

# Financial Performance of Commercial Public Enterprises - 2004

## Local Loans & Development Fund

**1 Name & Address of the Enterprise:** **Local Loans & Development Fund**  
17A, Barnes Place,  
Colombo 07

**2 Mission:**

To assist the Local Authorities by providing loan facilities at concessionary rates in order to improve and expand their service to the community in a more efficient and effective manner.

**3 Major Activities:**

Provision of loans to Local Authorities for investment in infrastructure development and revenue generation projects for efficient delivery of public utility services.

**4 Performance Trend**

	ABSOLUTE VALUES		2001	2002	2003	2004	2005 B
1	Total Revenue for the year	(Rs.' 000)	49,744	52,289	41,693	50,703	65,886
2	Gross Profit for the year	(Rs.' 000)	12,906	15,314	9,723	10,390	21,765
3	Net Profit before Interest and Tax for the year	(Rs.' 000)	3,792	7,208	5,859	7,216	8,795
4	Financial Charges for the year	(Rs.' 000)	-	-	-	-	-
5	Total Cost of Employment for the year	(Rs.' 000)	968	1,163	1,526	1,753	1,997
6	Capital Expenditure for the year	(Rs.' 000)	672	-	163	-	3,000
7	Non-Current Assets as at end of the year	(Rs.' 000)	512,065	543,815	560,529	1,039,041	865,240
8	Current Assets as at end of the year	(Rs.' 000)	38,499	53,414	75,305	146,619	26,700
9	Current Liabilities as at end of the year	(Rs.' 000)	37,906	40,491	45,521	46,771	-
10	Non-Current Liabilities as at end of the year	(Rs.' 000)	454,890	495,564	524,978	1,072,838	823,540
11	Equity as at end of the year	(Rs.' 000)	57,768	61,174	65,334	66,050	68,400
12	Contribution to the Consolidated Fund	(Rs.' 000)	-	2,000	2,000	2,000	2,000
13	Number of Employees as at end of the year	(Nos.)	8	8	9	9	25
14	Investment of Surplus Fund as at end of the year	(Rs.' 000)	1,793	3,852	3,900	716	3,156
15	<b>Key Performance Indicators</b>						
i)	Net Profit bef. Tax to Equity	%	7%	12%	9%	11%	13%
ii)	Net Profit bef. Fin. Charges & Tax to Total Assets	%	1%	1%	1%	1%	1%
iii)	Current Ratio	%	102%	132%	165%	313%	-
iv)	Total Cost of Employment per Employee	(Rs.' 000)	121	145	170	195	80

**5 Comments on Performance :**

Net profit of the Fund has increased during the year with the increase in the total revenue and gross profit.

Substantial increase in the income from Urban Development & Low Income Housing Project has mainly contributed to the increase in total revenue.

Cost of employment has increased by 15% despite the number of employees remaining static.

There has been a substantial build up in the assets with a corresponding increase in the liabilities.

Return on equity although has increased return on total assets remains to be same during the year.

The Fund has contributed a sum of Rs.2Mn. to the Consolidated Fund by way of a levy.