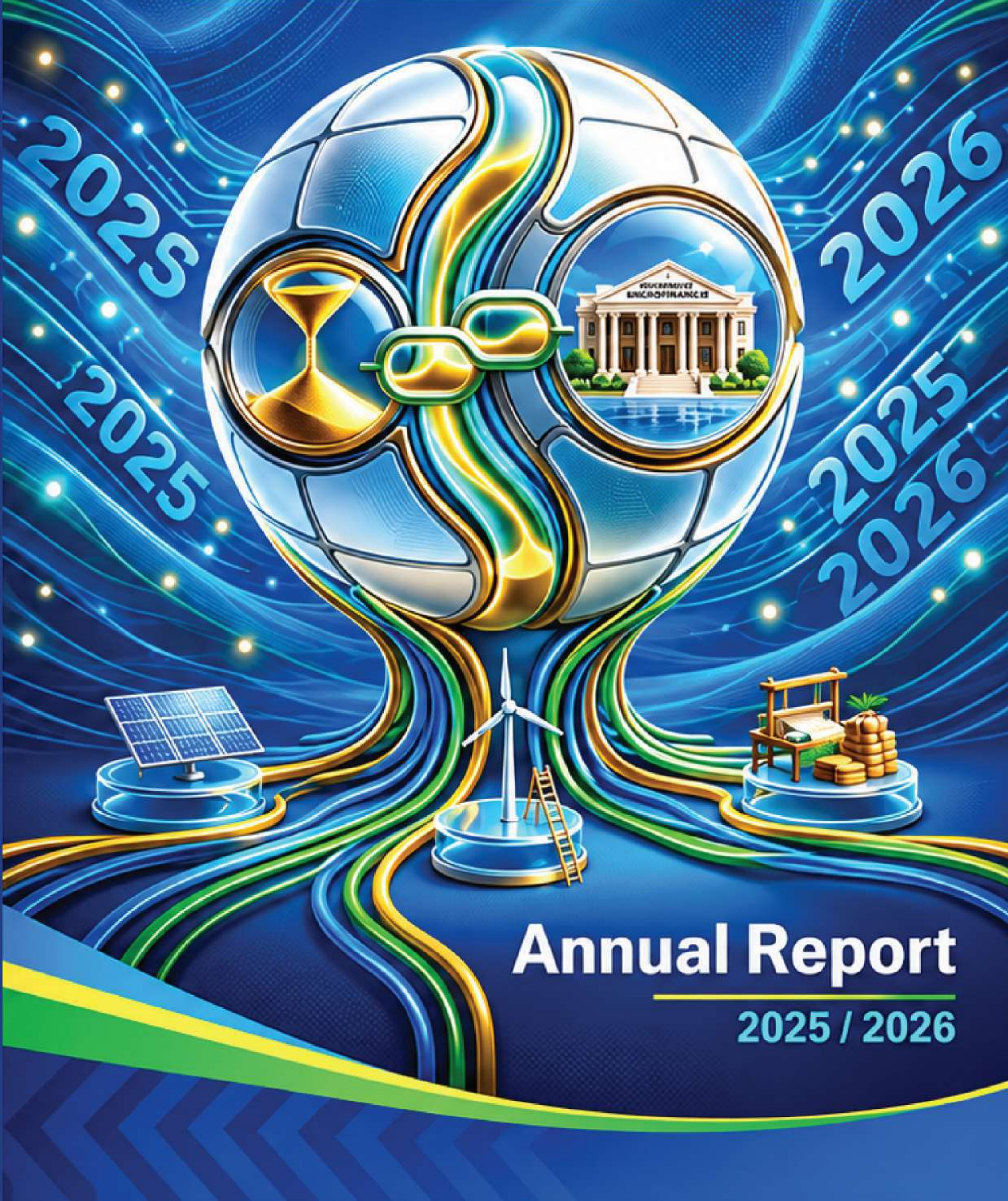
Lanka Microfinance Practitioners' Association



Annual Report

2025 / 2026

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".

Contents

Message from the LMFPA President

It is with great pleasure and a strong sense of responsibility that I present the 20th Annual Report of the Lanka Microfinance Practitioners' Association (LMFPA) to our esteemed members, partners, stakeholders and all those who continue to contribute to the development of Sri Lanka's microfinance sector.

The year 2025/2026 has been an important period for our industry, marked by significant regulatory developments, stronger institutional collaboration, capacity-building initiatives and continued engagement among our members.

A major milestone was reached in March 2026 with the passage of the long-awaited Microfinance and Credit Regulatory Authority Act in the Sri Lankan Parliament. While the formal establishment of the Authority has experienced delays due to proposed amendments to the act, we remain optimistic that the necessary steps will be taken to expedite this process with understanding of the urgency of this regulatory framework, which has already been delayed many years due to various reasons. A strong, practical and inclusive regulatory framework is essential for strengthening the sector, protecting customers, promoting responsible practices and building greater public confidence in microfinance.

Another significant development was the Gazette notification issued in August 2026 enabling Licensed Microfinance Companies to onboard with the Credit Information Bureau (CRIB). This represents an important step forward for the industry, and we look forward to seeing the benefits of CRIB access progressively extended across the wider microfinance sector. Such developments will support responsible lending, better credit assessment and stronger financial discipline.

Capacity building remained one of LMFPA's key priorities during the year. Our members had opportunities to participate in important international forums, including the Sa-Dhan National Conference in New Delhi and AFIFORUM in Bangkok, Global Financial Inclusion Training in Malaysia, together with an exposure visit to Kenya. We also further strengthened our international relationships through collaboration with Global Alliance for Financial Inclusion (GAFI), Bangladesh's Credit & Development Forum, and we were pleased to welcome their delegation to Sri Lanka in June 2026.

At the national level, LMFPA continued to conduct valuable training programmes, workshops and webinars aimed at strengthening the knowledge, professionalism and institutional capabilities of our members. I sincerely appreciate the commitment of our Training Committee and everyone who contributed to these initiatives. Their efforts not only created value for our membership but also supported the Association in achieving another healthy financial surplus for the financial year 2025/2026.

Our Association is strengthened not only through policy engagement and professional development, but also through the relationships and fellowship we build among our members. Following the success of our cricket tournament in September 2025, we were delighted to conduct another highly successful tournament in August 2026. The enthusiasm and active participation demonstrated by our members once again reflected the strong spirit of unity and friendship within the LMFPA community.

As we move forward, I believe LMFPA has an increasingly important responsibility to serve as a strong and constructive voice for Sri Lanka's microfinance sector. We must continue to engage positively with regulators, policymakers, development partners and other stakeholders while promoting responsible and sustainable microfinance practices among our members.

Microfinance is more than the provision of financial services. At its best, it creates opportunities for people who may otherwise have limited access to formal finance, supports entrepreneurship and livelihoods, and contributes to the economic and social development of communities. Therefore, as an industry, our progress should ultimately be measured not only by institutional growth, but also by the positive and sustainable impact we create in the lives of the people and communities we serve.

The coming year will undoubtedly bring new challenges as well as new opportunities. I am confident that through collaboration, professionalism, responsible practices and our shared commitment to the sector, LMFPA can continue to strengthen its contribution to a more inclusive and sustainable financial system in Sri Lanka.

The support extended by key national institutions and stakeholders, including the Central Bank of Sri Lanka, Ministry of Finance, Credit Information Bureau of Sri Lanka and Insurance Regulatory Commission of Sri Lanka, towards the success of LMFPA's initiatives during the year has been invaluable. I extend my sincere gratitude to all these organizations and request continued support for all future endeavors of LMFPA.

At this important milestone, I would like to place on record my special appreciation and sincere gratitude to Mr. Anura Atapattu, Former President of LMFPA, for his invaluable contribution, dedicated leadership and longstanding commitment to the Association and Sri Lanka's microfinance sector. His experience, guidance and continued support have been a great strength to LMFPA. I personally value and deeply appreciate his contribution to the progress and development of our Association over the years.

I also extend my sincere appreciation to my fellow Board members for their guidance, commitment and valuable contribution; to our dedicated operational team for their continued hard work; and to all our member institutions, partners and stakeholders for the confidence, cooperation and support they have extended to LMFPA. I also extend my sincere thanks to Mr. Yasitha Munasinghe, Manager, and all staff members of LMFPA for their dedication, hard work and continued support to the Association.

It has been a privilege and honour to serve as President of LMFPA for 2025/2026. I remain committed to working together with our Board, membership and stakeholders to further strengthen the Association and to build a responsible, inclusive, professional and sustainable microfinance sector that creates meaningful opportunities and a better future for the people of Sri Lanka.

Wasantha Gunawardana
President – 2025/2026

Corporate Information

LEGAL FORM	Re-registered under the Companies Act No. 07 of 2007 **Registration No:** GA 136
ADDRESS	32, Suriyamal Mawatha, Divulapitiya, Boralesgamuwa
CONTACT INFORMATION	**Tel:** +94 11 4369612 **Email:** info.Lmfpa@microfinance.lk **Web:** www.microfinance.lk
AUDITORS	**Magamage & Co.** Chartered Accountants
SECRETARIES	Hemba Waduge Thilanka Priyadarshana Sampath
BANKERS	• Commercial Bank of Ceylon PLC • Sampath Bank PLC • Hatton National Bank PLC

The Board of Directors
The Board of Directors – 2025/2026

Mr. Wasantha Gunawardana - Hony. President

Mr. Wasantha Gunawardana is a seasoned microfinance and community development professional with over 34 years of industry experience, covering microfinance, business development, operations management, human resource management, general administration, and community development.

He currently serves as the Chief Executive Officer/General Manager of People's Micro-Commerce Limited (PML), a subsidiary of People's Leasing & Finance PLC. Having joined PML as its first employee, he has played a key role in the organization's development and growth over the past 16 years, progressing to the position of Chief Executive Officer/General Manager.

Mr. Gunawardana began his professional career with Berendina, where he was also the organization's first employee. During his 12 years with Berendina, he progressed to the position of Resident Project Manager, gaining extensive experience in community development, administration, human resource management, business development, and field operations. He subsequently spent six years with Lak Jaya Microfinance, serving as Head of Field Operations and further strengthening his expertise in microfinance operations, portfolio development, field management, and community-focused financial services.

His professional experience also extends across the NGO and cooperative sectors, with particular exposure to community development, livelihood enhancement, business development, and animal husbandry. This diverse experience has provided him with a strong understanding of grassroots economic development and the challenges faced by underserved communities and micro entrepreneurs.

Mr. Gunawardana is currently serving his second consecutive year as President of the Lanka Microfinance Practitioners' Association (LMFPA), following many years of active involvement with the Association. Prior to becoming President, he served in several senior leadership capacities, including Honorary Vice President, Treasurer, and Director, contributing to industry representation, governance, stakeholder engagement, and the development of Sri Lanka's microfinance sector.

Throughout his career, Mr. Gunawardana has remained committed to responsible and sustainable microfinance, financial inclusion, entrepreneurship development, and the economic empowerment of underserved communities.

Mr. Gnanasiri Abewardhana – Hony. Vice President

Mr. Gnanasiri Abewardhana counts more than 20 years of experience in financial service sector having commenced his career at Central Finance in 1995 and afterwards serving at People Leasing where he setup their respective leasing divisions & branch network. Later on He joined Asset Line Company Ltd in 2005 as Assistant Manager to steer the financial service cluster of the David Pieris Motor Company. He was promoted as Regional manager until 2008. He monitored & covered Branch Administration, Marketing function (Leasing Hire purchase, loan) & Recovery function in the following areas: Jaffna Mannar,Vavniya, Anuradhapura, Puttalam, Trincomalee, Kurunegala, Polonnaruwa, Kuliyapitiya, Rathnapura & Matara.

Mr. Abeywardhana holds a Bsc Management Degree from University of Jayewardenepura. Currently he is the Vice President of Alumni Association of Public Administration Department in Sri Jayawardhanapura University and also an active Executive committee member in the Alumni Association of University of Sri Jayewardenepura.

Currently he is working as General Manager and Chief Executive Officer in Dumbara Micro Credit since 2015

Mr. Saman Ranaweera – Hony. Secretary

Mr. Saman Ranaweera is the Chief Manager – Business Operations at Ventura Crystal Investments Ltd. He has over 31 years' of experience in the Microfinance sector with more than 25 years in the management and top management in leading Microfinance Institutions in the Industry.

He started his career as a Divisional Project Manager at Seeds Guarantee Ltd in 1993 where he served for 9 years prior to joining Agro Microfinance (GTE) Ltd as a Credit Manager. Prior to joining Ventura Crystal Investments Ltd, he also served as the Senior Manager – Field Operations at Lakjaya Microfinance Ltd and as the Senior Manager – Operations at Agro Microfinance (GTE) Ltd.

Mr. Ranaweera is a fully Certified Trainer of the Microfinance Distance Course by the Asian Development Bank Institute (ADBI) and Tokyo Development Learning Centre (TDLC). He is also a Certified Trainer of CGAP. He has also attended various "Training of Trainers" programs conducted by Frankfurt School of Finance & Management and LMFPA & Plan Sri Lanka. Mr. Ranaweera served as a Director from 2020/2022 to 2022/2023 of LMFPA.

Mr. Lakshman Eraj – Hony. Treasurer

Mr. Eraj joined HNB Finance as a Microfinance Executive and rapidly grew through the ranks due to his performance, dedication and work ethic. He was promoted to Branch Manager, Regional Manager and then as Chief Manager based on his exceptional service rendered towards HNB Finance in the past 18 years. Subsequently he was promoted as Head of Business loans department where he leads a team of young professionals towards achieving organizational goals whilst helping thousands of customers grow their businesses as well. Mr. Eraj holds a Diploma in Microfinance (IBSL) and a Diploma in English from Wayamba University. An avid cricket fan, Mr. Eraj is also a member of the Sri Lanka Cricket Umpires Association and an active umpire of Sri Lankan Cricket.

Mr. Chamika Weerasinghe – Hony. Asst. Secretary

Mr. Chamika Weerasinghe has over 22 years of experience in the banking and finance sector, specializing in Micro Financing, SME Financing, Corporate Banking, Retail/Branch Banking, Trade Finance, Project Finance, and Credit Risk Management. He has worked with some of the most respected banks in Sri Lanka, including NDB Bank PLC, DFCC Bank PLC, and Seylan Bank PLC, and has held senior management positions in the banking and finance industry both locally and internationally. Currently, Mr. Weerasinghe serves on multiple director boards in the banking and finance sector.

In addition to his extensive banking experience, Mr. Weerasinghe is a veteran investment adviser in the local and Asian markets, providing advisory services on fund and liquidity management in finance and other versatile sectors. He holds a Bachelor of Commerce (Special) Degree from the University of Sri Jayawardenapura and a Master of Business Administration. He is also an Associate Member of the Institute of Bankers of Sri Lanka.

Mr. Chamika Weerasinghe's profound knowledge and extensive experience make him a highly respected figure in the banking and finance industry. His contributions have significantly impacted the institutions he has worked with, and his advisory services continue to benefit the finance sector across the region.

Mr. S. Surenthiran - Director

Mr. Shanmugalingam Surenthiran is a Director Of Lanka Capital Future Investment (PVT) Ltd, since 2018.

Mr. Surenthiran counts more than 12 years of experience in financial service sector having commenced his career at Commercial Credit Finance PLC in 2012 as Executive to Micro Finance sector. He was promoted as SME North East Regional manager until 2014. He monitored & covered Branches in SME Administration, SME Marketing functions and Recovery functions in the Northern and Eastern Provinces and then he was promoted as RBL North East Regional In charge until 2016. He monitored & covered North East Provinces Branches RBL Administration, and North East Provinces Branches RBL Marketing functions and also Recovery functions.

Mr. Surenthiran holds a BA(Hons) Degree from University of Jaffna and holds a Masters in Business Administration (MBA) Degree from University of Cambodia.

Mr. J. Weerarathna – Director

Mr. J. Weerarathna is the President of the advisory board of WDF and one of the founders of the WDF. Mr. Weerarathna obtained his first degree from the University of Kalaniya (1967). Also he obtained his Master's Degree in 2006 from University of Kelaniya. His first examination of laws passed in 1990 at the University of Colombo. Presently he is reading for the MPhil degree in the University of Kelaniya. He has completed many foreign training programs in planning, micro credit, entrepreneurship and management. He began his career in the government service in 1968. He retired in 2006 as Director planning under Sri Lanka Planning service.

He joined as a consultant to the project of South African water sector in Sri Lanka water ministry. He also joined the president's office as a President coordinator from 2011-2015. Now he is enrolled in WDF advisory duty presently. As a journalist he has published many articles in the newspapers and journals. One of his publications is called "Janashakthi Wiyaparaya Kaalina Awashyatawaki" and the other is "Daridrathawaya Pitu Dekeema Ha Samaja Sajeewekaranaya" with the prof: N.K Dangalla. Weerathne and these works touches on many social and economic issues.

Mr. S. T. Thoumiyan -
Director

Mr. Soundaram Thacis Thoumiyan currently serves as the Chief Executive Officer and Member of the Board of ECLOF Lanka (Guarantee) Limited. With a career spanning over 20 years in executive management & board leadership in humanitarian aid & development practice, He has designed and executed strategic initiatives aimed at navigating complex crises, stabilizing operations, optimizing resource allocation and scaling organizational impact. In addition to his executive responsibilities, he has served in non-executive and representative leadership roles at National and International Service Organizations, contributing to policy dialogue, sector development, and governance capacity building.

Mr. Thoumiyan's multidisciplinary academic foundation and training is complemented by professional qualifications in Credit Management, International Relations, Human Rights, and Conflict Transformation & Peace Building, resulting in a strong alignment into leadership, decision making, social responsibility & institutional sustainability. He believes and remains wholly committed to strengthening individuals and institutions, fostering meaningful financial inclusion, and driving nationwide economic and social development with dignity.

Mrs. Kamani Chandrika -
Director

Ms. Kamani Chandrika commenced working in the field of microfinance sector since 1999 after joining the Women Development Federation (WDF) in Hambantota. She worked nearly 7 years under this reputed organization and received valuable experiences in terms of women development, poverty reduction, child development and community related concepts and issues. Finally she was appointed as a Manager of WDF.

In 2005 she joined the Institute for Development of Community Strengths (INDECOS) as the Project Manager of Women Entrepreneurship Program (WEP) which started to support women victims of Tsunami disaster. She was able to develop Women Development Program as a Women Entrepreneurship Program with many concepts. The project has been converted as a model micro finance program.

Ms. Kamani visited Canada to study a women development program in Montreal. Subsequently she accompanied a group of INDECOS staff to Bangladesh under a study tour. She visited the famous Organization called BRACK and Gramin Bank to learn more concepts. In Thailand she observed a number of areas to study women projects.

She became a trainer of SIYB. Currently she is working as the Senior Project Manager of INDECOS WEP Project. She is an active participant of LMFPA.

Mr. Aruna Logus -
Director

Mr. Aruna Logus brings over 22 years of experience in the banking and finance industry, combining extensive expertise with proven leadership at LOLC Finance PLC.

He began his career at Hatton National Bank PLC, where nine years of service gave him a strong foundation in both retail and corporate banking operations. Since joining LOLC Finance PLC in 2012, Aruna has played a pivotal role in driving business growth and fostering innovation. As Head of the Personal Finance Business Unit, he spearheads strategic initiatives to strengthen product offerings, expand market reach, and deliver exceptional value to customers.

Mr. Aruna holds an MBA from the University of Suffolk, a Diploma in Business Management from Welingkar Institute of Business Management (India), and a Certificate in Banking and Finance (CBF) from the Institute of Bankers of Sri Lanka (IBSL).

With a strong commitment to empowering MSME clients and individuals, his vision has focused on income generation, housing and business development, and financial literacy training. Under his leadership, countless entrepreneurs have grown their businesses, increased earnings, and built sustainable partnerships with LOLC Finance—achieving greater financial independence and long-term success.

Our Members

01 Arthavida Intermediary Ltd
02 Athugala Credit & Investments Ltd
03 Berendina Micro Investments Company Ltd
04 Candea Credit Ltd
05 Capital Bridge (Pvt) Ltd
06 Capital Credit & Investments (Pvt) Ltd
07 Ceylon Development Funding Force Pvt Ltd
08 Commercial Credit & Finance PLC
09 DJ Trust & Investment (Pvt) Ltd
10 Dumbara Micro Credit Ltd
11 ECLOF Lanka (Gte) Ltd
12 EDSA Lanka Consultancy (Pvt) Ltd
13 Focus Reliance Holdings (Pvt) Ltd
14 Future Life Investments Ltd
15 Graduate Investment Ltd
16 Growing Capital (Pvt) Ltd
17 Hambantota WDF
18 HNB Finance PLC
19 Janarukula (Gte) Company
20 Jayamaga Investments (Pvt) Ltd
21 KiwiFund (Gte) Ltd
22 Lanka Capital Future Investment (Pvt) Ltd
23 Lanka Credit & Business Finance Ltd
24 Lak Jaya Microfinance Ltd
25 Life Mate Investments (Pvt) Ltd
26 Lanka Financial Services for Underserved Settlements
27 LOLC Finance PLC
28 People's Micro-commerce Ltd
29 Pragathi Sewa Foundation
30 Purewin Credit & Investments Ltd
31 Reliance Credit & Capital Investments (Pvt) Ltd
32 S. N. Micro Credit (Pvt) Ltd
33 Sejaya Micro Credit Ltd
34 Sesatha Economic & Livelihood Development Association
35 Silvereen Micro Credit Company Ltd
36 South Asia Partnership Sri Lanka
37 Summit Capital Ventures (Pvt) Ltd
38 The Institute for Development of Community Strengths (INDECOS)
39 Ventura Crystal Investments Ltd
40 Winners Global Investments (Pvt) Ltd
41 Y GRO Ltd

Review of Activities in 2025/2026

Creating a conducive environment

Discussions on Microfinance Credit Regulatory Authority Act

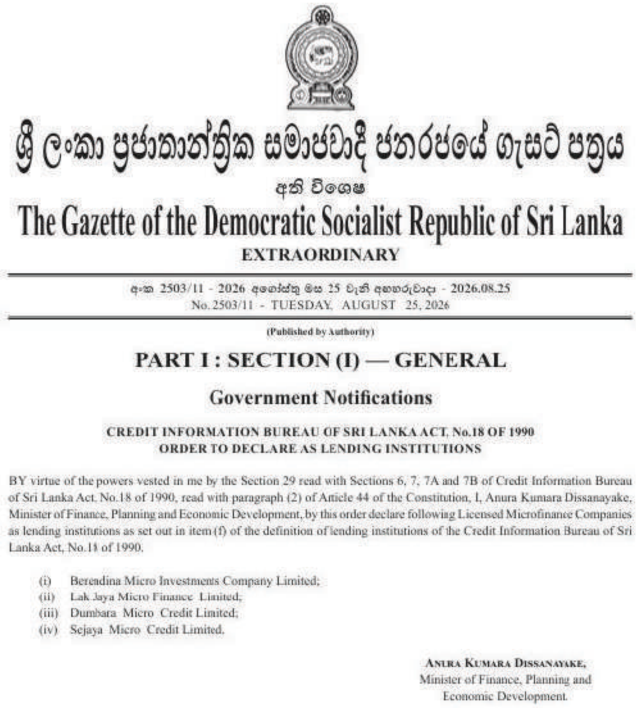
LMFPA continued its efforts to raise awareness among stakeholders regarding the Microfinance & Credit Regulatory Authority Act. These initiatives began last December with a panel discussion on the draft bill, which brought together approximately 170 participants. Key panelists representing the Central Bank, Ministry of Finance, Credit Information Bureau, and Insurance Regulatory Commission shared their perspectives on the upcoming regulation.

A major industry milestone followed in March 2026 with the enactment of the Microfinance and Credit Regulatory Authority Act, No. 9 of 2026. To help the sector navigate this new legal framework, the LMFPA launched a series of awareness workshops for both members and non-members. The initiative kicked off with an initial session in Colombo in May 2026—organized in collaboration with People's Micro Commerce Ltd—followed by a second workshop in Kurunegala in June 2026.

In July 2026, LMFPA convened another panel discussion centered on regulatory compliance. During this event, CEOs of Central Bank-licensed microfinance companies shared their practical experiences under the prior framework to give stakeholders insight into what to expect under the new authority.

During the session, a Central Bank official noted that the new Act will undergo minor amendments to refine certain statutory definitions, temporarily delaying the establishment of the proposed authority. Moving forward, LMFPA will actively engage with regulatory bodies to support an expedited amendment process and advocate for the prompt establishment of the Microfinance Regulatory Authority.

On Boarding licensed Microfinance Companies to CRIB



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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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No. 2503/11 - TUESDAY, AUGUST 25, 2026

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

CREDIT INFORMATION BUREAU OF SRI LANKA ACT, No.18 OF 1990
ORDER TO DECLARE AS LENDING INSTITUTIONS

BY virtue of the powers vested in me by the Section 29 read with Sections 6, 7, 7A and 7B of Credit Information Bureau of Sri Lanka Act, No.18 of 1990, read with paragraph (2) of Article 44 of the Constitution, I, Anura Kumara Dissanayake, Minister of Finance, Planning and Economic Development, by this order declare following Licensed Microfinance Companies as lending institutions as set out in item (f) of the definition of lending institutions of the Credit Information Bureau of Sri Lanka Act, No.18 of 1990.

(i) Berendina Micro Investments Company Limited;
(ii) Lak Jaya Micro Finance Limited;
(iii) Dumbara Micro Credit Limited;
(iv) Sejaya Micro Credit Limited.

ANURA KUMARA DISSANAYAKE,
Minister of Finance, Planning and
Economic Development.

In August 2026, a major industry milestone was achieved when four Central Bank-licensed microfinance companies—Berendina Micro Investments, Dumbara Micro Credit, Lak Jaya Microfinance, and Sejaya Micro Credit—were integrated into the Credit Information Bureau (CRIB) via government gazette. This success is a testament to LMFPA's years of dedicated advocacy on behalf of its members. Setting a vital precedent, this achievement paves the way for other microfinance stakeholders to join CRIB. Moving forward, LMFPA will work closely with the Bureau to raise awareness and prepare additional MFIs for onboarding.

Discussions with Insurance Regulatory Commission for a conducive micro insurance policy framework

On August 5, 2026, the LMFPA, alongside its Central Bank-licensed MFIs, met with the Insurance Regulatory Commission of Sri Lanka to discuss developing a micro-insurance policy framework. Recognizing micro-insurance as an essential component of the microfinance ecosystem, the Commission sought insights from practitioners on products and services that best serve their clientele. Discussions also focused on how MFIs can deliver insurance—either independently or as agents of regulated insurance providers

Capacity Building

LMFPA Training Series 2025/2026

LMFPA's capacity-building programs for 2025/2026 spanned a diverse range of fields. Alongside several international exposure visits hosted throughout the year, the following programs were conducted:

- Workshop on Pre-Legal & Legal Procedures for Defaulted Loans in Microfinance – February 14–15, 2026
- Workshop on Next-Gen Credit Risk Infrastructure for Microfinance & MSME Customers in Sri Lanka – March 24, 2026
- Webinar on "Be a Game Changer in Customer Relations" – May 25, 2026
- Webinar on Implementing Client Protection Policies under the New Microfinance Act – June 12, 2026

LMFPA Exposure Visit to Kenya 2025

In collaboration with the Association of Microfinance Institutions in Kenya (AMFI-K), the LMFPA organized an exposure visit to Nairobi, Kenya, from October 20 to 24, 2025. A delegation of 20 member representatives participated in the program, visiting key institutions including the Central Bank of Kenya, SAACO Society, LOLC Kenya, and Umba Microfinance—which specializes in digital microfinance operations. Additionally, the participants gained insights into digital microfinance innovations through visits to leading fintech companies, such as Craft Silicon Campus and Kaleidofin.

Participation at Sa Dhan National Conference 2025

The LMFPA participated in the Sa-Dhan National Conference held in New Delhi in November 2025, represented by a 15-member delegation from People's Micro Commerce and the Hambantota Women's Development Federation. Notably, the conference also hosted the inaugural meeting of NOMNAR, a regional network connecting Asian microfinance associations.

Participation at Global Financial Inclusion Training in Malaysia 2026

Two member representatives from the Lanka Microfinance Practitioners' Association (LMFPA) participated in the prestigious Global Financial Inclusion Training held in Malaysia in April 2026. The event featured notable expertise from Sri Lanka, including Mr. Anura Atapattu, a board member of the Global Alliance for Financial Inclusion (GAFI), who attended as a distinguished speaker. Their involvement underscores LMFPA's continuous commitment to engaging with global best practices, enhancing capacity, and advancing inclusive financial strategies to strengthen the microfinance sector locally.

Participation at Investor Forums

During the 2025/2026 period, the LMFPA participated in two major investor forums. The first was AFIFORUM 2026, held in Bangkok in January 2026, which included eight representatives from both LMFPA member and non-member institutions. The second was the Lanka Impact Investment Summit, held in Colombo in February 2026, where the association was represented by a 22-member delegation. Across both events, participants gained valuable opportunities to engage directly with international investors specializing in debt, equity, and green microfinance initiatives.

International Relations

Exposure Visit organized with CDF Bangladesh

LMFPA had the privilege of hosting an Exposure Visit Programme for a 26-member delegation from the Credit & Development Forum (CDF), Bangladesh, from June 12th to 18th, 2026. Designed to study the robust regulatory framework and innovative strides within the Sri Lankan microfinance sector, the programme provided a valuable platform for exchanging knowledge, sharing best practices, and exploring opportunities to strengthen regional collaboration.

We extend our sincere gratitude to the Department of Supervision of Non-Bank Financial Institutions of the Central Bank of Sri Lanka for hosting an insightful interactive session with the delegates in Colombo. Furthermore, we express our heartfelt thanks to our member organizations—Berendina Micro Investments, Dumbara Micro Credit, People's Micro Commerce, and the Hambantota Women's Development Federation—for their active support in arranging comprehensive discussions and field visits.

Exposure Visit organized for Cardiff Sixth Form College

On June 22nd and 23rd, 2026, the LMFPA, in collaboration with Projects Abroad, organized an educational exposure programme for a student delegation from Cardiff Sixth Form College, UK. The participants gained valuable insights into the operations and dynamics of the Sri Lankan microfinance sector. We extend our sincere gratitude to Sejaya Micro Credit for their invaluable support in facilitating comprehensive branch and field visits for the students.

Other Activities

LMFPA Cricket Fiesta 2025 & 2026

The LMFPA hosted its inaugural sports event, the LMFPA Cricket Fiesta, on September 13, 2025, at the Bloomfield Grounds in Colombo. The event saw strong engagement, with 28 teams from 15 member organizations competing in a high-stakes, direct knockout tournament. Future Life Investments emerged as champions, with Athugala Credit finishing as runners-up. Building on this success, the tournament returned on August 15, 2026, at the MCA Grounds in Colombo, featuring 17 teams from 12 member organizations. The adjusted format included a group stage, giving teams more playing time. Athugala Credit claimed the 2026 title, while Berendina Micro Investments took the runner-up spot. These tournaments have fostered a strong sense of fraternity among competing microfinance institutions, establishing the Cricket Fiesta as a highly anticipated annual tradition.

Information Dissemination

Microfinance Review 2024

Despite some delays in receiving data, the Microfinance Review Publication 2024 was published by December 2025. 31 member organizations took part in the data profiling project and we like to thank our members for their active support.

MAGAMAGE & Co.
CHARTERED ACCOUNTANTS

Tusitha S. Magamage (B.Sc.,F.C.A.)

Independent Auditor's Report
To The Shareholders of LankaMicrofinance Practitioners' Association

Opinion

We have audited the financial statements of Lanka Microfinance Practitioners' Association, which comprise the statement of financial position as at 31st December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31st December 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and medium – Sized Entities (SLFRs for SME)

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and medium – Sized Entities (SLFRs for SME) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

No. 32 , Pepiliyana Road , Nugegoda .Tel : 0112 853 576 , 2 825 381, 2 817 214 Mob : 071 680 21 63
Fax : 0112 825 381 E-mail : magamage@sltnet.lk , info@magamage.com
Web : www.magamage.com

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

....

Magamage & Co.
Chartered Accountants
Nugegoda
14th May 2026

MAGAMAGE & CO. No. 32, Pepiliyana Road, Nugegoda. Chartered Accountants

Lanka Microfinance Practitioner's Association
32,Suriyamal Mawatha,Divulapitiya,Boralesgamuwa

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st DECEMBER

(All Amounts in Sri Lankan Rupees)	Notes	2025 Rs. Cts.	2024 Rs. Cts.
General Income	01	1,195,000.00	1,497,500.00
Interest Income	02	613,053.68	1,025,876.76
Other Income	03	23,891,000.00	1,249,873.90
Total Income		**25,699,053.68**	**3,773,250.66**
Activity Related Expenses	04	20,830,613.55	260,788.00
Net income		**4,868,440.13**	**3,512,462.66**
Administrative Expenses	05	3,209,385.93	2,762,066.69
Net Surplus/ (Deficit) Before Taxation		**1,659,054.20**	**750,395.97**
Income Tax Expense		(88,123.22)	-
Surplus/ (Defict) For the Year		**1,570,930.98**	**750,395.97**

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Lanka Microfinance Practitioner's Association
32,Surivamal Mawatha,Divulapitiya,Boralesgamuwa
AS AT 31st DECEMBER 2025
(All Amounts in Sri Lankan Rupees)

	Notes	2025 Rs. Cts.	2024 Rs. Cts.
Assets			
Non Current Assets			
Property, Plant and Equipment	06	-	-
Investment in Fixed Deposits	07	4,750,000.00	4,778,333.33
		4,750,000.00	4,778,333.33
Current Assets			
Receivables	08	892,188.99	784,738.89
Deposits and Prepayments	09	372,436.53	100,000.00
Cash & Cash Equivalent	10	5,997,359.45	949,309.86
		7,261,984.97	1,834,048.75
Total Assets		**12,011,984.97**	**6,612,383.08**
Equity and Liabilities			
Equity			
Accumulated Fund		6,505,366.06	4,934,435.08
Total Equity		6,505,366.06	4,934,435.08
Non-Current Liabilities			
Retirement Benefit Obligation	11	719,950.00	654,500.00
		719,950.00	654,500.00
Current Liabilities			
Income Tax Payable	12	62,034.11	-
Accounts Payable	13	4,724,634.80	1,023,448.00
		4,786,668.91	1,023,448.00
Total Funds and Liabilities		**12,011,984.97**	**6,612,383.08**

The Committee is responsible for the preparation and presentation of these financial statements

Signed for and on behalf of the Board of Management

.... **President**

.... **Treasurer**

The accounting policies and notes to the account form an intergal part of these financial statements

MAGAMAGE & CO
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32,Suriyamal Mawatha,Divulapitiya,Boralesgamuwa

ACCUMULATED FUND

(All Amounts in Sri Lankan Rupees)	2025 *Rs. Cts.*	2024 *Rs. Cts.*
Balance as at 1st January 2025	4,934,435.08	4,497,068.08
Surplus / (Deficit) for the Year	1,570,930.98	750,395.97
Prior Year Adjustment	-	(313,028.97)
Balance as at 31st December 2025	**6,505,366.06**	**4,934,435.08**

No. 32, Pepiliyana Road, Nugegoda.
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Lanka Microfinance Practitioner's Association
32,Surivamal Mawatha,Divulapitiya,Boralesgamuwa

Statements of Cash Flows

For the Year Ended 31st December (All Amounts in Sri Lankan Rupees)	**2025** Rs. Cts.	**2024** Rs. Cts.
Cash Flow from Project Activities		
Net Surplus/ (Deficit) before taxation	1,659,054.20	750,395.97
(-) Interest Income	(613,053.68)	
Adjustment for Non Cash Items		
Depreciation	-	-
Prior Year Adjustment	-	(313,028.97)
Gratuity provision for the year	65,450.00	159,500.00
Operating Profit before Working Capital Changes	1,111,450.52	596,867.00
Working Capital Changes		
Increases /(Decrease) in receivables	(107,449.55)	115,000.00
Increases /(Decrease) in deposits and prepayments	(272,436.98)	-
Increase/(Decrease) in Accounts Payable	3,701,186.70	923,768.00
Cash Flow from / (used in) Operating Activities	4,432,750.69	1,038,768.00
Income tax paid as AIT payments	(26,089.11)	
Net Cash Flow from / (used in) Operating Activities	4,406,661.58	1,038,768.00
Cash Flow from Investing Activities		
Interest Income	613,053.68	-
increse/ descrese Investments in Fxed Deposits	28,334.33	(1,278,334.33)
Net Cash Flow from / (used in) Investing Activities	641,388.01	(1,278,334.33)
Net Increase/ (Decrease) in Cash & Cash Equivalents	5,048,049.59	357,300.67
Cash & Cash Equivalents at the Beginning of the Year	949,309.86	592,009.19
Cash & Cash Equivalents at the End of the Year	**5,997,359.45**	**949,309.86**
Analysis of Cash and Cash Equivalents at the End of the Year		
Cash & Cash Equivalent	5,997,359.45	949,309.86
Bank Overdraft	-	-
	5,997,359.45	**949,309.86**

No. 32, Papiliyana Road, Nugegoda.

Lanka Microfinance Practitioners' Association

32,Suriyamal Mawatha,Divulapitiya,Boralesgamuwa

Accounting Policies and Explanatory Notes to the Financial Statements
For the Year Ended December 31, 2025

1-Corporate information

1.1 General

Lanka Microfinance Practitioners' Association (previously known as Lanka Microfinance Network) is a Non-Profit Organization

Lanka Microfinance Practitioners Association has been registered under the Companies Act, No. 7 of 2007 on 13 October 2008 as a Company limited by guarantee and incorporated in and domiciled in Sri Lanka. The registered office is located at 32, Suriyaml Mawatha, Divulapitiya, Boralesguwa.

1.2 Principal activities and nature of operations

The principal activities of the organization during the period were 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 an operational an independent performance monitoring system for MFIs and mobilize resources and network with Government, donors, funding agencies, investors and commercial loan providers .

2-Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently

2.1 Basis of preparation

The annual financial statements have been prepared in accordance with Sri Lanka Accounting Standard for Small and Medium Enterprises (SLFRS for SMEs) with effect from 1 December 2017 These Financial Statements arc presented in Sri Lankan Rupees (Rs).

The transition to SLFRS for Small and Medium Enterprises has not affected the reported financial position and financial performance of the Company.

2.2 Statement of Compliance

The Statement of financial position ,statement of comprehensive income and statement of cash flows together with summary of significant accounting policies and notes to the financial statements of the Lanka Microfinance Practitioners' Association, as at 31st December 2025 and for the year then ended comply with the SLFRS for Smaller Entities laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the Companies Act No.07 of 2007.

These financial statements were authorized for issue by the Board of Management on 06th May, 2026

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Lanka Microfinance Practitioners' Association

32,Suriyamal Mawatha,Divulapitiya,Boralesgamuwa

Accounting Policies and Explanatory Notes to the Financial Statements
For the Year Ended December 31, 2025

2.3 Going Concern

The Board of Management has made an assessment of the Organization's ability to continue as a going concern and they do not intend either to liquidate or to cease operations

2.4 Comparative information

The accounting policies have been consistently applied by the organization and are in consistent with those of previous year. The previous year's figures and phases have been rearranged wherever necessary to conform current year's presentation.

2.5 Assets and bases of their valuation

2.5.1-Property, Plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment

Depreciation of assets begin when it is available for use and the principle annual rates used are as follows.

Assets Category	Rate
Furniture & Fittings	10%
Office Equipment	20%
Computer Equipment	20%
Office Partition	20%

2.5.2-Impairment of assets

At each reporting date, property, plant and equipment is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset(or group of related assets)is estimated and compared with its carrying amount. If estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined has no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Lanka Microfinance Practitioners' Association

32,Suriyamal Mawatha,Divulapitiya,Boralesgamuwa

Accounting Policies and Explanatory Notes to the Financial Statements
For the Year Ended December 31, 2025

2.5.3-Financial assets
Financial assets that are investments in fixed deposits and carried at amortized cost. These investments are normally held as long term since the entity does not expect to dispose them in the near future.

2.5.4- Receivables
Receivables are measured at amortized cost using effective interest method. At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is an objective evidence that the amounts are not recoverable. If so an impairment loss is recognized immediately in the statement of comprehensive income.

2.5.5- Cash and cash equivalents
Cash and cash equivalents are defined as cash in 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 & cash equivalent consists of cash in hand deposits in banks net of outstanding bank overdrafts. Investments with short term maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents

2.6- Liabilities and provision

2.6.1-Liabilities
Liabilities stated under current liabilities in the balance sheet are those expected to fall due within one year from the balance sheet date. Items stated as long term liabilities are those expected to fall due at point of time after one year from the date of the financial position.

2.6.2- Provisions
Provisions are recognized when the Organization has a present obligation (legal and 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 the amount can be estimated reliably, The expenses relating to any provision is presented in profit or loss. Provisions are not recognized for future operating losses. If the effect of the time value of money is material, provision is discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.6.3- Retirement benefit obligation

a)-Defined benefit plan – Gratuity

Provision has been made for retirement gratuities in conformity with Gratuity Act No.12 of 1983 in accordance with the sec 28 of SLFRS for SMES. The liability is not externally funded nor it is actuarially funded.

Gratuity provision has been valued in conformity with sec 28 of the Sri Lanka accounting standard for small and medium size entities, by multiplying half months' salary by the number of years of service

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Accounting Policies and Explanatory Notes to the Financial Statements
For the Year Ended December 31, 2025

b)-Defined contribution plans – EPF & ETF
Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The Organization contributes 12% and 3% of gross emoluments of employees' to the Provident Fund and to the Employees' Trust Fund.

2.6.4- Taxation

a)- Current taxes
Current income tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the Commissioner General of Inland Revenue

The provision for income tax is based on the elements of income and expenditure as reported in the financial statement and computed in accordance with the provisions of the inland Revenue Act No 24 of 2017.

2.7-Funds

2.7.1-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 objective of the organization and which are not designated for any specific purpose.

2.7.2-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 comprehensive income to match with expenses incurred in respect of that identified project. Unutilized funds are held in their respective fund account and included under accumulated fund in the statement of financial position 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.

2.7.3-Designated funds
Unrestricted funds are designated by the board to a specific purpose identified as designated funds. The activities for which these funds may be used are identified based on the life of the assets.

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Accounting Policies and Explanatory Notes to the Financial Statements
For the Year Ended December 31, 2025

2.8-Grants and subsidies

Grants and subsidies related to assets are generally deferred in the statement of financial position credited to the statement of comprehensive income over the useful life of the assets.

2.9-Income Statement

2.9.1-Revenue recognition

a)-Income-Restricted funds
Income realized from restricted funds is recognized in the statement of comprehensive income only when there is certainty that all of conditions for accept 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 comprehensive income. Unutilized funds are carried forward as such in the statement of financial position. All other income is recognized when the organization is legally entitled to use of such funds and amount can be quantified. This would include income receivable through fund raising activities.

b)-Subscription income
Subscription income is recognized on cash basis at the point of receiving money to the bank from members and confirmation received from the member.

Management committee has decided to change its subscription income recognition policy from accrued basis to the cash basis with effect from 1st January 2020

c)-Others
Other income is recognized on the 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.

2.9.2-Expenditure recognition

Expenses in carrying out the projects and other activities of the Organization are recognized in the statement of comprehensive income during the period in which they are incurred. Other expenses incurred in the administration and running the Organization 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 comprehensive income.

For the purpose of presentation of the income statement the Board of Management of the opinion that function of expenses method presents fairly the elements of the Organization's performance and hence such presentation method is adopted.

Lanka Microfinance Practitioners' Association

32,Suriyamal Mawatha,Divulapitiya,Boralesgamuwa

Accounting Policies and Explanatory Notes to the Financial Statements
For the Year Ended December 31, 2025

3-Events after reporting period

3.1-Events occurring after the reporting period

All material events occurring after the reporting date have been considered and where necessary Adjustments to or disclosures have been made in the respective notes to the accounts.

3.2-Contingencies and unrecognized contractual commitments

Contingencies are possible assets or obligations that arise from past event and would be confirmed only the occurrence or non-occurrence of uncertain future events, which are beyond the organization's control

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Lanka Microfinance Practitioner's Association
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NOTES TO THE ACCOUNTS
For the Year Ended 31st December
(All Amounts in Sri Lankan Rupees)

			2025 Rs. Cts.	2024 Rs. Cts.
01	**General Income**			
	Membership Fees		1,195,000.00	1,347,500.00
	Membership Registration		-	150,000.00
		1.1	**1,195,000.00**	**1,497,500.00**

1.1 Management committee has decided to change its subscription income recognition policy from accrued basis to the cash basis with effect from 1st January 2020

		2025 Rs. Cts.	2024 Rs. Cts.
02	**Interest Income**		
	Interest on Fixed Deposits and Money Market a/c	613,053.68	1,025,876.76
		613,053.68	**1,025,876.76**
03	**Other Income**		
	Book Sales	16,500.00	21,500.00
	Training Income	791,500.00	669,265.00
	Admin Fees (SAMN)	-	341,108.90
	Miscellineous Income	630,000.00	18,000.00
	Sponsorship Income (LMFPA)	995,000.00	200,000.00
	Multimedia Project Rent Income	3,000.00	-
	Exposure Programme Income	21,455,000.00	-
		23,891,000.00	**1,249,873.90**
04	**Activity Related Expenses**		
	Workshop Expenses	319,852.55	234,620.00
	Miscellaneous Expenses	2,280.00	26,168.00
	Exposure Programme Expense	19,362,981.00	
	Cricket Event Expense	1,145,500.00	
		20,830,613.55	**260,788.00**

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NOTES TO THE ACCOUNTS
For the Year Ended 31st December
(All Amounts in Sri Lankan Rupees)

		2025	2024
		Rs. Cts.	*Rs. Cts.*
05	**Administrative Expenses**		
	Salaries	1,168,750.00	1,054,000.00
	Employee Provident Fund	140,250.00	126,480.00
	Employee Trust Fund	35,060.00	31,620.00
	Gratuity	65,450.00	159,500.00
	Travelling and Others	106,900.00	72,350.00
	Audit Fee	40,994.80	37,268.00
	Secretarial Fee	95,354.13	19,939.49
	Rent	535,000.00	505,000.00
	Office Maintenance	41,800.00	55,900.00
	Postage & Courier	16,680.00	17,640.00
	Printing and Stationery	63,500.00	68,115.00
	Depreciation	-	-
	Internet Chargers	34,158.00	34,157.00
	Sundry Expenses	28,964.00	22,441.00
	Computer Maintenance	10,350.00	23,550.00
	Website Maintenance	23,100.00	19,600.00
	Mobile Allowance	18,000.00	18,000.00
	Electricity	2,533.00	3,412.00
	Telephone	8,498.00	8,503.00
	Bank Charges (LMFPA)	15,575.00	19,206.20
	Travelling Allowances	96,000.00	96,000.00
	Water	5,274.00	4,305.00
	Membership fee (SAMN)	309,990.00	306,000.00
	AGM Expenses	73,205.00	59,080.00
	Auditor's Remuneration	274,000.00	-
		3,209,385.93	**2,762,066.69**

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NOTES TO THE ACCOUNTS
For the Year Ended 31st December
(All Amounts in Sri Lankan Rupees)

06 PROPERTY, PLANT & EQUIPMENT

Cost	Balance as at 1st January 2025	Additions During the Year	Disposal During the Year	Balance as at 31st December 2025
Computer Equipment	599,211.00	-	-	599,211.00
Office Equipment	765,473.00		-	765,473.00
Furniture and Fittings	171,824.00	-	-	171,824.00
Office Partition	107,425.00	-	-	107,425.00
	1,643,933.00	-	-	1,643,933.00

Accumulated Depreciation		Balance as at 1st January 2025	Depreciation for the Year	Disposal Depreciation	Balance as at 31st December 2025
Computer Equipment	20%	599,212.00	-	-	599,212.00
Office Equipment	20%	765,473.00	-		765,473.00
Furniture and Fittings	10%	171,824.00	-	-	171,824.00
Office Partition	20%	107,425.00		-	107,425.00
		1,643,933.00	-	-	1,643,933.00

	Balance as at 1st January 2025	Balance as at 31st December 2025
Net Book Value	-	-

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Lanka Microfinance Practitioner's Association
32,Suriyamal Mawatha,Divulapitiya,Boralesgamuwa

NOTES TO THE ACCOUNTS
For the Year Ended 31st December
(All Amounts in Sri Lankan Rupees)

		2025 Rs. Cts.	2024 Rs. Cts.
07	**Investments**		
	HNB Bank - 112031064224	1,250,000.00	-
	HNB Bank - 112031064217	1,000,000.00	-
	HNB Bank - 112031064200	1,000,000.00	-
	Fixed Deposits	-	250,001.00
	Fixed Deposits	500,000.00	528,333.33
	HNB Bank - 112300062630	-	1,000,000.00
	HNB Bank - 112300062623	-	1,000,000.00
	HNB Bank -112300062616	-	1,000,000.00
	Treasury Bill - 9410006291	1,000,000.00	-
	HNB Bank- 112300062609	-	1,000,000.00
		4,750,000.00	**4,778,334.33**
08	**Receivables**		
	Interest Income Receivable	807,072.22	778,739.89
	Fund Receivable	85,116.77	6,000.00
		892,188.99	**784,739.89**
09	**Deposits and Prepayments**		
	Rent Deposits	100,000.00	100,000.00
	Prepaid Exposure Programme Fees	272,436.53	
		372,436.53	**100,000.00**
10	**Cash and Cash Equivalents**		
	B001 · Commercial Bank 01-1200019410	25,000.00	25,000.00
	Commercial Bank-Money Marcket Account-1190023870	5,943,662.33	837,844.90
	HNB - Savings Account -112020222484	5,487.72	65,544.06
	Sampath Bank-Current Account-009410006291	13,209.40	20,008.90
	Cash in Hand	10,000.00	912.00
		5,997,359.45	**949,309.86**
11	**Retirement Benefit Obligation**		
	Balance as at the Beginning of the Year	654,500.00	495,000.00
	Provisions for the Year	65,450.00	159,500.00
	Balance as at End of the Year	**719,950.00**	**654,500.00**
12	**Income Tax Refund / (Liability)**		
	Balance at the Beginning of the Year	-	-
	Tax Expense of the Year	88,123.22	
	Deducted as AIT.	(26,089.11)	-
	Balance at the End of the Year	**62,034.11**	-

Lanka Microfinance Practitioner's Association
32,Suriyamal Mawatha,Divulapitiya,Boralesgamuwa

NOTES TO THE ACCOUNTS
For the Year Ended 31st December
(All Amounts in Sri Lankan Rupees)

			2025 Rs. Cts.	2024 Rs. Cts.
13	**Accounts Payable**			
	Audit Fee Payable		40,994.80	37,268.00
	Other Current Liabilities	**19**	4,333,650.00	640,180.00
	Accrued Expenses (LMFPA)		40,000.00	40,000.00
	Membership Fees Payable		309,990.00	306,000.00
			4,724,634.80	**1,023,448.00**
14	**Bank Overdraft**			
	Commercial Bank Current Account No: 1200019410		-	-
	HNB - Savings Account -112020222484		-	-
			-	-

15 Commitments and Contingencies

There were no commitments and contingencies existing as at the reporting date

16 Events After the Reporting Date

No circumstances have arisen,since the balance sheet date,which would require adjustments to,or disclosure,in the financial statements

17 Members Interest in Contracts

None of the members are either directly or indirectly interested in any excisting or proposed contracts with the organization

18 Related Party Transactions

There have been no related party transactions to be disclosed to the financial statements

19 Other Current Liabilities

This amount reflects the expenses incurred in 2026, which were received from Member organizations for their participation, airfare and accommodation in the programme.

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Tax Computation

For The Year Of Assessment 24/25
(All Amounts Are In Sri Lankan Rupees)

	Note		Rs. Cts.
Profit before Tax as per Accounts			**1,659,054.20**
Less: Investment Income			(613,053.68)
			1,046,000.52
Add: Specific Disallowances			
Depreciation		-	
Provision for Gratuity		65,450.00	65,450.00
			1,111,450.52
Less: Specifically Permitted Deductions			
Gratuity Paid		-	
Capital Allowance	01	5,825.52	(5,825.52)
Income From Business			**1,105,625.00**
Less: Tax Loss B/ F from 23/24	02		1,105,625.00
Assessable Income From Business			-
Investment Income			**613,053.68**
Less: Exempt Investment Income			-
Less: Expenditure Incurred In The Production Of Investment Income			-
Less: Tax Loss B/F from 23/24	02		319,309.60
Assessable Income From Investments			293,744.08
Other Income			-
Assessable Income From Other			-
Less : Tax loss			-
Total Assessable Income (Business, Investment, Other)			**293,744.08**
Less: Qualified Payments			-
Taxable Income			-
Tax Liability for the Year			
			-
Income Tax	293,744.08	30%	88,123.22
Total Tax Payable			**88,123.22**
Less: Tax Credits			
Withholding Tax Credits			-
Self-Assessment Income Tax Payments			(26,089.11)
AIT for WHT certificates not received			-
Balance Tax Payable/ (Refund Due)			**62,034.11**

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NOTES TO THE TAX COMPUTATION

For The Year Of Assessment 24/25
(All Amounts Are In Sri Lankan Rupees)

01 Assets Purchased after April 1, 2018

Asset	Years	Cost Rs. Cts.	Claimed up to 01.01.25 Rs. Cts.	Charges for the Year Rs. Cts.	Claimed up to 31.12.25 Rs. Cts.	To be claimed Rs. Cts.
Assets Purchsed in 18/19						
Office Equipment						
Multimedia Projector	5	-	-	-	-	-
Scanner	5	-	-	-	-	-
Electric Kettle and Tea Set	5	-	-	-	-	-
		-	-	-	-	-
Assets purchased in 20/21						
Office Equipment						
Air conditioner	5	29,127.60	17,476.56	5,825.52	23,302.08	5,825.52
		29,127.60	17,476.56	5,825.52	23,302.08	5,825.52
Total Capital Allowance		**29,127.60**	**17,476.56**	**5,825.52**	**23,302.08**	**5,825.52**

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NOTES TO THE TAX COMPUTATION

02 For The Year Of Assessment 24/25
(All Amounts Are In Sri Lankan Rupees)

	Rs.
Brought Forward from 2023/2024	1,424,934.60
Business Loss Incurred the Year 2024/2025	-
Total Loss Incured from Business	1,424,934.60
Claimed against Assesable Income from Business 2024/2025	(1,105,625.00)
Claimed against Assesable Income from Investment 2024/2025	(319,309.60)
Business Losses Carried Forward to 2025/2026	-

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