



Lanka Microfinance Practitioners' Association

Vision

A “Dynamic & Sustainable Microfinance Sector for an Inclusive Financial System in Sri Lanka”

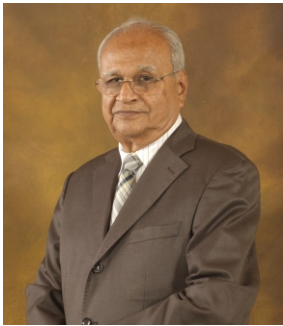
Mission

To “contribute to the development of sustainable and effective microfinance service by, supporting all the stakeholders in the sector and creating a conducive environment through collective action in an effective and efficient manner”.

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Message from the LMFPA President



On behalf of the members of LMFPA, it gives me great pleasure to deliver the President's message for the 9th year celebration of the Association.

It is comforting to know that the long awaited Microfinance regulation is slowly lifting its head once again in Sri Lanka and the undying efforts of LMFPA during the past year to make this happen is never an overstatement. My sincere thanks go to the members of the Advocacy & Lobbying committee who met regularly to bring forth proposals and suggestions to the relevant authorities to expedite the process. Soon after the proposal made by LMFPA for the microfinance regulation, the Central Bank too introduced its own proposal to regulate the sector which was viewed more favourably by stakeholders as the latter proposal would require less resources to implement. I am confident that once the regulation takes full shape, the role of LMFPA will be more instrumental for the benefit of the sector.

The Strategic Plan of LMFPA served well for the past three years and the association was able to achieve many of its goals. It was high time to redevelop it for the next three years and therefore the LMFPA Strategic Plan 2015-2017 was drafted with the insights of key board members. The redeveloped strategic plan focuses more on the provision of better service to members whilst addressing the sustainability of the association.

As a membership association it is important for LMFPA to become an information hub. The launch of the quarterly E-Magazine "Sri Lanka Microfinance Forum" is one vehicle that strives to achieve this objective as it allows our members to share their success stories with fellow practitioners as well as address key issues in the sector. Another initiative that LMFPA started was the development of online corporate profiles for members, giving them more mileage on publicity. The latest development in information sharing is the displaying of key microfinance statistics on the LMFPA website whereby any visitor will be able to get up to date data on key microfinance figures as well as view individual financial performance of members.

I take this opportunity to convey my sincere appreciation to our members, stakeholders, partners, board of directors and staff for their continued dedication and support and treating LMFPA as a key cornerstone for the development of the microfinance sector in Sri Lanka.

S. W. Kiriarachchi

Hony. President – 2014/2015

Corporate Information

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Tel: + 94 11 4367621, 4369612

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Email: info@lankamicrofinance.com

Web: www.microfinance.lk

Legal Form: Re-registered under the Companies Act no.7 of 2007 Registration no- GA 136

Auditors: M/s Ernst & Young Chartered Accountants

Secretaries: RNH Holdings (Pvt) Ltd

Bankers: Commercial Bank of Ceylon PLC

The Board of Directors



Mr. S. W. Kiriarachchi
- Hony. President

Mr. Kiriarachchi is the chairman of Janamithu Lanka Ltd and a Director of Agromart Foundation and has vast experience in Microfinance and community development fields. Mr. Kiriarachchi has immense hands-on experience in administration, Agriculture, and Human Resource Management with his career in the public sector. He is a Retired Secretary who served in Chief Ministry and Ministry of Agriculture, Lands, Irrigation, Highways, Local Government, Transport, Industries, Housing and Construction, etc. He also held the post of Chairman of Wayamba Development Authority, Passenger Transport Board Machinery Authority, Industrial Service Bureau, Human Resources Development Authority and Wayamba Training Institute. Mr. Kiriarachchi has also served as the chairman of LMFPFA in the years 2010 and 2011 and his wide experience and knowledge in Microfinance and administration had given the LMFPFA an unprecedented driving force to move forward with dignity.



Mr. M. M. Attanayake
- Hony. Secretary

Mr. Attanayake, Director/CEO of Lak Jaya Microfinance, has experience of 36 years in the Central Bank of Sri Lanka during which he held the position of Director in several departments. Representing the Central Bank he has served as Executive Chairman of Nuwara Eliya Regional Development Bank, (1988-1988) Director/Trustee – National Development Trust Fund (2002 – 2005); and Adviser to the SME Bank. He has also served in Microfinance project implemented by UNDP in Papua New Guinea (1993-1995) as Chief Technical Officer. His expertise runs across many fields including Economics, Regional Development, Rural Credit, Micro, Small and Medium Enterprise Financing. He holds Master of Economic Degree from Monash University, Australia, Post Graduate Diploma from Vidyodaya University and B.A (Hons.) from University of Sri Lanka and served as visiting lecturer in several universities in Sri Lanka, He is an expert trainer in Microfinance who can bring insights to developing the capacities of member organizations.



Mr. Charith Fernando
- Hony. Treasurer

Mr. Charith Fernando serves as the General Manager of Berendina Microfinance Institute (Gte) Ltd (BMI). He was the General Manager - Finance & Administration of Berendina Group before assuming the present position. He has more than 13 years' experience in the field of auditing, accounting & finance in the private sector as well as NGO sector establishments, including over 4 years' experience in the microfinance sector.

He holds B.Sc. in Management (Special) Degree (Public) from the University of Sri Jayawardanapura. At present, he is a Finalist of the Institute of Chartered Accountants of Sri Lanka (ICASL).

Mr. Charith Fernando is one of the Boulder certified Microfinance Management Professionals and has attended International Microfinance Symposium which was conducted by Boulder Institute and Master Card Foundation in the year 2013 and 2014.



Mr. Prince Nayagam
– Hony. Vice President

Mr. Nayagam is the Executive Director of Vision Fund Lanka since 2007 and has acquired in-depth knowledge in microfinance through overseas training and international experience. He served at Hatton National Bank as the Deputy General Manager (Operations) prior to joining Vision Fund Lanka and has over 35 years experience as a professional banker. He was trained in commercial and retail banking in Deutsche Bank AG, Germany and in restructuring Industrial Enterprises at the Bank of America Washington DC. He has also followed senior residential management programs in the National University of Singapore, and Ashridge Management School in London. He is a member of the Chartered Institute of Management London (MCIM) He also serves on several other boards and committees.



Mr. Kapila Keerawella
– Hony. Asst. Secretary

Mr. Keerawella holds a B. Com. (Special) Degree from the University of Sri Jayawardenapura. He also holds an Advance Certificate in Banking & Finance from the Institute of Bankers of Sri Lanka and is an Intermediate of Chartered Accountancy (ICA).

Mr. Keerawella was nominated to the Board of Directors representing the Sri Lanka Savings Bank Ltd (SLSB) which is a licensed specialized bank fully owned by the government of Sri Lanka.

Mr. Keerawella is presently working in the capacity of Senior Manager - Credit Services of SLSB covering Microfinance, Commercial credit, Leasing and Hire purchase and Recoveries. He brings with him a wealth of knowledge in the Finance and Banking industry for more than 13 years in Finance company, commercial Bank and specialized bank categories. He counts vast experience in corporate and project finance, Bank operations, Real estate and property development, Leasing and Hire purchase, SME Banking and Microfinance.



Mr. Ramesh Fonseka
– Hony. Director

Mr. Fonseka is a Graduate from the University of Charleston WV USA in Business Administration and a Post Graduate Diploma Holder in Business Administration from PIM-SUJ and a former President PIM alumni association. He also holds a Diploma in International Trade shipping and Logistics and a certificate in Micro Finance.

Mr. Fonseka has over 10 years hands on experience in MFI and currently holds the post of AGM-MIS/Compliance at Prime Grameen Micro Finance Ltd. Prior to it he has held many coveted posts as Deputy Director at Grameen Micro Finance Ltd and Senior AGM Ceylinco Grameen Automobiles Ltd. He started his carrier as a factory executive at Anglo Asian Supermarkets Ltd and became one of the youngest Regional Managers at Bata Shoe Company (Ceylon)Ltd. Prior to joining the Ceylinco Group in 2004 he held the post of Marketing Manager E.S.F. International Forwarders.



Mr. Charitha Ratwatte
– Hony. Director

Mr. J. Charitha Ratwatte LL.B (Cey), post graduate Diploma in International Studies (BCIS), Attorney at Law, is a lawyer of 41 years standing. He has extensive experience in microfinance having founded the National Youth Savings and Credit Co-operative (NYSCO), when he was Director General of Youth Services GOSL and managed the microfinance promotion program of the Janasaviya Trust Fund, later known as the National Development Trust Fund, as the Managing Director. He has served as Secretary to six Ministries and retired from the post of Secretary, Ministry of Finance. He is currently the Managing Director of the Sri Lanka Business Development Center (SLBDC). The SLBDC is the leading consulting firm in the field of microfinance in Sri Lanka. Mr. Ratwatte has worked as a consultant for the World Bank, UNDP and many other international donors and INGO'S in Sri Lanka and abroad. He has been awarded a gold medal and many other international awards for his work in the National Youth Program.



Mr. Bisowela Gunasekara
- Hony. Director

A founder member of LMFPFA, Mr. Bisowela Gunasekara has previously served the LMFPFA as Treasurer, Secretary and Manager. He is a Journalist by profession. He is also an experienced banker since 1968 and has worked at Peopl'es Bank and Seylan Merchant Bank. In 1977 Mr. Bisowela started his Microfinance career through a Children's' Savings Programme with the help of Sarvodaya movement. During this period he was working for Sarvodaya movement and with the guidance of its chairman Dr. A. T. Ariyaratne he was able to start SEEDS (GTE) Ltd and for 13years served in its Advisory panel.

He also served in the advisory panel of Sewalanka Foundation and pioneered its microfinance programmes and managed the organization's community mobilization programmes. At the same time he served at the Arthacharya Foundation microfinance initiatives and served as one of the directors of the board.

Presently Mr. Bisowela is the Chairman and Managing Director of Sustainable Appropriate Projects Co. Ltd (SAPCO) and Community Based Microfinance Institution Network (CBMIN). He is also the Director and Treasurer of SIYB Association of Sri Lanka (ILO) in 2012/2013. In addition to this He is also the Managing Director of Awake Micro Assist Company Ltd.



Ms. Samantha Udayangani
– Hony. Director

Ms. Samantha Udayangani holds a BBA (Special) from University of Colombo. She is an Associate Chartered Accountant of the Institute of Chartered Accountants of Sri Lanka. Since starting her career as an Accounts Trainee at KPMG, Chartered Accountants in 2005 and was promoted as a supervisor, Senior supervisor and Assistant Manager Audit. She has over seven years audit exposure through handling financial statement audit in various sectors. Currently she serves as Head of Accounts at BRAC Lanka Finance PLC (BLFP). Before joining BLFP she served as Chief Accountant in BRAC Lanka (Guarantee) Limited. Currently she is reading for MBA Finance at University of Colombo.



Dr. Sunil Liyanage
– Hony. Director

Dr. Sunil Liyanage is CEO of CB Lanka Microfinance since January 2010. He holds Bsc(Agriculture), Msc (Forestry) MPhil and PhD. He also holds post graduate diplomas/Trainings from University of Georgia USA, University of Philippines and ICRAF Kenya. He started his career as an Assistant lecturer and later joined the government sector as a senior executive. He has 20 years experiences in the government sector ending as Director-technical of Department of Wild Life Conservation. (DWLC)

He has over 13 years experiences in microfinance sector. He is a CGAP trainer and also AIM-City Microfinance Trainer. He is a Boulder certified Microfinance Management professional. He has followed several programs related to microfinance including Market Research for Microfinance Product Development, Microfinance Management certificate program, Participatory Wealth Ranking, Microfin. He also followed TOT programs in ILO-ITC on Small business management and value chain development. He was also trained at Cody Institute of Canada on Rural Microfinance management He also conducts business planning process using GOPP and LFA tools..

He worked as Director-Training and Director-Enterprise Services of SEEDS from 2000 to 2008. Prior to joining CFLM, he was attached to NECDEP project as Senior Consultant.

He has attended many international symposium and TOT programs and travelled over 35 countries and gained lot of experiences in microfinance and SME development sectors.



Mr. A. Prasad Seneviratne
– Hony. Director

Mr. Prasad Seneviratne is an old boy of Trinity College Kandy, and obtained his Bachelors degree in Business Administration from the University of South Alabama in the USA, and has gained experience of being a Director on Board of several companies. He was the Managing Director of Silverreen Finance Company Ltd, until June 2009 (which was registered under the Central Bank of Sri Lanka).

Presently he is functioning as the Managing Director of Silverreen Micro Credit Company Ltd., Silverreen Real Estate Company (pvt) Ltd., and Silverreen Trade Solutions Company (pvt) Ltd., (previously known as Silverreen Agencies Company (pvt) Ltd., the importers of brand new and recondition motor vehicles from Japan), and counts more than 14 years of experience in the mainstream financial sector.



Mr. P. A. Adikari
– Hony. Director

Mr. Adikari served more than 23 years as an Administrative Officer and Accountant at the Sri Lanka Paddy Marketing Board. He was also the General Manager of the Farmer Product Marketing Organization in Badulla for 4 years. He is the Founder Member of the Uva Govijana Kendraya started in 1995 and is currently holding the Chief Executive position there.



Dr. Vinya Ariyaratne
– Hony. Director

Dr. Vinya Ariyaratne assumed office as Chairman of the DDFC Board of Directors in January 2010 and serves as the Chairman of the Board Remuneration Committee. Dr. Ariyaratne is the General Secretary of the Lanka Jathika Sarvodaya Shramadana Sangamaya, prior to which, he served as its Executive Director for a period of 10 years. He is also a Non-Executive Director of the parent company, SEEDS (Gte) Ltd.

Dr. Ariyaratne is a medical doctor specialized in Community Medicine and was a Lecturer at the Faculty of Medical Sciences of the University of Sri Jayewardenepura. Dr. Ariyaratne holds a Doctorate in Medicine (MD) from the De La Salle University of the Philippines and a Doctorate in Community Medicine (MD Com. Med.) from the Postgraduate Institute of Medicine of the University of Colombo. His academic qualifications also include a Masters in Community Medicine (MSc.) from the University of Colombo and a Masters in Public Health (MPH) from the Johns Hopkins University of the United States of America.

Dr. Ariyaratne's fields of expertise include community development, primary health care, refugee health care, nutrition, disaster management, environmental health, reproductive health, HIV and AIDS as well as strategic planning and management. In addition to the many awards he has received for his contributions towards the social development of underserved communities, Dr. Ariyaratne was conferred the degree of Doctor of Civil Law (DCL) honoris causa, in February 2007, by the University of Durham, United Kingdom, in recognition of his dedication to humanitarian causes and peace initiatives.

Dr. Ariyaratne is also a Visiting Senior Lecturer and Feldman Engaged Scholar at the Heller School for Social Policy and Management of the Brandeis University, USA.



Mr. Wasantha Gunawardana
– Hony. Director

Mr. Wasantha Gunawardana is the Manager of People's Microfinance Ltd since 2010. He started his career as a Resident Project Manager of Berendina Foundation and later joined the Lakjaya Microfinance Ltd as Head of Operations.

He has over 22 years of experience in the Microfinance sector as a practitioner and trainer.



Mr. Priyantha Gunawardhana
– Hony. Director

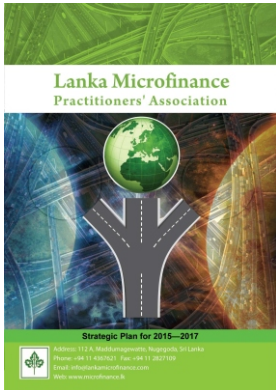
Mr. Priyantha Gunawardhana is the Managing Director of Pragathi Sewa Foundation in the Anuradhapura district. He holds a Bachelor of Arts Degree from the University of Sri Jayewardenepura and a Diploma in Education from the National Institute of Education. He has also undergone training on Institutional Development and Organizational Management, Financial Management, Financial Analysis, Delinquency Management and Participatory Rural Appraisal. He also has international exposure on microfinance and has undergone training in Bangladesh, Italy and India. He is a very experienced trainer and microfinance practitioner.

Our Members

- 01 Akmeemana Women Development Society
- 02 Alliance Finance Co. PLC
- 03 Arthavida Intermediary Ltd
- 04 Asia Asset Finance Ltd
- 05 Berendina Microfinance (Gte) Ltd
- 06 Brac Lanka Finance PLC
- 07 Care Investments (Pvt) Ltd
- 08 Central Finance PLC
- 09 CLCMS
- 10 CB Lanka Microfinance
- 11 Coop Bank
- 12 Commercial Credit PLC
- 13 Development Facilitators (Pvt) Ltd
- 14 Dr. S. P. Premaratne
- 15 DDFC Ltd
- 16 Dumbara Micro Credit Company
- 17 Eclof Lanka (Gte) Ltd
- 18 Eksath Lanka Subasadaka Padanama
- 19 Etimos Lanka (Pvt) Ltd
- 20 Gampola Udapalatha Prajashakthi Foundation
- 21 Graduate Investment Ltd
- 22 Habaraduwa Participatory Development Foundation
- 23 Hambantota WDF
- 24 IDEAs Consultancy (Pvt) Ltd
- 25 Janamithu Lanka Ltd
- 26 Janatha Microfinance (Pvt) Ltd
- 27 Lak Jaya Microfinance Ltd
- 28 LOLC Micro Credit Ltd
- 29 Muslim Aid Micro Credit (Gte) Ltd
- 30 Nation Lanka Finance PLC
- 31 Negombo Community Development Company
- 32 OpenArc Systems Management (Pvt) Ltd
- 33 People's Microfinance Ltd
- 34 People's Rural Development Association
- 35 Pragathi Sewa Foundation
- 36 Praja shakthi Padanama –Galagedara
- 37 Prajashakthi Eksath Sangamaya
- 38 Prajashakthi Sanwardana Padanama – Pathahewaheta
- 39 Prime Grameen Microfinance Ltd
- 40 Puttalam District Isuru Development Company
- 41 Rajarata Praja Kendraya
- 42 Rajarata Sahabageethwa Sanwardana Padanama
- 43 Rajeeda Holdings (Pvt) Ltd
- 44 Sabaragamuwa Child Development Federation
- 45 SANASA Development Bank Ltd
- 46 SANASA Federation Ltd
- 47 South Asia Partnership Sri Lanka
- 48 Sareeram Sri Lanka National Foundation
- 49 Saviya Development Foundation
- 50 SSEEDS (Gte) Ltd
- 51 Sejaya Micro Credit Ltd
- 52 Senkada Micro Credit Co. Ltd.
- 53 Sewa Community Credit Ltd
- 54 Silvereen Micro Credit Company
- 55 SIYB Association of Sri Lanka
- 56 Sri Lanka Business Development Centre
- 57 Sri Lanka Savings Bank
- 58 Stromme Micro Finance Asia (Gte) Ltd
- 59 SAPCO
- 60 Temperance Youth Club of Sri Lanka
- 61 INDECOS
- 62 Uva Govijana Kendraya
- 63 Vision Fund Lanka (Pvt) Ltd
- 64 Wijitha Finance Ltd
- 65 Women & Child Development Foundation
- 66 Y GRO Ltd
- 67 Yes Foundation
- 68 YMCA Batticaloa

Major Activities during 2014/2015

Three Year Strategic Plan of LMFPFA 2015-2017



The importance of the network in the promotion of microfinance was significant since its inception in 2006. This was vital with regard to all levels of the financial system; macro, meso and micro. The need for policy advocacy, in current volatile policy environment, was ample justification of LMFPFA's existence for macro level intervention and of efforts to support them. In addition meso and micro levels also encountered significant challenges, which LMFPFA needed to intervene. Furthermore, one must also consider the capacity of the network to generate "public good", including transparency and reporting, innovations, standards, etc which will increase outreach and ultimately leads to poverty alleviation. LMFPFA also considered the global microfinance movement and experience such as

technological innovations, trends in the capital markets, transformation of MFIs, consumer protection, social performances, etc in developing the microfinance industry as a whole. The strategic plan for 2015-2017 of the LMFPFA, will to incorporate these challenges and gain the opportunities in the market in an effective and sustainable manner.

The challenge in micro level lies in capacitating MFIs on basic concepts as well as more advance concepts such as product development, marketing and financial analysis aimed at improving financial sustainability and consultancies in management and governance. In meso level expansion of retail providers, promotion of standards and infrastructure development seems to be the main focus. In macro level, advocacy and lobbying for an appropriate legal and regulatory framework for microfinance is the core challenge the sector is facing.

Based on the above analysis, LMFPFA has identified following key strategic areas in macro, meso and micro levels of the financial system as the main focus of LMFPFA strategic plan of 2015-2017.

1. Lobbying and Advocacy for appropriate policy changes (Macro)
2. Facilitating to create enabling environment for MFIs (Meso)
3. Capacity building of member organizations (Micro)
4. Strengthening the capacity of LMFPFA (Meso-internal)

SAMN Regional Conference 2014

On 18th & 19th November 2014, The South Asia Micro-entrepreneurs Network (SAMN) and Pakistan Microfinance Network (PMN) in collaboration with ACTED, DFID-Pakistan, Citi Microfinance, Pakistan Poverty Alleviation Fund, Tameer Microfinance Bank Ltd., SEEP Network, Khushhalibank Ltd. and FINCA Microfinance Bank Ltd. organized a regional conference titled “Banking South Asia’s Half-billion Unbanked” where industry stakeholder from across the South Asia region came together to share experiences, engaged in dialogue on the latest developments and innovations globally and locally and formulated a direction for the future.



With over 300 participants in attendance over the two days of the Summit, distinguished and eminent speakers from the world’s leading microfinance organizations have been invited to discuss the prevailing challenges and recent developments in the microfinance sector across the region. A delegation from Sri Lanka was also invited as speakers to the various sessions that were held and the following persons represented LMFPFA at the event.

- Mr. S. W. Kiriarachchi – Hony. President LMFPFA
- Mr. M. M. Attanayake – Hony. Secretary LMFPFA
- Mr. Kapila Keerawella – Hony Asst Secretary LMFPFA
- Mr. Bisowela Gunasekara – Director LMFPFA
- Mr. Dulan De Silva – Chairman, Berendina Microfinance Institute
- Mr. D. David – Executive Secretary, YMCA Batticaloa
- Mr. Imran Nafeer – Director, Muslim Aid Micro Credit
- Mr. W. G. Mitharatne – Chairman, Hambantota Women’s Development Federation



Enabling Dialogue on the Effectiveness of Microfinance for Senior Citizens

On 27th November 2014, LMFPA in association with HelpAge Sri Lanka organized an Enabling Dialogue session on the Effectiveness of Microfinance for Senior Citizens. This was a follow up to the first discussion forum held in January 2014 under a similar theme requesting all the MFIs operating in Sri Lanka to extend microfinance facilities for senior citizens in the country. Several LMFPA members started extending micro loans to senior citizens by increasing the age limit of their existing loan programmes.



Guest Speaker Mr. Tran Le Hiu, Technical Advisor of Inclusive Finance from Vietnam explained that with the increasing elderly population demographically in developing countries has compelled to bring policies for financial inclusion of the elderly and give them the opportunity to contribute to economic development. He said that on the issue of aging population, Sri Lanka and Vietnam have lot of similarities and Sri Lanka has already felt its impact. The elderly population has been increasing in both countries due to various economic

and social changes. Therefore Sri Lanka needs to develop the microfinance sector and help elderly people to contribute to the economy.

Sri Lanka's elderly population was about 13.1% according to the 2011 population census and has been projected to increase to 17.8% in 2021 and 21.9% by 2031 and the age dependency ratio is also increasing. There is a similar trend in Vietnam today, the pension and other allowances received by senior citizens is only sufficient for about 20% of their expenses. Therefore people in the age group 60-69 should be allowed to work if they are willing.



In most countries age has become a barrier for microfinance lending and lending agencies are reluctant to lend to senior citizens. Although there are risks when considering all factors, lending to senior citizens is effective. This was proven by the Pilot project conducted by Berendina Microfinance Institute where the recovery of lending to senior citizens was 100%.

An important issue that was raised during the discussion was the lack of information by MFIs on the status of Senior Citizens in the country. Therefore as the representative body of Sri Lankan MFIs, LMFPA will be conducting a research study on Senior Citizens for the benefit of all the microfinance stakeholders in the near future.

Helping Flood Victims in Anuradhapura

The weather in most parts of Sri Lanka during latter December was most unkind with torrential downpours that lead to flooding and displacement of many families and households. LMFPA member Pragathi Sewa Foundation contacted the association seeking assistance to collect relief goods for numerous flood victims in the Anuradhapura district. After informing the membership, LMFPA was able to collect relief goods such as dry rations, milk powder, drinking water, and sanitary items etc. worth around Rs. 100,000/- within a span of two days. Over 1,500 households that were affected by the floods were temporarily sheltered in nearby schools until the waters receded. The relief goods were delivered to Mr. Priyantha Gunawardena, Managing Director of Pragathi Sewa Foundation in Sharwastipura, Anuradhapura on Christmas eve. The following member organizations answered swiftly to LMFPA's call and provided their assistance in collecting relief goods within a very short time period.



- Central Finance PLC
- Dumbara Micro Credit
- IDEAs Consultancy (Pvt) Ltd
- Janamithu Lanka Ltd
- Lak Jaya Microfinance Ltd
- Wijitha Finance (Pvt) Ltd
- Sewa Community Credit Ltd

Apart from this, LMFPA acknowledges the efforts taken by its other member organizations who have individually taken swift action to help their respective clientele in the flood affected areas.



Launch of LMFP A E Magazine “Sri Lanka Microfinance Forum”



Previously started as a newsletter, the Sri Lanka Microfinance Forum was the brainchild of two young active microfinance experts Mr. Imran Nafeer and Ms. Niroshani Sawanawadu around six years ago. Now published as a quarterly E Magazine on the LMFP A website, the objective of this publication is to voice out the current microfinance trends in Sri Lanka and to discuss the various issues and challenges with the opinions and ideas of the experts in the country. The E Magazine will also be a platform to share significant news and achievements of member organizations with all stakeholders in the industry.

Establishing a Credit Information System for the Microfinance Industry



To address the aggravating issue of multiple borrowing and over indebtedness LMFP A sought the assistance of the Central Bank and the Credit Information Bureau of Sri Lanka to develop a Credit Information System (CIS) for the microfinance sector. The Credit Bureau (CRIB) offered its technical support and LMFP A organized a workshop for its members in February 2015 to select a pilot group. 8 member MFIs were selected for the pilot phase. Representatives from the CRIB were also present and explained in detail to the members the purpose and mechanism of establishing a system for the microfinance sector. Follow up discussions soon followed in the later months to analyze the compatibility of the pilot group’s respective MIS systems to establish a system and LMFP A is holding further discussions with CRIB on all areas concerned.

Lobbying efforts for Microfinance Regulation

The newly appointed government in its 100 day programme manifesto proposed a separate body to regulate and develop microfinance. As the representative body for microfinance practitioners, LMFPA appointed a committee to review the previous draft microfinance acts and prepared a proposal for same. The proposal highlighted the appointment of an independent authority and its functions in regulating the microfinance sector. The said proposal was well received by the Department of Project Management and Monitoring, the focal point that monitors the government's 100 day programme and was published on their website for public comments.

Discussions were also made with representatives of the World Bank on the LMFPA proposal for further feedback.

In the meantime the Central Bank of Sri Lanka also proposed a regulatory mechanism classifying the microfinance institutions under four categories:

- Community based institutions/organizations and persons
- Non-Government organizations
- Commercial ventures/companies incorporated under the Companies Act and
- State sponsored organizations such as Divineguma Community Banks, Co-operative Banks and Agrarian Banks

The proposed Microfinance Business Regulation Act by the Central Bank will:

- a) Provide for the regulatory model of above four layers
- b) Provide for basic rules on prudential (capital, liquidity, loan loss provision, etc.), consumer protection (maximum interest rate or interest margin over deposit rates as appropriate, loan recoveries, etc.) and fair market practices aspects in line with global best practices as applicable to relevant regulatory layers
- c) Instruct the Credit Information Bureau (CRIB) to set up a MFI credit information desk at a minimum service fee.
- d) Develop A separate MF deposit insurance scheme to be arranged by the Central Bank as a pay-box funded thorough insurance premium by all-deposit-taking MFIs at a later stage.
- e) Have provisions in the Act to be more principle-based rather than prescriptive
- f) Authorize the Monetary Board as the national microfinance regulatory policy-maker to issue directions and guidelines to respective regulatory layers and examine their performance.
- g) Amend or grant exemptions from other relevant Acts appropriately to implement this regulatory model

The LMFPA committee studied this proposal too and made appropriate recommendations to the Central Bank making sure that all microfinance players are treated equally.

Exposure visit of Delegates from Centre for Self-help Development Nepal

In February 2015 LMFPA had the pleasure of organizing an exposure visit for a group of delegates representing the Centre for Self-help Development (CSD) from Nepal. CSD is an organization that supports microfinance institutions helping to create and enhance the skills and knowledge of self-help groups and organizations at the grassroots level for enhancing livelihoods of poor. From its inception CSD has been working incessantly in the field of community development, microfinance and training related to various facets of development interventions.

LMFPA would like to convey its appreciation to the following organizations for facilitating the various meetings and site visits to make the programme a success:

- Silvereen Micro Credit Company Ltd
- Janamithu Lanka Ltd
- Lak Jaya Microfinance Ltd
- Sanasa Development Bank
- Sanasa Federation
- Deshodaya Development Finance
- Colombo District Business Development Cooperative Society



Enabling Dialogue on “Doing Better Business through Innovation”

The microfinance industry is rapidly growing in Sri Lanka. With the increased complex needs of customers, MFIs are constantly striving to meet these demands while facing the challenge of reducing operational costs, and trying to improve revenue and earnings. Better governance of financial institutions is also expected by the authorities who are looking at regulating the sector; therefore compliance, transparency and reporting will be crucial for the continuation of MFIs in the long run.



To address these issues LMFPFA together with N*able (Pvt) Ltd organized an enabling dialogue themed “Doing Better Business through Innovation” on the 19th of March 2015 at the Sri Lanka Foundation Institute. During this programme, representatives of Infrasoft Technologies Ltd, the partner of N*able (Pvt) Ltd explained how MFIs can best use technology to improve their operations and introduced InfrasoftTech solutions for same.

Corporate Profiles on LMFPA Website

The image shows three side-by-side screenshots of corporate profiles on the LMFPA website. Each profile includes a logo, a brief history, key contact details, and geographical coverage.

- Berendina Microfinance Institute (BMI):** Established in May 2007 in the Netherlands. BMI is a nonprofit company registered under Comparr. The other sister organizations of the Berendina Group, named Berendina and BDS were restructured from the operations of Berendina Foundation. BMI envisions to "Create an empowered, equitable society where pov microfinance and enterprise development services at the lowest possible on the impoverished, where their key objective is to provide the necessar services offered by BMI can be classified in to two main categories, name. BMI adopts a triple bottom line approach in its operational and administ along with emphasis on environmental protection and sustainability as it the country.
- IDEAs Consultancy (Pvt) Ltd:** IDEAs Consultancy is one of the leading CONSULTANCY FIRMS in Sri IDEAs currently serves for diverse range of institutions in three major of our business and we focus on inclusive development of the society. **Our thematic expertise includes:**
 - Microfinance
 - Islamic Microfinance
 - SME Financing
 - Micro Insurance
 - Specialized MIS solutions for MFIs
 - Enterprise Development
 - Marketing
 - Social Performance Management
 - Social Integration
- Janamithu Lanka Ltd:** Janamithu Lanka Limited (JLL) is a microfinance institution incorporated in the year 2013 and st Janamithu Lanka Limited, Agro Micro Finance was carrying out microfinance activities and all the a operating in seven districts as Kurunegala, Puttalam, Galle, Matara, Hambantota, Monaragala and / JLL clients are engaged in various projects such as Agriculture, Retail Trade, Services, Food I Institution in Sri Lanka, aiming to help for the upliftment of the standard of living of the poor. JLL is with the Mission, we are also providing non financial services apart from the financial services (MFC

A new facility aimed at providing better publicity mileage to the membership through the LMFPA official website www.microfinance.lk, the corporate profiles allows LMFPA members to display a unique page for each organization which highlights:

- Member Organization’s logo
- Brief history and description of organization
- Key contact details
- Web link to member organization’s website

Microfinance Statistics through LMFPA website

Breaking away from the conventional publication of members’ performance data on printed form, the LMFPA website will now display its members’ performance data as well as the aggregates of several key industry figures. Visitors to the website can also get a deeper insight of members’ performance by selecting the relevant member to obtain details of its financial performance. The data displayed will be updated every quarter for the benefit of all stakeholders.

The screenshot shows the LMFPA website interface with a navigation menu and a 'Key Microfinance Statistics' section. The statistics are as of 2015-06-16.

Key Microfinance Statistics	
As at 2015-06-16	
Number of Active borrowers :	5105 (Male : 1500, Female : 3605)
Loan Portfolio	Rs. 4562857
Number of depositors	590
Value of Deposits	Rs. 58048
Number of MFIs who provided data	3

Below the statistics, there is a section for 'Individual member performance' with a dropdown menu to 'Select an institute...'. Below that, it says 'Statistics will be listed here...'.



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WRHF/CAS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANKA MICRO FINANCE PRACTITIONER'S ASSOCIATION

Report on the Financial Statements

We have audited the accompanying financial statements of Lanka Micro Finance Practitioner's Association, which comprise the Statement of financial position as at 31 December 2014, and Statement of comprehensive income, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Scope of Audit and Basis of Opinion

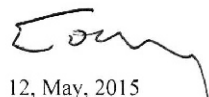
We conducted our audit in accordance with Sri Lanka Auditing Standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the said financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements assessing the accounting principles used and significant estimates made by the Board of Management, evaluating the overall financial statement presentation.

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

Opinion

In our opinion, so far as appears from our examination, the Association maintained proper accounting records for the year ended 31 December 2014 and the financial statements give a true and fair view of the Association's state of affairs as at 31 December 2014 and its deficit and cash flows for the year then ended in accordance with Sri Lanka Financial Reporting Standards for Small and Medium Enterprises.



12, May, 2015
Galle.

STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31st December 2014

	Note	2014 Rs.	2013 Rs.
Incoming Resources	3	3,085,073	3,723,723
Project Expenditure	4	<u>(319,917)</u>	<u>(3,071,838)</u>
Net surplus on projects		2,765,155	651,885
Administrative Expenses	5	(2,956,328)	(2,183,536)
Bad Debtors		<u>-</u>	<u>(418,500)</u>
Net Surplus on Operating Activities		(191,172)	(1,950,151)
Finance Costs		<u>(5,828)</u>	<u>(6,440)</u>
Net Surplus before Tax		(197,001)	(1,956,591)
Income Tax Expenses	6	<u>(6,698)</u>	<u>(18,816)</u>
Net Surplus after Tax		<u>(203,699)</u>	<u>(1,975,407)</u>



The Accounting Policies and Notes on pages 05 through 13 form an integral part of the financial statements.

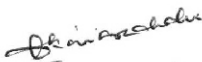
STATEMENT OF FINANCIAL POSITION

As at 31st December 2014

	Note	2014 Rs.	2013 Rs.
ASSETS			
Non Current Assets			
Property Plant & Equipment	7	236,005	155,822
Investment	8	500,000	500,000
		<u>736,005</u>	<u>655,822</u>
Current Assets			
Debtors	9	404,595	519,040
Cash at Bank	10	375,558	148,518
		<u>780,152</u>	<u>667,558</u>
		<u>1,516,158</u>	<u>1,323,380</u>
Current Liabilities			
Creditors	11	473,720	77,243
		<u>473,720</u>	<u>77,243</u>
FUNDING & LIABILITIES			
Accumulated Fund	12	1,042,438	1,246,137
		<u>1,042,438</u>	<u>1,246,137</u>
		<u>1,516,158</u>	<u>1,323,380</u>



The Board of Management is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of Lanka Micro Finance Practitioners' Association by,


.....
Member of Board of Management


.....
Member of Board of Management

May 12, 2015

CASH FLOW STATEMENT

Year Ended 31st December 2014

	2014 Rs.	2013 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit/ (loss) before tax from continuing operations	(197,001)	(1,956,591)
Adjustments for		
Depreciation	64,174	40,345
Operating Profit/(Loss) before Working Capital Changes	<u>(132,827)</u>	<u>(1,916,246)</u>
(Increase)/ Decrease in Trade and Other Receivables	114,446	324,268
Increase/ (Decrease) in Trade and Other Payables	<u>396,477</u>	<u>(3,775)</u>
Cash Generated from Operations	378,095	(1,595,753)
Income Tax Paid	(6,698)	(18,816)
Net Cash From/(Used in) Operating Activities	<u>371,397</u>	<u>(1,614,570)</u>
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(144,358)	(15,500)
Acquisition Investment	-	(500,000)
Net Cash Flows from/(Used in) Investing Activities	<u>(144,358)</u>	<u>(515,500)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>227,039</u>	<u>(2,130,069)</u>
Cash and Cash Equivalents at the beginning of the year	148,518	2,278,587
Cash and Cash Equivalents at the end of the year	<u><u>375,557</u></u>	<u><u>148,518</u></u>



The accounting policies and notes on pages 5 through 13 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

1. GENERAL INFORMATION

- 1.1 LANKA MICRO FINANCE PRACTITIONER'S ASSOCIATION ('Previous called Lanka Micro Finance Network') is a Non Governmental organization as per the definition provided in the Sri Lanka Statement of Recommended Practice for Not -for-Profit Organizations including Non Governmental Organizations

The Organization has been incorporated under the Companies Act No. 07 of 2007 of Sri Lanka as an Association.

- 1.2 The organization domiciled in Sri Lanka and the principle place of the activity of the Organization is located at No.112/A Maddumagewatta Nugegoda.

Except for the certain activities that will conclude on the realisation of their relevant activities in accordance with the relevant terms of reference, the financial statements have been prepared on a going concern basis.

- 1.3 The notes to the financial statements on pages 05 to 13 are integral part of the financial statements.

- 1.4 The principal activities of the organization are provided below:

To promote membership among Micro Finance Institutions (MFIs) locally, advocate for a policy Environment for collective action by MFIs, promote the adoption and installation of internationally accepted performance standard for the MFIs develop and strengthen system for information collection, promote the expansion of the formal financial market as Micro Finance Service , protect and strengthen the capacity of the MFIs, develop and operational an independent performance monitoring system for MFIs' and mobilize resources and network with Government , donors, funding agencies, investors and commercial loan providers.

The financial statement of Lanka Micro Finance Practitioner's Association year ended December 31 2014 were authorized for issue in accordance with a resolution of the Board of Management 12th May 2015.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General Policies

2.1.1 Basis of Preparation

The balance sheet, statements of financial activities and the cash flows, together with the Accounting Policies and Notes of the financial statements as at December 31, 2014 and for Year then ended, comply with the Sri Lanka Statement of Recommended Practice for Not-for –Profit organisations including Non Governmental Organisations issued by the Institute of Chartered Accountants of Sri Lanka.

The financial statements have been prepared on a historical basis.

2.1.2 Taxation

(a) Current Taxes

Income tax is provided in accordance with the provision of the Inland Revenue Act No.38 of 2000 section 102 of the Inland Revenue Act No. 10 of 2006 and amendments thereon; and based on the elements of grants received after April 01, 2005.

(b) Value Added Tax

Value Added Taxes (or VAT) are payable on the purchases of certain items and are normally included in the cost of such items.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

2.2 Accounting for the receipt and utilization of funds

2.2.1 Funds

(a) Unrestricted Funds

Unrestricted funds are those that are available for use by the Organization at the discretion of the Board, in furtherance of the general objectives of the Organization and which are not designated for any specific purpose.

(b) Restricted Funds

Restricted Funds are the funds where grants are received for use in an identified project or activity, such funds are held in a fund account and transferred to the statement of financial activities account to match with expenses incurred in respect of that identified project. Unutilized funds are held in their respective fund accounts and included under accumulated fund in the balance sheet until such time as they are required. Funds collected through a fund raising activity for any specific or defined purpose are also included under this category. The activities for which these restricted funds may be and are being used are identified in the notes to the financial statements.

(C) Designated Funds

Unrestricted funds designate by the board to a specific purpose identified as designated funds. The activities for which these funds may be used are identified in the life of the assets.

2.2.1 Grant and subsidies

Grant and subsidiaries related to assets are generally deferred in the balance sheet and credit to the statement of financial activities over the useful life of the assets.

2.3 Valuation of Assets and their Measurement Bases

2.3.1 Receivable

Receivables are stated at the amounts they are estimated realized.

2.3.2 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash on hand and deposits in banks.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

2.3.3 Property, Plant and Equipment**a) Cost and Valuation**

All items of property, plant and equipment is recorded at cost less accumulated depreciation.

b) Restoration Costs

The provision for depreciation is calculated by using a straight line method on the cost of all property, plant and equipment in order to write off such amount over the following estimated useful lives by equal installments. The annual rates of depreciation currently being use by the organization are;

c) Depreciation

As a result of determining depreciation charge separately for significant parts, and beginning to depreciation items of Property, Plant and Equipment from the time they are available for use (rather than adopting method whereby property, plant and equipments are depreciated fully in the year of disposal, with no such charge being accounted for in the year of acquisition).

Office Equipment	Over 5 Years
Computer and software	Over 5 Years
Furniture and Fittings	Over 10 Years

**2.4 Liabilities and Provisions****2.4.1 Provisions**

Provisions are recognized when the organization has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

a) Defined Contribution Plans – Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with the respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

2.5 Statements of Financial Activities

2.5.1 Income recognition

(a) Incoming Resources

Income realized from restricted funds is recognized in the statements of financial activities only when there is certainty that all of the conditions for receipt of the funds have been compiled with and the relevant expenditure that it is expected to compensate has been incurred and charged to the statement of financial activities. Unutilized funds are carried forward as such in the balance sheet. All other income is recognized when the society is legally entitled to use of such funds and the amount can be quantified. This would include income receivable through fund raising activities.

(b) Others

Other income is recognised on an accrual basis

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

2.5.2 Expenditure Recognition

Expenses in carrying out the projects and other activities of the organization are recognized in the statement of financial activities during the period in which they are incurred. Other expenses incurred in administering and running the society and in restoring and maintaining the property, plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the statement of financial activities. The society has adopted the "Function of expense" method to present fairly the elements of organization activities in its statement of financial activities.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2014

	2014 Rs.	2013 Rs.
03 INCOMING RESOURCES		
Restricted funds (Projects)	797,369	2,240,031
Membership Income	727,500	717,500
Work Shop on IFRS	70,000	-
Interest Income	71,604	151,332
Membership Registration	50,000	70,000
Miscellaneous Income	1,334,600	447,860
Coparate Professional On Web Site	14,000	-
Book Sale Income	20,000	97,000
	<u>3,085,073</u>	<u>3,723,723</u>
04 PROJECT EXPENDITURE		
Project Costs (4.1)	<u>319,917</u>	<u>3,071,838</u>
	<u>319,917</u>	<u>3,071,838</u>
4.1 Project Costs		
Enabaling Dialogues	29,917	114,045
CGAP TOT Programmes	-	2,282,793
Data Collection Project	290,000	415,000
FB Act Workshop & Lobbying	-	180,000
PPI & SPM	-	80,000
	<u>319,917</u>	<u>3,071,838</u>
05 ADMINISTRATIVE EXPENSES		
Staff	1,531,800	862,500
Travelling & Others	72,445	103,627
Auditors remuneration	74,159	66,259
Secretary fee	50,500	108,500
Printing & Stationary	39,502	92,933
Office Maintenance	24,383	29,083
Postage	37,305	66,625
Web Site Development	32,100	25,200
AGM Expenses	103,725	108,314
Telephone	29,971	44,867
Electricity	24,843	29,863
Mobile Allowances	18,000	18,000
Computer Repair	3,640	3,100
Rent	338,074	307,340
Welfare Society Membership Fees	7,000	5,000
Sundry Expenses	44,625	38,289
Water	8,664	9,475
Depreciation	64,174	40,346
Internet Charges	42,419	29,124
Membership Fee	91,720	135,490
Workshop expenses	149,696	-
Other Expenses	47,584	40,600
Amendment of Articles of Association	-	19,000
Travel Allowance	120,000	-
	<u>2,956,328</u>	<u>2,183,536</u>



NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2014

06 INCOME TAX EXPENSES	2014 Rs.	2013 Rs.
Total grants received	797,369	2,240,031
Net funding received liable to tax	797,369	2,240,031
3% thereof	23,921	67,201
Tax payable thereon at 28%	6,698	18,816

**Applicable rates of tax and the relevant tax regimes**

As per the Inland Revenue Act No.10 of 2006 and amendments thereon, all Non Governmental Organizations are liable to 3% of all the grants received during the year are taxable at 28% subject to certain specified exemptions.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2014

7	PROPERTY, PLANT & EQUIPMENT	Balance as at 1/1/2014 Rs	Additions during the year Rs	Disposals During the Year Rs	Balance as at 31/12/2014 Rs
	At Cost / Valuation				
	Office Equipment	558,223	7,758	-	565,981
	Computers & Network	343,961	136,600	-	480,561
	Furniture & Fittings	162,528	-	-	162,528
		<u>1,064,712</u>	<u>144,358</u>	<u>-</u>	<u>1,209,070</u>
	Depreciation and Impairment				
		Balance As at 1/1/2014 Rs.	Charge for the year/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31/12/2014 Rs.
	Office Equipment	485,423	23,564	-	508,987
	Computers & Network	327,819	24,357	-	352,176
	Furniture & Fittings	95,649	16,253	-	111,902
		<u>908,890</u>	<u>64,174</u>	<u>-</u>	<u>973,065</u>
	Net Book Value as at December 31, 2014	<u>155,822</u>			<u>236,005</u>
8	INVESTMENTS			2014 Rs.	2013 Rs.
	Investments in Fixed Deposits			500,000	500,000
				<u>500,000</u>	<u>500,000</u>
9	DEBTORS			2014 Rs.	2013 Rs.
	Funds Receivable			82,543	296,632
	Membership Subscription			235,500	128,000
	Refundable deposit			60,000	75,000
	WHT Receivables			15,844	14,077
	Income Tax Receivable			10,708	5,332
				<u>404,595</u>	<u>519,041</u>
10	CASH AND CASH EQUIVALENTS			2014 Rs.	2013 Rs.
	Favourable Cash & Cash Equivalents balance				
	Commercial Bank -1200019410			24,750	-
	Commercial Bank -1190023870			341,706	361,143
	Cash in Hand			9,102	-
				<u>375,558</u>	<u>361,143</u>
	Unfavourable Cash & Cash Equivalent Balances				
	Commercial Bank -1200019410			-	(212,625)
				<u>-</u>	<u>(212,625)</u>
	Total Cash and Cash Equivalents			<u>375,558</u>	<u>148,518</u>



NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2014

11 CREDITORS	2014	2013
	Rs.	Rs.
Accrued expenses	12,094	77,243
Accounts Payable	393,750	-
Audit Fee	67,876	-
	<u>473,720</u>	<u>77,243</u>
12 ACCUMULATED FUNDS	2014	2013
	Rs.	Rs.
Balance at beginning of the year	1,246,136	3,221,544
Surplus / (Deficit) for the year	(203,699)	(1,975,407)
Balance at end of the year	<u>1,042,438</u>	<u>1,246,137</u>

**13 Capital commitments and contingencies**

The organisation does not have significant commitments and contingent liabilities as at the balance sheet date

14 Events occurring after the balance sheet date

There is no material subsequent events that require adjustments or disclosures to the financial statements.



**Lanka Microfinance
Practitioners' Association**

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