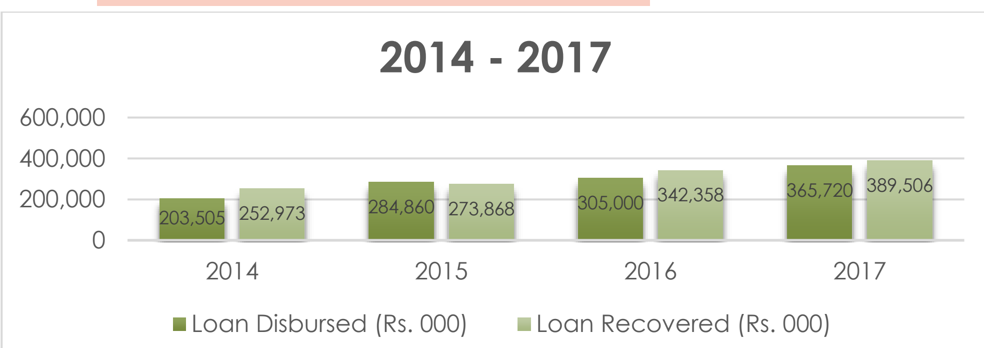


Chart - 03 Progress of Loan Disbursement and Loan Recovery

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 is allocated to the following institutions on the basis of lease rent and the fund had earned Rs.17.5 million as the rent income in the year 2017. `

Table 07 – Building Rent Income in Year 2016

Serial No.	Institution	Rented Floor	Square Feet	Income (Rs.)
01	Lady Lochore Loan Fund	3rd Floor	5,500	-
02	Vehicle Park	Basement	5,290	-
03	Lake House Book Shop (01.2016 – 10.2016) National Savings Bank (From 11-2016)	Ground Floor	5,500	6,300,000
04	Co-operative Employee's Commission	1st Floor	2,415	2,462,790
05	Ceylon Electricity Board	1st, 2nd Floor	4,700	4,500,000
06	Ceylon Electricity Board – Information Division	2nd Floor	2,750	2,805,000
07	Public Enterprises Reform Commission	2nd Floor	840	960,000
08	A.J.S. Associates	No :100/20	380	480,000
	Total		**27,375**	**17,507,790**

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. As this institution is not depending on the grants of the treasury or budgetary provisions all the expenses including salaries of the cadre and other operational costs are met by the interest income of the fund and the rental of the building. Covering all the operational expenses such as bad debts, administrative and other expenses for recovery of loans, the surplus had invested at people's Bank ensuring the sustainability of the fund.

Table **08 -** Investments

Type of Investment	Bank	31/12/2017 (Rs.)	31/12/2016 (Rs.)
Fixed Deposit	People's Bank	71,560,042	76,201,532
Fixed Deposit	National Savings Bank	16,828,012	15,513,431
Total		**88,388,054**	**91,714,963**

2.5.3 Operational Income

During the year 2017 the total Operational Income was Rs. 97 million while the net Operating Surplus was Rs. 41.6 million. In the year 2016 Operational Income and the net Operational Surplus were 79 and 22 million concequently. Thus the Net Operational Surplus in the year 2017 which was Rs.19.6 million indicated nearly a growth comparatively to the the Net Operational Surplus of Rs. 22 million in the year 2016. Accrued income of the year 2017 due to over allocation of the account for provision of doubtfull debts as at 31.12.2017; comparative increasement in the interest income on fixed deposits which resulted in a growth of interest income earned on fixed deposits in 2017, as payment and transfer of two Motor vehicles received from the Ministry of Finance indicated as donations of the Finance Ministry in the final accounts should be accrued to the profit from the year 2016 to 2020 thus from the total value the portion which belongs to the year 2017 when added to the annual income, the increased rental income of the building, caused a growth in operational income in the year 2017 by 22% when compared to 2016. Even though Operational Expenses were increased in less rate of 3% in the year 2017 and tax on other income varied, expensess were lowered in par with the 85% growth in net Operating Surplus in 2017.

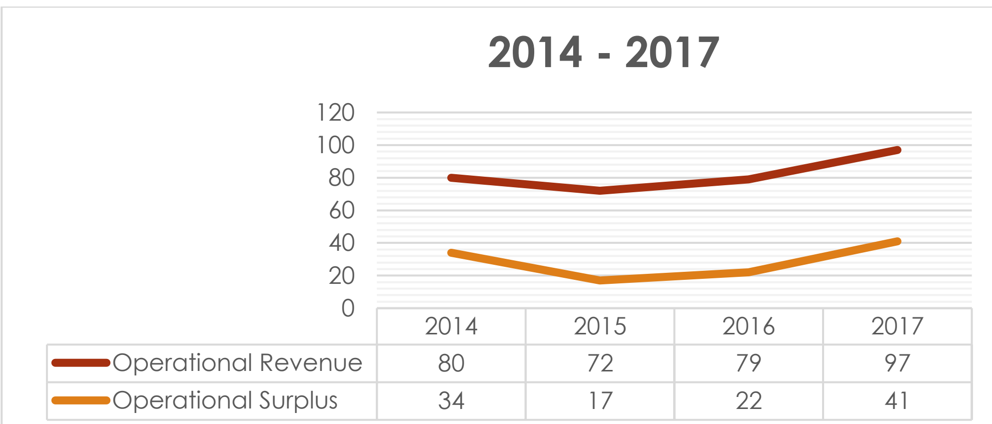


Chart 04 - Operational Revenue and Operational Surplus 2014 - 2017

03

General Administation and Human Resource Development

3.1 Increasing Employee Motivation

Throughout the year 2017, various training programmes were conducted covering various fields of subjects of the staff in order to achieve the goals, ambitions and objectives of the Lady Lochore Loan Fund through building a strong work force by increasing employee motivation as well as increasing efficiency, competency, satisfaction and group feeling of the employees. The main purpose of the training was to supply a higher productivity of service and to achieve this the Fund allocated a high amount of monitory allocations.

Date	Conducting Organization	Training Programme	Employees Participated
2017.03.27 2017.03.28	SDFL - Min. of Skills Develop. & Voc. Training	Implementation of fund's rules and regulations	Chief Management Assistant - 1 Management Assistant - 111
2017.04.27 2017.04.28	SDFL - Min. of Skills Develop. & Voc. Training	Maintenance of account books	02 (Management Assistant 111)
2017.05.22 2017.05.23	SDFL - Min. of Skills Develop. & Voc. Training	Mannerism	Admin Officer (Junior Manager)
2017.05.25 2017.05.26	SDFL - Min. of Skills Develop. & Voc. Training	Responsibilities and duties of office assistants.	01 - Office Assistant
2017.07.04 2017.07.05	SDFL - Min. of Skills Develop. & Voc. Training	Use of technology and managements	01 - (Junior Manager 111) 02 - (Management Assistant 1)
2017.07.19 2017.07.20	SDFL -Min. of Skills Develop. & Voc. Training	Implementing circulars (private documents)	01 - (Management Assistant 111)
2017.07.27 2017.07.28	SDFL - Min. of Skills Develop. & Voc. Training	Office Managements and Methods	03 (Management Assistant 111)
2017.07.29 2017.07.30	SDFL - Min. of Skills Develop. & Voc. Training	Annual Inventory and Facilities	01 (Management Assistant 111)
2017.08.28 2017.08.29	SDFL - Min. of Skills Develop. & Voc. Training	Accounts for effective government employers	02 (Management Assistant 1)
2017.09.07	PRAG INSTITUTE	Response to the questions of economics activities and operating balance accounts	01- Internal Auditor (Junior Manager 111)
2017.09.23 2017.09.24	SDFL - Min. of Skills Develop. & Voc. Training Ratnasiri Wikramanayake Training Center - Hanthana	"Changes Can Take Place" To improve the zeal and personality	36 Staff Officers of this Fund have participated in this training Programme. (MM - 1, JM - 3, MA - 24, Driver - 1, KKS - 06, BMA - 1)
2017.09.28 2017.09.29	SDFL - Min. of Skills Develop. & Voc. Training	Valuation of lost	01 - Accountant (Middle Manager)
2017.10.18	Construction and Machinery Training Center. CETRAC	Safety and efficient driving	01 - Office Assistant 111/ Driver
2017.10.23 2017.10.24	SDFL - Min. of Skills Develop. & Voc. Training	Development Assistant and Managing Assistant's Work	02 - Management assistant 11
2017.10.26	SDFL - Min. of Skills Develop. & Voc. Training	HOW TO BE A BRILLIANT MANAGER	Admin officer Management Assistant 111 } 02
2017.12.14 2017.12.15	SDFL - Min. of Skills Develop. & Voc. Training	Management of official materials	01 - (Management Assistant 111)

Participating in subject oriented training workshops have made the staff of the Fund more enthusiastic, efficient and productive. Especially the professionalism of the activities of the staff showed a clear improvement from the previous situation. By the transparent application of the knowledge and the skills gained through these training workshops, enable the staff of the Fund to perform their duties in a methodical and formal manner. Above mentioned training workshops have helped in gaining efficiency of the professional life, in realizing ambitions and achieving progress of the individual as well as making a miles stone in marching towards the objectives of the lady Lochore Loan Fund.

Apart from these to increase the Motivation in LLLF staff, together with the Institution of Skills Development Fund held an outdoor training camp at Rathnasiri Wickramanayake National Training Center in Hantana on 2017.09.23 and 2017.09.24. 36 employees were participated in the training programme.

Methodical training to achieve the goals as a team with minimum effort was included throughout the entire training sessions conducted by this outdoor training workshop. Applying the training in regard of achieving objectives of our Institution, by working in a team spirit with minimum effort and with the mutual help of one another it is a must to mention here that it helped enormously in achieving institutional objectives.

Simultaneously it enable to relieve the monotony in office/professional life and engaged them in the training with enjoyment. It ensured that the staff members were able to enjoy some kind of relief from their existing work pressures and by working with all levels of the staff members as a one group enhanced their interpersonal relationships.

- **Few special occasions of the Out Bound Training Programme.**

- **Staff participation in the group events of the Out Bound Workshop - Hanthana**

3.2 Promotional and Recruitment Procedures of the Fund

New Recruitments

3.2.1 To the post of Information Technology Officer approved by the Ministry of Finance and Management Services in 201, a new officer was recruited on 2017.11.01.

3.2.2 Vacancies in the approved cadre of the Fund were advertised in the Papers and in the official web site to attract applications in order to fill the vacancies through conducting a structural interview with transparency. Four new recruits to the Post of Management Assistant III and a one new recruit to the post of office Aid III were recruited on 04. 12. 2017. Accordingly 06 new recruitments were done.

3.3 Renovations in the Premises of Fund

The renovation of the building of Lady Lochore Loan fund which was in a dilapidated condition for a long period of time was started on November 2015. Civil Security Department which was the lowest bidder was awarded the contract with the approval of the 828thBoard of trustees held on 2015.09.25. Further the State Development and Construction Co-operation(SD & CC) was appointed as the consultants, to supervise, monitor and to measure and evaluate the work done and recommend payments of bills for the work completed.

Therefore at the end of the year 2017; from the total sum of the estimated amount of Rupees 23,462,043.69; Rs.4, 692,408.73 was paid and most of the renovation in the Funds' building was able to complete.

3.4 Regularrizing the Procedures of Office

- Since it is essential to have a knowledge of the activities of the other officers apart from their own duties, each official was made to undergo training in each other's subjects thereby ensuring that the organization continued to function effectively and without interruption.

Establishing the Post of loan recovery officer to regularize the recovery of loan scheme of the institution and assigning Management Assistants for recovery enabled to minimize the dormant Loans.

- Regularizing the procedure of maintaining of office files, computerization of office systems (computerization of files in the record room, System of the Stores, Details of the cadre information of the employees of the Fund, and the personal files, etc.) updating and modifying of prevailing methods.

3.5 Staff Loan

Several new changes to the procedure of loan grant system of staff loan of Rs.250,000.00/= were made which settled after payment of 48 installments under 11.5% interest rate. Making lenient for the staff Members who have obtained the loan under this scheme after payment of 18 installments out of 48; one is enabled to receive the balance as a re-loan. This facility was introduced in 2017.

Further to this Rs.250,000.00/= ≤ Distress loan system which settled after the payment of 60 installments, under 4.5% interest rate was made more lenient for one who has settled the loan, by paying 30 installments enabling him/her to apply the balance of loan as a re-loan. This facility was also introduced in 2017.

3.6 Land Deeds and Bonds

At the time of initiation 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. Accordingly meeting of 831st board of trustees has approved the release of the said bonds accordingly. Thus 191 bonds had been released as at 31.12.2016.

3.7 Meetings

12 Board of Trustees Meetings and 12 Staff Meetings have been conducted monthly in the year 2017. The important matters discussed in the staff meetings have been implemented with the covering approval of the Board of Trustees.

3.8 Audit and Management Committee

Four Audit and Management Committee meetings have been conducted in the year 2017 as follows. Further action has been taken to update the audit query related documents and submit for the instructions of Board of Trustees.

Serial No.	Date of Committee Held
1	2017.03.15
2	2017.06.23
3	2017.10.16
4	2017.11.20

4

Future Plan

- **Amend the terms of Lady Lochore Loan Fund Act in order to generate fund with the purpose of providing financial facilities to the private sector employees in future which is currrently 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.**

Ranwatta & Co.
CHARTERED ACCOUNTANTS
SUMITH RANWATTA MBA, FCA, FCMA, FMAAT, FCPM

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LADY LOCHORE LOAN FUND

Report on the Financial Statement

We have audited the accompanying financial statements of **Lady Lochore Loan Fund** , which comprise the statement of Financial Position as at December 31, 2017, and the statement of Comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board (Board Of Trustee) is responsible for the preparation and fair presentation of these financial statements in accodance with the Sri Lanka Accounting Standards. This responsiblity includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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 comply with ethical requirements and plan perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the finncial statments.The procedures selected depend on the auditor's judgment, including the assesment of the risks of material misstatement of the financial statments, whether due to fraud or error. In making those risk assesements, the auditor considers internel controal relevent to the entity's preparation and fair presentation of the financial staements in order to design audit procedures that are appropriate in-circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controal. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion so far as appears from our examination, the company maintained proper accounting records for the year ended 31st December 2017, and the financial statements give a true and fair view of the fund state of affairs as at 31st December 2017 and it's surplus and cash flows for the year than ended, in accordance with Sri Lanka Accounting Standards.

Chartered Accountants
Date:09/08/2018
Colombo 02

LADY LOCHORE LOAN FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	Restated **2017** **Rs.**	**2016** **Rs.**
Revenue	**1**	**92,744,431**	77,977,968
Other Income	**2**	**4,996,274**	3,667,739
		97,740,705	81,645,707
Operating Expenses			
Personnel Cost	**3**	**(30,007,034)**	(28,822,924)
Premises, Equipment and Establishment Expenses	**4**	**(22,084,167)**	(19,249,022)
Fees and Commission	**5**	**(846,190)**	(760,711)
		(52,937,391)	(48,832,657)
Profit Before Loan Loss Provision		**44,803,314**	32,813,050
Profit Before Taxation		**44,803,314**	32,813,050
Tax Expense	**6**	**(3,136,408)**	(5,742,959)
Surplus for the year		**41,666,906**	27,070,091

The above Financial Position is to be read in conjuction with the accounting policies and notes to the financial statements appear on pages 5 to 14 which form an Integral part of these finansial statements.

LADY LOCHORE LOAN FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2017

	Note	2017 Rs.	Restated 2016 Rs.
Assets			
Non Current Assets			
Property Plant & Equipment	**7**	**126,905,358**	134,890,996
Investment	**8**	**88,388,055**	91,714,964
		215,293,413	226,605,960
Current Assets			
Inventory		**276,255**	249,489
Loan and Advances	**9**	**344,917,910**	291,204,012
Other Assets	**10**	**10,022,203**	7,908,459
Cash & Short Term Funds	**11**	**14,578,966**	19,563,959
		369,795,334	318,925,919
Total Assets		**585,088,747**	545,531,879
Fund & Liabilities			
Fund & Reserves			
Accumilated Fund	**12**	**405,244,938**	363,578,032
Revaluation Reserve	**13**	**146,649,586**	146,649,586
		551,894,524	510,227,618
Non Current Liabilities			
Grant from Ministry of Finance	**14**	**6,279,684,**	8,372,912
Long Term Loans	**15**	**-**	750,000
Retirement Benefit Obligation	**16**	**12,314,465**	10,285,593
		18,594,149	19,408,505
Current Liabilities			
Other Liabilities	**17**	**13,047,919**	13,353,153
Income Tax	**18**	**1,420,451**	2,542,603
Bank Over Draft		**131,704**	-
		14,600,074	15,895,756
Total Fund & Liabilities		**585,088,747**	545,531,879

The above Financial Position is to be read in conjunction with the accounting policies and notes to the financial statements appear on pages 5 to 14 which form an Integral part of these financial statements.

I certify that the above Financial Statements have been prepared in compliance with relavant 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 **Managing Trustee**
Date: 09/08/2018 **Date: 09/08/2018**

LADY LOCHORE LOAN FUND
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017 Rs.	2016 Rs.
Cash Flow from Operating Activities		
Net surplus for the year	**44,803,314**	32,813,051
Adjustment for		
Depreciations	**8,339,329**	9,099,784
Gratuity Provision	**2,763,422**	3,293,620
Government Grant	**(2,093,228)**	(2,093,228)
Profit On Disposal of Scrap Items	**29,000**	-
Interest Income	**(10,644,727)**	(7,057,766)
Operating Surplus Before Changes In Operating Assets	**43,197,110**	36,055,461
(Increase)/Decrese in operating Activities		
(Increasing) / Decrease in Inventory	**(26,766)**	68,254
(Increase) / Decrease in Loan & Advances	**(53,713,899)**	(29,277,430)
Decrease / (Increase) in Other Assets	**(2,113,744)**	(2,155,141)
Increase in Other Liabilities	**(305,234)**	2,410,980
	(56,159,643)	(28,953,336)
Net Cash Flow from Operating Activities	**(12,962,533)**	(7,102,124)
Gratuity Paid	**(734,550)**	(782,897)
Tax paid	**(4,258,560)**	(7,604,106)
	(4,993,110)	(8,387,003)
Net Cash Flow Generated/ (Used in) Operating Activities	**(17,955,643)**	(1,198,376)
Cash Flow from Investing Activities		
Acquisition of Property, Plant & Equipment	**(353,690)**	(1,630,558)
Investments in Fixed Deposit	**3,326,909**	(922,692)
Sales Proceed from Disposal of Scrap Items	**(29,000)**	-
Interest Received	**10,644,727**	7,057,766
Net Cash Flow Generated from Investing Activities	**13,588,946**	4,504,516
Cash Flow from Financing Activities		
Repayment of Long Term Loan	**(750,000)**	(750,000)
	-	
Net Cash Flow (Used in) Investing Activities	**(750,000)**	(750,000)
Net Increase in Cash & Cash Equivalents	**(5,116,697)**	2,556,140
Cash & Cash Equivalents at the Beginning of the Year	**19,563,959**	17,007,819
Cash & Cash Equivalents at the End of the Year	**14,447,262**	19,563,959
Analysis of the Cash and Cash Equivalents shown in balance sheet		
Cash at Bank	**14,558,966**	19,543,959
Bank Overdraft	**(131,704)**	-
Cash in Hand	**20,000**	20,000
	14,447,262	19,563,959

LADY LOCHORE LOAN FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017

01. Principal Accounting Policies

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 Accounting Standards (SLAS)

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 Act No 10 of 2006 and amendments thereto.

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-arranges, 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 Trustees 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 propotion 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 investments 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 3 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.

LADY LOCHORE LOAN FUND
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2017

		2017 Rs.	Restated 2016 Rs.
1	**Revenue**		
	Interest on Loan Firm & Corpara	**63,907,056**	56,968,259
	Rent Income	**17,507,790**	13,368,568
	Interest Income on Fixed Deposit	**10,644,727**	7,057,766
	Interest Income – 11.5%	**379,781**	374,829
	Interest On New Staff Loan	**265,850**	155,819
	Interest Income – 8%	**35,698**	49,296
	Interest On Special Advance	**3,376**	2,349
	Interest on Staff Loan - 4 ½%	**-**	751
	Interest on Cycle Loan	**153**	331
		92,744,431	77,977,968
2	**Other Income**		
	Special Income	**1,119,367**	816,552
	Reversal of Loan Loss Provision	**1,099,676**	392,713
	Received From Application	**527,120**	329,940
	Other Income	**115,883**	-
	Profits on Disposal of Scrap Items	**29,000**	-
	Sundry Income	**12,000**	35,306
	Grant from Ministry of Finance	**2,093,228**	2,093,228
		4,996,274	3,667,739
3	**Personnel Cost**		
	Salaries	**12,542,555**	9,675,599
	Allowances for Staff	**7,651,400**	9,970,957
	Gratuity	**2,763,422**	3,293,620
	S.P.F.Board Share	**2,681,495**	2,160,894
	Allowance – Managing Trustee	**1,293,879**	1,229,808
	Annual Bonus	**669,313**	662,250
	Chairman Allowance	**514,172**	-
	E.T.F. Board Share	**503,980**	414,860
	Special Allowance	**343,440**	236,310
	Board Members	**329,590**	325,665
	Overtime	**226,564**	166,364
	Fuel Allowances - MT	**225,320**	157,950
	Exgratia Payment	**127,452**	154,290
	Audit Committee	**95,900**	85,800
	Uniforms	**32,000**	32,000
	E.P.F. Board Share	**4,800**	38,770
	Salary Arrears	**1,752**	217,787
		30,007,034	28,822,924

LADY LOCHORE LOAN FUND
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017 Rs.	2016 Rs.
4 Premises, Equipment and Establishment Expenses		
Depreciation	**8,339,329**	9,099,784
Building Maintenance	**4,005,943**	469,644
Municipal Rates	**1,869,784**	1,933,106
Print,Stat. & Office Requires	**1,781,243**	1,602,789
Security	**1,386,251**	1,334,227
Electricity	**1,170,699**	1,251,810
Office Computers Maintenance	**598,769**	615,048
Fuel & Motor Vehicle Maintenance	**380,974**	463,484
Water	**272,173**	366,963
Telephone	**412,906**	364,368
Postage & Telegrams	**218,581**	295,244
Travelling	**72,180**	201,020
VAT Expense	**1,758**	193,791
Lift Maintenance	**223,860**	182,273
Staff Welfare	**146,071**	145,405
Staff Training	**529,499**	116,800
Office Equipment Maintenance	**322,155**	112,322
Building Insurance	**-**	80,958
Stamp Duty	**69,700**	59,100
News Paper & Periodicals	**43,044**	52,292
Donation	**20,000**	15,000
Water Pump Maintenance	**2,000**	-
Vehicle Insuarance	**217,248**	-
Unclaimed VAT Written off	**-**	207,091
Expense Reverse During the year	**-**	86,503
	22,084,167	19,249,022
5 Fees and Commission		
National Building Tax	**365,656**	252,426
Bank Charges	**139,226**	128,185
Legal Fees	**126,768**	300,100
Professional Fees	**115,540**	-
Audit Fees	**99,000**	80,000
	846,190	760,711

LADY LOCHORE LOAN FUND
NOTES TO THE FINANCIAL STATEMENT
AS AT 31ST DECEMBER 2017

	2017	2016
	Rs.	Rs.
6. Tax Expense		
Profit before Tax	**44,803,414**	28,243,399
Aggregate expenses disallowed for tax	**27,373,021**	19,437,127
Aggregate deductible expenses for tax	**(45,919,758)**	(29,323,794)
Business Profit for the Year	**26,256,677**	18,356,732

Business profit year exempted As per section 9(n) of Inland Revenue Act.

	2017	2016
Taxable income for the year		
Interest on Fixed Deposit	-	7,057,766
Rent Income	11,728,505	8,576,596
Staff Loan	684,858	583,374
Received From Application	527,120	329,940
Sundry Income	127,883	35,306
	13,068,366	16,582,982
Total Statutory Income / Assesable Income/ Taxable Income	13,068,366	16,582,982
Income tax expense @ 24%	3,136,408	3,979,916
	3,136,408	**3,979,916**

LADY LOCHORE LOAN FUND
NOTES TO THE FINANCIAL STATEMENT
AS AT 31ST DECEMBER 2017

7 Property, Plant & Equipment

Cost/ Valuation	Balance as at 31/12/2016	Additions During the Year	Disposal During the Year	Balance as at 31/12/2017
Free Hold	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Investment Property	41,600,000	-	-	**41,600,000**
Land - Leased Hold	98,000,000	-	-	**98,000,000**
Building	10,400,000	-	-	**10,400,000**
Motor Vehicles	15,940,000	-	-	**15,940,000**
Electrical Fixture & Fittings	3,320,107	32,102	21,980	**3,330,229**
Computer Equipment	4,348,236	-	276,670	**4,071,566**
Furniture & Fittings	1,207,721	34,425	28,517	**1,213,629**
Office Equipment	1,552,647	287,163	82,522	**1,757,288**
	176,368,710	**353,690**	**409,689**	**176,312,712**

Accumulated Depreciation	Balance as at 31/12/2016	Charge for the Year	Disposal During the Year	Balance as at 31/12/2017
Free Hold	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Investment Property	11,390,476	990,477	-	**12,380,953**
Land	11,666,667	2,333,333	-	**14,000,000**
Building	7,180,951	247,619	-	**7,428,570**
Motor Vehicles	3,950,171	3,985,000	-	**7,935,171**
Electrical Fixture & Fittings	2,977,522	136,350	21,980	**3,091,892**
Computer Equipment	2,863,667	414,667	276,670	**3,001,664**
Furniture & Fittings	521,368	108,988	28,517	**601,839**
Office Equipment	926,892	122,895	82,522	**967,265**
	41,477,714	**8,339,329**	**409,689**	**49,407,354**
Written Down Value	**134,890,996**			**126,905,358**

LADY LOCHORE LOAN FUND
NOTES TO THE FINANCIAL STATEMENT
AS AT 31ST DECEMBER 2017

		Note	2017 Rs.	Restated 2016 Rs
8	**Investment**			
	Fixed Deposit		88,388,055	91,714,964
			88,388,055	**91,714,964**
9	**Loan & Advances**			
	Loans to Employees of Government Institutions	**9.1**	336,625,503	284,947,194
	Staff Loans and Advances	**9.2**	8,292,407	6,256,818
			344,917,910	**291,204,012**
9.1	**Loans to Employees of Government Institutions**			
	Government Corporations & Firms			
	Performing Loans		330,254,627	284,055,267
	Non-Performing Loans		6,609,279	2,107,086
			336,863,906	**286,162,353**
	Interest in suspense - Non Performing		(229,836)	(106,916)
	Interest in suspense - Performing			
	Provision of Loan Loss		(8,567)	(1,108,243)
			336,625,503	**284,947,194**
9.2	**Staff Loans and Advances**			
	Staff Loans - New Scheme - 10 Month		5,131,944	3,542,661
	Staff Loans - 11.50%		2,759,196	2,257,056
	Staff Loans - 8.00%		382,230	445,195
	Cycles Loans		11,037	3,071
	Festival Advance		8,000	9,250
	Special Advance		-	(415)
			8,292,407	**6,256,818**
10	**Other Assets**			
	Interest on Fixed Deposit Receivable Advanced		5,598,756	4,378,854
	Rent Receivable		2,935,634	2,770,018
	Other receivables		1,487,813	759,267
			-	320
			10,022,203	**7,908,459**
11	**Cash & Short Term Funds**			
	Peoples's Bank - 204100 1600 85389		**14,306,607**	17,112,351
	Peoples's Bank - 204100 2500 85389		**252,359**	260,863
	Cash in hand		**20,000**	20,000
	Peoples's Bank – 204100 1800 85388		**-**	2,170,745
			14,578,966	**19,563,959**

LADY LOCHORE LOAN FUND
NOTES TO THE FINANCIAL STATEMENT
AS AT 31ST DECEMBER 2017

		Note	2017 Rs.	2016 Rs.
12	**Accumilated Fund**			
	Balance as at Beginning of the Year (Restated 2016)		**363,578,032**	341,077,592
	Surplus for the Year		**41,666,906**	22,500,440
	Restated Adjustments		**-**	-
	Balance as at End of the Year		**405,244,938**	363,578,032
13	**Revaluation Reserve**			
	Balance as at Beginning of the Year		**146,649,586**	146,649,586
	During the year Transaction		**-**	-
	Balance as at End of the Year		**146,649,586**	146,649,586
14	**Grant From Ministry of Finance**			
	Balance as at Beginning of the Year		**8,372,912**	10,466,140
	During the Year Transaction		**(2,093,228)**	(2,093,228)
	Balance as at End of the Year		**6,279,684**	8,372,912
15	**Long Term Loans**			
	Treasury Loan		**-**	750,000
			-	750,000
16	**Retirement Benefit Obligation**			
	Balance as at 01/01/2016		**10,285,593**	7,774,870
	During the Year Provision		**2,763,422**	3,293,620
	During the Year Paid		**(734,550)**	(782,897)
	Balance as at 31/12/2016		12,314,465	10,285,593
17	**Other Liabilities**			
	Rent Deposit	14.1	**8,513,895**	8,193,895
	Over recoveries on Loans to Government Employees		**2,273,780**	3,572,743
	Accurated Expenses	14.2	**1,864,220**	1,119,803
	Suspense Creditors S/L		**296,024**	366,712
	Other Deposit - Security		**100,000**	100,000
			13,047,919	13,353,153
17.1	**Rent Deposit**			
	NSB		**3,150,000**	3,150,000
	CEB		**2,250,000**	1,930,000
	CEB – IT		**1,402,500**	1,402,500
	Co-Operative		**1,231,395**	1,231,395
	A.J.S. Associate		**240,000**	240,000
	P.E.R.C		**240,000**	240,000
			8,513,895	8,193,895

LADY LOCHORE LOAN FUND

NOTES TO THE FINANCIAL STATEMENT

	2017 Rs.	2016 Rs.
17.2 Accrued Expenses		
Building Maintenance	**736,099**	-
VAT	**418,549**	469,352
Printing & Stationary	**148,611**	-
Security Charges	**131,861**	130,077
NBT	**115,919**	94,544
Electricity	**92,817**	128,857
Audit Fees	**60,000**	80,000
Professional Fee	**45,000**	-
Annual Bonus	**37,813**	12,500
Telephone	**33,213**	33,525
Stamp Duty	**16,625**	13,625
Managing Trustee	**11,923**	45662
Water Bill	**11,506**	28,504
Special Allowances	**4,284**	1,000
Board Members	**-**	1,200
Building Insurance	**-**	80,958
	1,864,220	1,119,804

	2017 Rs.	2016 Rs.
18 Income Tax Payable		
Balance as at 01/01/2016	**2,542,603**	4,403,750
During the year provision	**3,136,408**	3,979,916
Overprovision for 2015	**-**	**(1,730,650)**
Under Provision for 2010 - 2014	**-**	**3,493,693**
Tax Paid	**(3,509,230)**	(7,133,420)
Withholding Tax	**(749,330)**	(470,685)
	1,420,451	2,542,603

19 Restatement of Financial Statements

Following Account balances have restated through accumulated Fund inorder to rectify the pror periods errors. The errors were rectified retrospectively by restating the opening balances of comparatives. Financial Information due to impracibility to present the period specific effect beyond the opening balances of comparative financial imformation.

	Previously Reported 01/01/2016	Adjustments	Restated Amount 01/01/2016
Assets			
Advanced Receivable	-	2,770,018	2,770,018
Unclaimed VAT Written off		207,091	207,091
Liabilities & Grant;			
Grant from Ministry of Finance	10,466,140	(2,093,228)	8,372,912
Loan Provision	-	86,503	86,503
Accumilated Funds (Note 01)			
Accumilated Funds	359,008,380	4,569,652	363,578,032

Note 01

Reconcilation of accumilated fund as at 1/1/2016

Balance at Beginning of the Year	336,507,940
Surplus of the Year	22,500,440
Balance as at 1/1/2016	**359,008,380**