SRI LANKA BUREAU OF FOREIGN EMPLOYMENT

2020

ANNUAL REPORT

CONTENT

OVERVIEW

About Us

We are the sole authority for the governance and regulation of the foreign employment industry in Sri Lanka.

Ministry of Foreign Employment Promotion and Market Diversification

The SLBFE functions under the purview of the MFEP&MD as per the Extra Ordinary Gazette No. 2187/27 dated 09.08.2020

Sri Lanka Bureau of Foreign Employment

SLBFE was established under the provisions of the parliamentary Act No. 21 of 1985 as amended by Act No 04 of 1994 & Act No. 56 of 2009

Sri Lanka Foreign Employment Agency

SLFEA was established in 1996
and it is a fully owned subsidiary of SLBFE

VISION

Make Sri Lanka the best choice for competent human resources in the overseas market

KEY OBJECTIVES

- Regulate and facilitate the industry of foreign employment
- Secure welfare and protection of Sri Lankans employed outside Sri Lanka and their left behind family members
- Promote and develop employment opportunities for Sri Lankans outside Sri Lanka

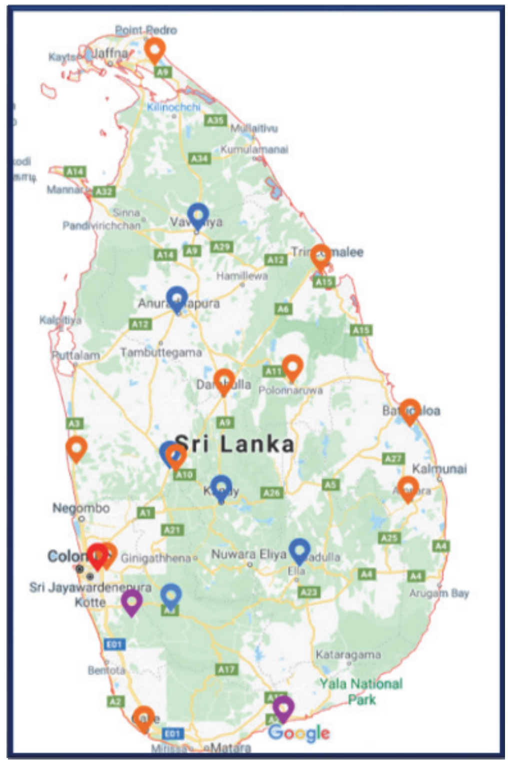
MISSION

Create efficient and equitable pathways for people to benefit from their skills in overseas employment markets securing interests of all stakeholders while contributing to economic growth

QUALITY POLICY

The SLBFE is committed to provide their customers with an efficient and effective service in the context of continual improvement ensuring exceeded customer satisfaction

Local and Global Network



Divisions in Head Office and Thalahena Office: 29 Divisions

Head Office:234, Denzil Kobbekaduwa Mawatha, Koswatta, Battaramulla

Regional Offices	**: 06**
Anuradhapura	Badulla
Kandy	Kurunegala
Rathnapura	Vauniya

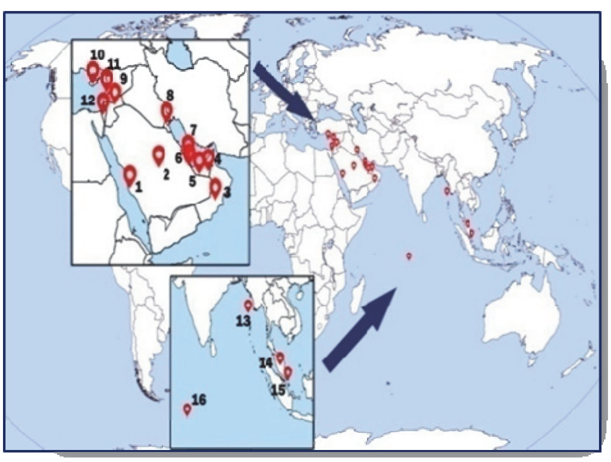
District Centers: 08	
Ampara	Jaffna
Batticaloa	Polonnaruwa
Chilaw	Trincomalee
Dambulla	Galle

Migrant Resource Centers : 02

Matugama
Tangalle

Training Centers :02
Pannipitiya
Kurunegala

Our Workforce 1169



Employment & Welfare Sections of the Sri Lanka Diplomatic Missions Overseas : 16

Abudhabi	Bahrain	Cyprus	Dubai	Israel	Lebanon
Malaysia	Maldives	Oman	Qatar	Jeddah	Riyadh
Jordan	Singapore	Kuwait	South Korea		

2020 in Brief

53,875

Male : 32589
Female: 21286

Registrations for Foreign Employment

UAE, Qatar, Saudi Arabia

Major Labour Receiving Countries

1,317
LKR (Billion)
7,103.9
USD (Million)

Remittances

2,411
Rs. Mn.

SLBFE Expenditure

Professional	:	2954
Middle Level	:	1498
Skilled	:	16733
Clerical & related	:	2493
Semi Skilled	:	749
Low Skilled	:	14061
Domestic Housekeepers		
Semi Skilled	:	15387

Total Registrations (Manpower Levels)

1,781
Rs. Mn.

SLBFE Revenue

895.23
Rs.Mn.

Workers' Welfare Fund Expenditure

Message of the General Manager

The year 2020 was extremely challenging on account of the COVID 19 epidemic and the SLBFE as a whole, faced numerous difficulties throughout the year. COVID 19 global pandemic affected the migration circle touching its main component of humans claiming a health crisis. The impact of this situation mainly pulled out the main income of the SLBFE. The consequences of the epidemic on the migrant employees and the other parts of the migration circle were significant.

The SLBFE had to configure its operations, restructuring its regulations identifying the areas where the urgent attention is needed in order to avoid the failures in the industry and also to prevent the financial losses of the institution. In this scenario, SLBFE formulated the National COVID 19 Response Plan for Migrant Workers in response of COVID 19 pandemic and formed a working group with the guidance of the Chairman, SLBFE comprising members from the SLBFE, IOM and ILO. Accordingly, the SLBFE was on track of addressing the victims in local and in the employment destination countries.

The financial numbers of SLBFE has been drastically decreased in 2020 as a result of the pandemic and our revenue was reported as Rs. 1,781 Mn which was a significant loss compared to the previous year and the worker remittances in 2020 were LKR 1,317,000 Mn and the total number of registrations for foreign employment were 53,875.

I would like to recall the guidance of Mr. Kamal Ratwatte, Chairman of SLBFE and the Senior Management Team who contributed in utmost efficacy to achieve the set of goals of the SLBFE during this global pandemic situation. I extend my gratitude for the Cabinet Minister of Labour and the State Minister of Foreign Employment and Market Diversification and the officials of the Ministries for their guidance, advices and the directions at every time. The painstaking efforts of our own Staff during this period and the co-operation of the Sri Lanka Diplomatic Missions Overseas are valued and appreciated.

All the other stakeholders and the Sri Lankan Community in the destination countries who gave a hand to SLBFE during this stormy situation are remarkable and their contributions towards this exercise are much appreciated.

With all of these challenges, we are standing by with the competent human resources to achieve our goals while moving with the trends in the overseas market.

Major General Mahinda Hathurusinghe
General Manager.

The Board of Directors

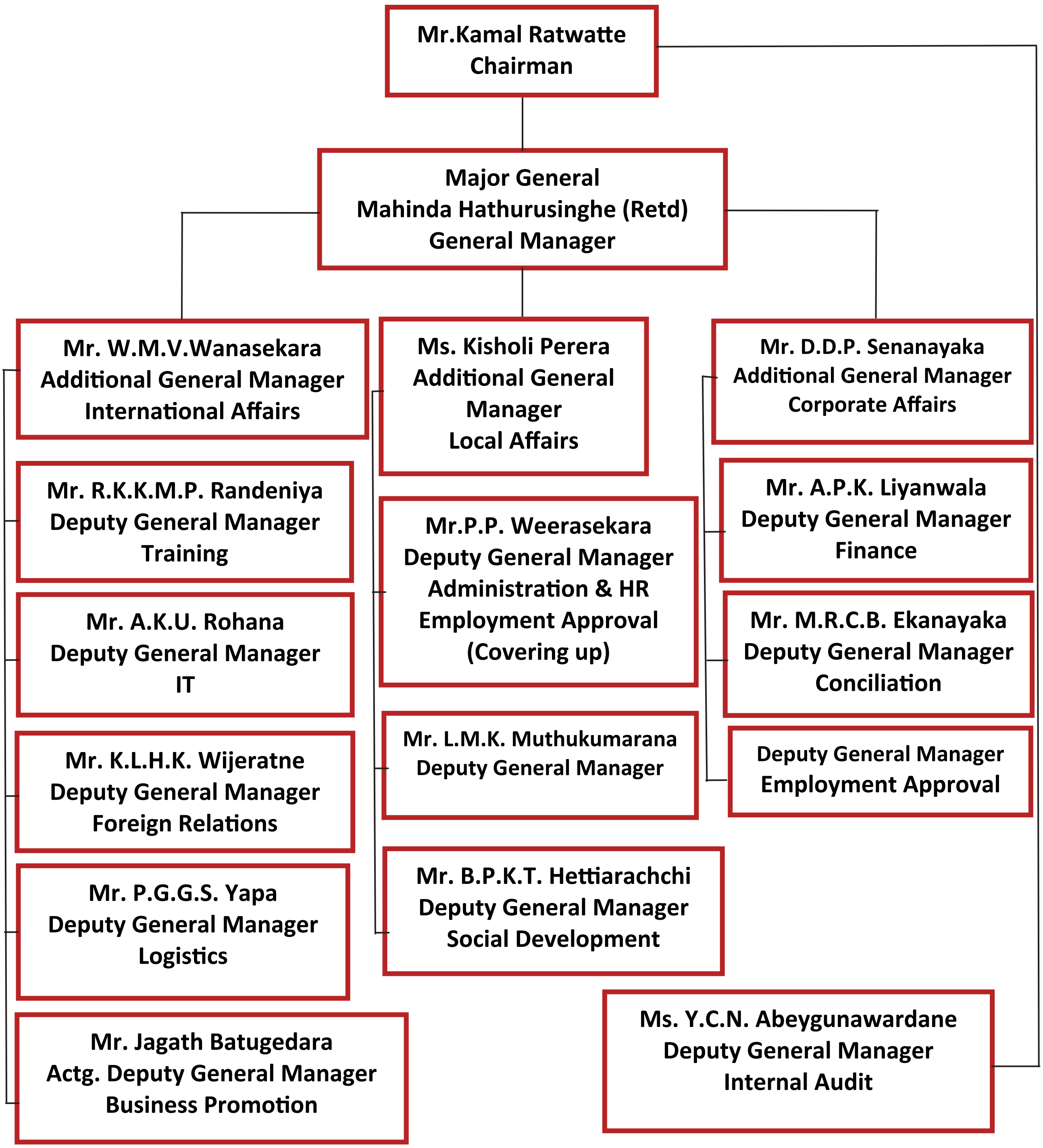
The Board of Directors of the SLBFE is appointed as per the Section 5 of the SLBFE Act No.21 of 1985 and it consists of;

01 member – Ministry of Finance
01 member - Ministry of Foreign Affairs
01 member – Ministry of Women's Affairs
04 members – Licensed Foreign Employment Agencies
04 members – Appointed by the Minister in charge of the subject of Foreign Employment

Board of Directors since 16.01.2020 to 31.12.2020

1.	Mr. Kamalneel Senaka Ratwatte	Chairman
2.	Mr. Nimal Piyaratne Thibbotumunuwa	Director
3.	Ms. K.D.R. Olga	Director
4.	Mrs. A. Sriyani Padmalatha	Director
5.	Mrs. K.M.S.D. Jayasekara	Director
6.	Mr. A.G.M.V. Wishwanath	Director
7.	Mr. Ananda Gunatilake	Director
8.	Mr. G.M.L. Sampath	Director
9.	Mr. Abdul Razik Mohamed Ghouse	Director
10.	Mr. Buddhi Pradeep Niyadandupola	Director
11.	Mr. W. Shiroman Hemantha Sapumohotti	Director
12.	Mr. Madarange Lanka Vijitha Kumara	Director

Senior Management Team



Responding to COVID 19 Pandemic

SLBFE has formulated the **National COVID 19 Response Plan for migrant workers** to prepare a response plan to the COVID 19 pandemic and its consequence on Sri Lankan Migrant Workers. It was formulated with the assistance of the International Organization for Migration (IOM) and International Labour Organization (ILO).Chairman of the Sri Lanka Bureau of Foreign Employment (SLBFE) has formed a Working Group on 30th April 2020 comprising of members from the SLBFE, International Organization for Migration (IOM) and International Labour Organization (ILO). Proposals and recommendations from the Civil Society Organizations, Trade Unions and Association for Licensed Foreign Employment Agencies (ALFEA) were also taken into consideration during the formulation of this plan. The process ensured that views and observations of all stakeholders, i.e. government officials, migration experts, LFEAs, and international organizations were all taken into due consideration.

The Response Plan considers measures to be taken at five stages as follows.

1. Measures to be taken at Country of Destination (CoD)
2. Measures to be taken for return to Sri Lanka
3. Measures to be taken at point of entry and immediate post arrival
4. Measures to be taken in Sri Lanka for reintegration
5. Measures to be taken for re-migration

Recommended actions are categorized into immediate, short-term, medium-term and long-term timelines, along with budgets and division of responsibilities.

At the first half of the pandemic situation, SLBFE geared up to gather information on migrant workers and their family members who have undergone difficulties due to COVID 19 through the 24 hour Information Center of SLBFE locally and the Sri Lanka Diplomatic Missions Overseas. SLBFE initiated this process to identify the victims and take immediate measures for prevention and protection of the victims.

SLBFE made arrangements to publish health guidelines and the government instructions related to this global pandemic with a large coverage through mass media and social media in order to make awareness among migrant workers' circle.

In addition, SLBFE along with its measures in short term timeline, decided to reduce the staff assignments at the Sri Lanka Diplomatic Missions Overseas navigating to freeze expenses at the SLBFE. The staff of the SLBFE was provided safety equipments and followed up the health guidelines in day to day work.

Considering the issues escalated among the migrant workers and their family members, the SLBFE stepped into configure its regulations/procedures to serve the migrant worker in the stages of Pre -departure, on employment and Post arrival. In this scenario, the validity period of the Family Background Report (FBR) which is mandatory for female employees in the pre-departure stage was extended as an immediate action.

While facing the challenges and the impact of COVID 19 outbreak in the foreign employment industry, SLBFE made arrangements to address the issues of the migrant workers and their family members not only locally but also in the country of destination. Each of the 16 Employment and Welfare Sections of the Sri Lanka Diplomatic Missions Overseas were allocated an amount of Rs.500, 000/- to provide required assistance for the migrant workers on humanitarian grounds and the amount has been increased considering the requests made by those Missions as per the requirements of the Migrant Workers. The contributions made by the Sri Lankan Community in the host countries and also the Donors who stepped in together with SLBFE to protect our community during this global pandemic condition is appreciated.

In addition, the 16 Employment and Welfare Sections of Sri Lanka Diplomatic Missions were instructed to provide a pack of dry rations in value of Rs.5000/- for the migrant workers who have undergone difficulties to secure meals and essential requirements.

The year 2020 was an extremely challenging and the SLBFE witnessed a significant decrease of its income on account of COVID 19 pandemic. Even though, as the main monitoring and regulatory body of the foreign employment industry, SLBFE is closely observing the issues confronted by its stakeholders mainly the Migrant Worker and took measures to overcome the situation during the year under review.

PERFORMANCE

Regulate and facilitate the industry of Foreign Employment

Licensing

SLBFE issue Licenses to carry out the business of foreign employment for those who have fulfilled the requirements as per the provisions of the SLBFE Act. A License is valid for a period of one year and renewable.

New Licenses	46
Renewals	635
Cancellation	38

The License Division conducts awareness programmes for the Licensed Foreign Employment Agencies (LFEAs) in order to educate them on the regulations, standards, procedures etc., on recruitment, grievance handling, repatriation and other activities of the business of foreign employment. There were 04 awareness programmes held in 2020.

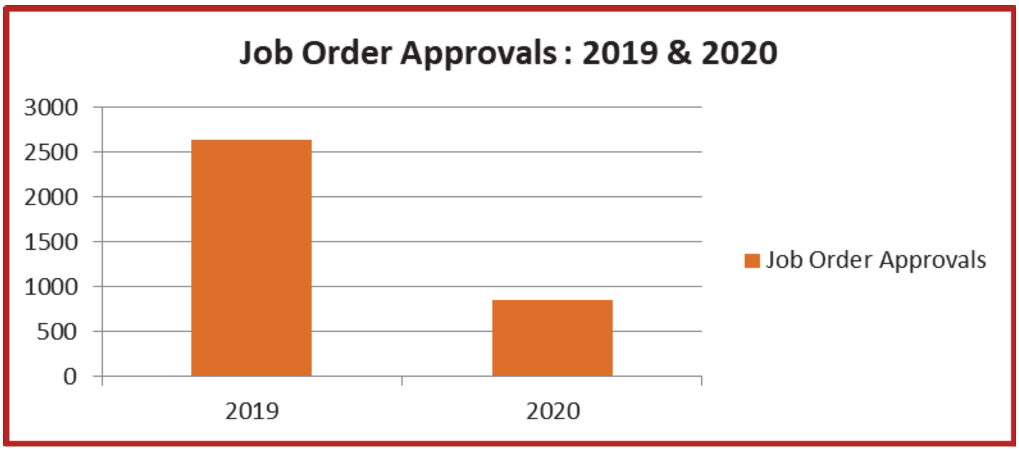
Due to the pandemic situation in the country, the Licensing Division was undergone difficulties when carrying out its activities scheduled in the year. Travel restrictions which was imposed in the areas where most of the LFEAs were located has been affected to the performance of the Division due to lack of their presence for its services.

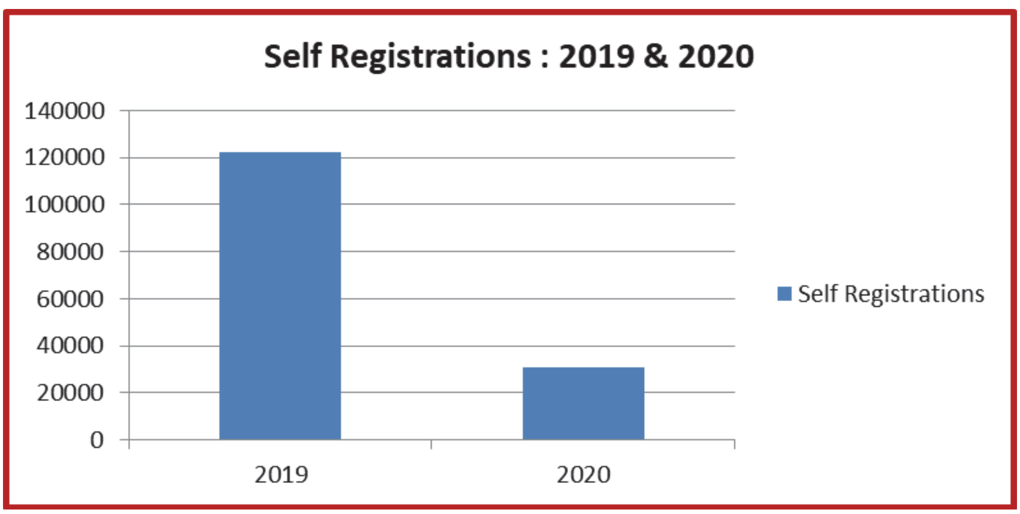
Job Order Approval and Employment Registration Process

Above two processes are implemented by two operational divisions;

- First Approval Division
- Final Approval Division

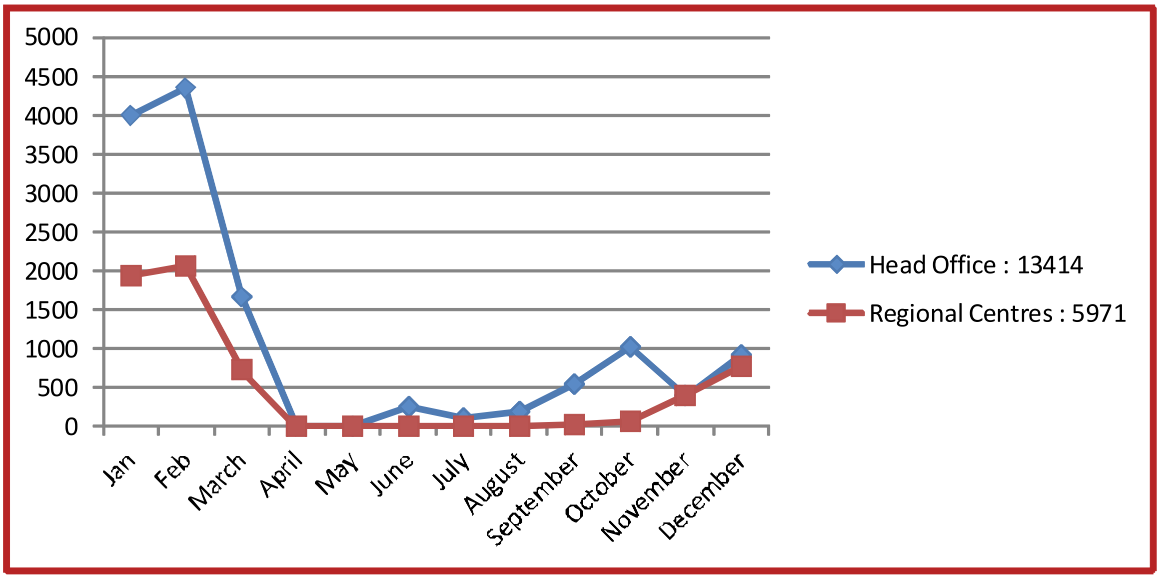
The First Approval Division grants approvals for the Job Orders and the Advertisements submitted by the LFEAs. It also facilitates the Registration and Renewal of Registration of Migrant Workers who receive employment through private sources (Self Registration).





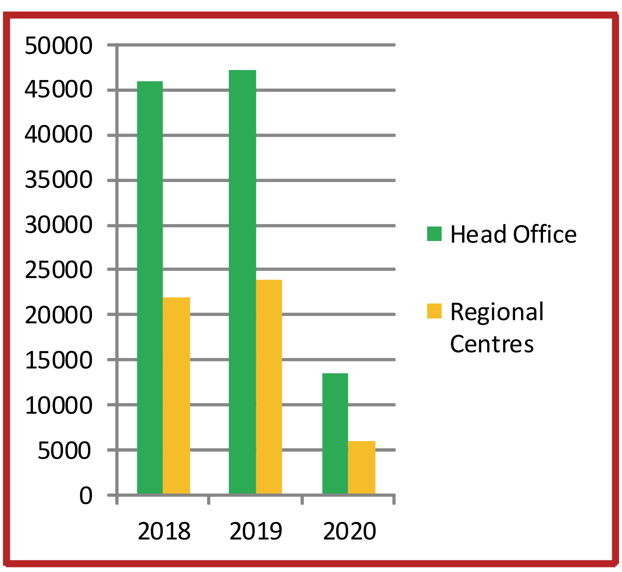
The Final Approval Division grants approvals to the Licensed Foreign Employment Agencies (LFEAs) to recruit Sri Lankans for Overseas employment as per the job orders approved by the SLBFE

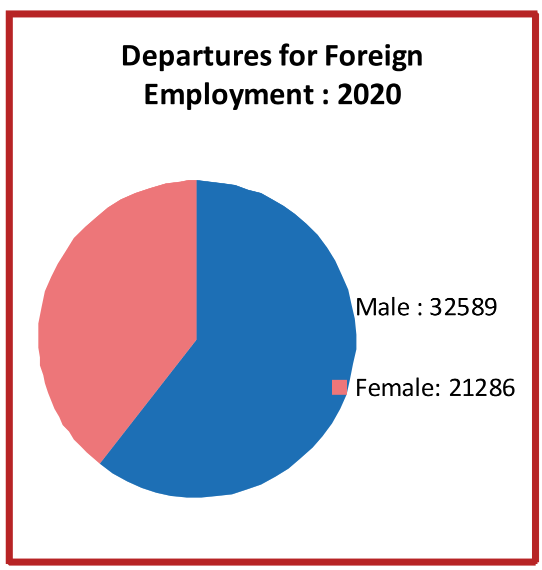
Registration of Sri Lankan Workers for Foreign Employment through LFEAs in 2020



With the impact of COVID-19 pandemic situation, a huge decline of Registrations for foreign employment through LFEAs could be seen in 2020: 19385,with the comparison to previous years; 2019: 71095, and 2018: 67817 which is shown below. During the months of April and May 2020 the numbers has been reported as Zero as a result of this global epidemic banning the migrant workers leaving for foreign employment with the travel restrictions imposed in the home and destination countries.

Registrations through LFEAs: 2018 - 2020





As per the provisions of the SLBFE Act, every Sri Lankan who leaves for employment outside Sri Lanka should register with the SLBFE prior to such departure. The registration with the SLBFE ensures that Sri Lankans are employed overseas with a valid employment contract which safe guards their rights and interests in host countries. **All the registered migrant workers are eligible for an insurance cover provided by the SLBFE free of charge and it is valid during their contract period.** The SLBFE's registration is valid for a period of two years or three years as per the relevant employment contract. The employees are facilitated to renew their registration through the SLBFE's Head Office, Branch Offices and Sri Lanka Diplomatic Missions Overseas.

Law Enforcement

SLBFE takes all possible efforts to eliminate the illegal activities, malpractices, trafficking in persons and also to promote good practices by the actors in the industry of foreign employment in Sri Lanka. In this context, the SLBFE implements various law enforcement mechanisms to protect the rights and interests of the job seekers, migrant employees, their family members and other aggrieved parties.

The SLBFE conduct inquiries into public complaints received on illegal recruitment activities carried out by the Licensed Foreign Employment Agencies and other unlicensed parties. Raids are conducted to take the suspects into custody and legal actions are taken against those who violate the law, after conducting proper investigations.

Special Investigation Division, Legal Division and the Human Trafficking Unit of the SLBFE are in operations for the process of Law Enforcement.

Activities of the Special Investigation Division	2019	2020
Conduct inquiries on complaints received from general public against the Licensed Foreign Employment Agencies	1762	749
No. of complaints settled (accumulated)	3406	803
Conduct inquires on complaints against the persons who engaged in foreign employment without a valid license	779	394
No. of complaints settled	248	199
Conduct raids on illegal recruitment activities to prevent trafficking in persons and smuggling	298	173
No. of successful raids	252	173

"Ethera Shramayata Neethiyen Athwelak" is an awareness programme conducted for the staff of the SLBFE and public sector officials to expand their knowledge on laws, regulations and practices related to foreign employment, and also to enhance their skills required to discharge their duties efficiently and effectively.

Recoveries through the litigation fine and the 75% of the fine imposed and remitted to the Workers Welfare Fund of the SLBFE		
	2019	**2020**
Recovery by litigation	13,456,770/-	2,622,000/-
Fines imposed	3,424,500/-	2,550,000/-
Remitted to the SLBFE (75%)	1,888,375/-	1,912,750/-
Recoveries by settlement regarding runaways in Korea	2,900,000/-	3,129,032.50

SLBFE conducts awareness programmes on laws on human trafficking and counter human trafficking mechanisms for the government officials, general public, licensed foreign employment agencies and other relevant parties.

Business Dispute Settlement

As a measure of promoting good practices among the stakeholders in the industry of foreign employment, the SLBFE intervenes to settle the Business Disputes that are arisen between the parties concerned, i.e. between two or more Licensed Foreign Employment Agencies (LFEAs), between a Foreign Recruitment Agency and a Licensed Foreign Employment Agency, or between a Licensed Foreign Employment Agency and a Migrant Employee or a job seeker.

Secure protection and welfare of Sri Lankans employed outside Sri Lanka and their left behind family members

Complaint Resolving

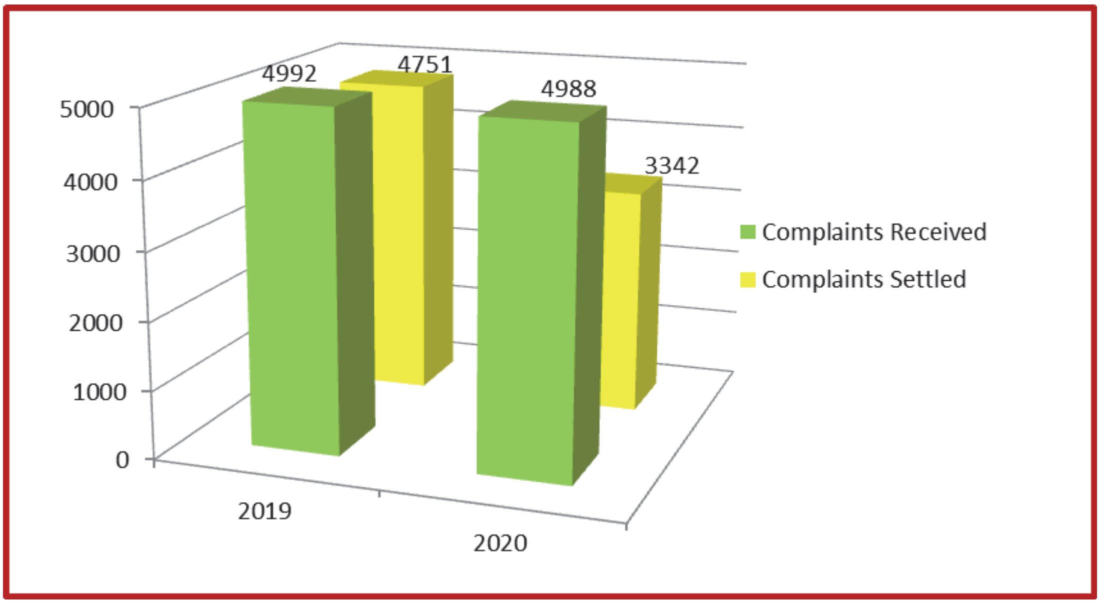
The SLBFE operates a web-based Complaint Management System (CMS) to enhance the efficiency of resolving the complaints received from or on behalf of the migrant workers.

A registered migrant worker or a person who acts on his / her behalf could lodge a complaint at the SLBFE's Head Office, a Local Branch Office or the Labour Section of the Sri Lanka Diplomatic Mission in the respective country.

The SLBFE's authorized officers attached to the Conciliation Division /Units or Labour Sections in Sri Lanka Diplomatic Missions Overseas, relevant Licensed Foreign Employment Agencies & Foreign Agencies are facilitated to communicate through and record information in the CMS.

During the year 2020, the SLBFE was able to assist the aggrieved migrant employees to recover a total sum of Rs.2,370,612 as compensation, salary and other dues pertaining to 31 complaints.

Record of complaints in 2019 & 2020



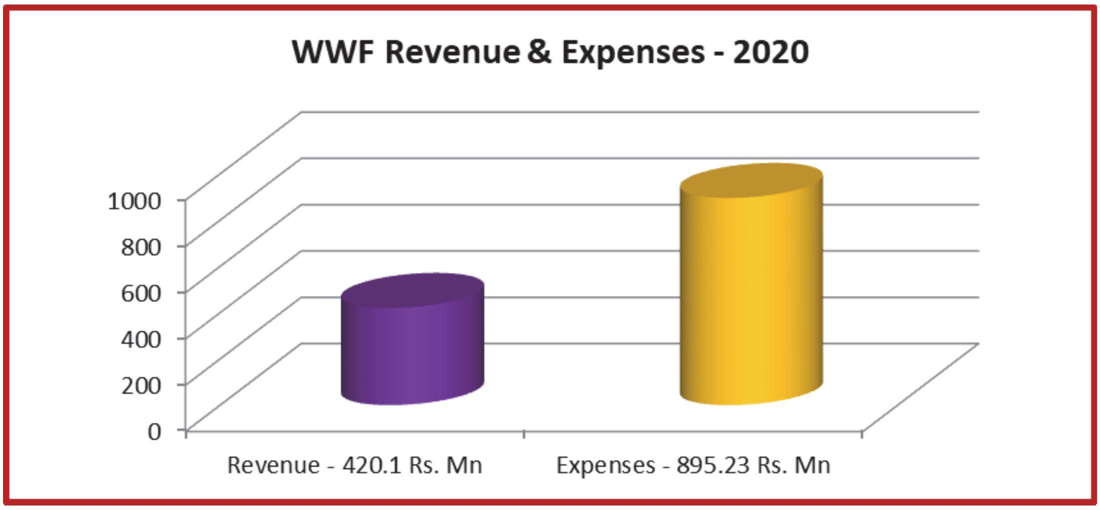
Welfare Services

Our organization takes all possible efforts to ensure the protection and wellbeing of the migrant workers (MW) and the members of their families. In this framework, we have implemented our services focusing the financial stability of the migrant worker and their families and education of their children. We also extend our helping hands in emergency situations, provide medical assistance, and assist disabled migrant employees etc.

Welfare Activities

- Medical Treatments for MWs and their family members
- Houses for disabled Migrant Workers
- Medical Camps
- School equipment for children of MWs
- Special assistance for children of MWs
- Scholarships for children of MWs
- Insurance benefits
- Special assistance for MWs and their families in and emergency / disaster situations
- Conduct child protection programmes

The Workers Welfare Fund (WWF) has been established by the SLBFE Act for the benefit of the migrant workers and their family members. This fund is utilized to provide the welfare services/ facilities provided through the SLBFE and the labour sections of Sri Lanka Diplomatic Missions.



WWF Revenue (Rs Mn)	2020	2019
Recruitment Fees-Agency	28	104
Recruitment Fees-Individual	28	101
Koean Recruitment -Promotion Fees	47	120
Korean training Fees	25	68
Training Income	42	149
Income from Overseas Mission	249	996
Other Operating Income	0.4	116

WWF Expenses (Rs Mn)	2020	2019
Welfare Activities	204	481
Staff Cost (Including Mission Staff)	421	645
Establishment Expenses (Including Mission)	209	287
Other Operational (Including Mission)	55	72
Finance (Including Mission)	5	4
Advertisement & Publicity (Including Mission)	0.5	1
Business Promotion (Including Mission)	0.73	1

24 Hour Information Service

24 hour Information Center is operated by the SLBFE to provide information to any person on foreign employment and also to receive complaints from migrant employees or on their behalf. Any person can contact the Information Center through a Hotline (1989) and dedicated hunting telephone lines (011-2879900), Email (infor_center@slbfe.lk) and Skype (24 hours call center - SLBFE).

Inquiries received to the Information Center in 2020	
Telephone inquires	160,571
E-mail inquires	3,986

Assistance for Returnees

With the launch of the National Labour Migration Policy in 2008, a Sub Policy & National Plan of Action on Return and Reintegration of Migrant Workers Came into effect in December 2015, adding value to the industry of foreign employment.

Accordingly, the SLBFE established a special division to support the migrant workers for a safe and dignified return & reintegration after their employment in overseas. With the scope to assist the migrant workers for their social & economic reintegration, promote their skills, re-employment and re-entry to the labor force, the Reintegration Division of the SLBFE conducted many activities throughout the year.

Activity	No. of programmes	No. of selected persons
Conduct awareness programmes and field visit to identify migrant workers for self employment and provide necessary assistance	12	250
Activity	**No. of beneficiaries**	**Amount**
Provide school equipments for the children of returned migrant employees	28	Rs.138,667.45

Promote and develop employment opportunities for Sri Lankans outside Sri Lanka

Training

In order to assist the job seekers to gain the opportunities in the overseas employment markets, the SLBFE offers pre-departure training for job seekers through two training divisions. **Training Division (Domestic Sector)** offers training programmes for job seekers to enable them to obtain Level III National Vocational Qualification (NVQ) as Domestic Sector Housekeepers and Caregivers.

Training Division (Non-domestic Sector) conducts pre-departure orientation programmes for job seekers who seek semi-skilled and low-skilled jobs.

These training programmes are found to be a source of value addition for the job seekers to find and engage in overseas employment successfully while contributing for family development.

Activities Carried out by the Non-domestic Training Division in 2020		
Activity	**No. of programmes**	**No. of persons**
Conduct pre-departure orientation training for male/female job seekers	319	5498
Conduct TOT programmes for the Instructors	02	91
Conduct pre-departure training with physical fitness training for Korea bound job seekers	56	2237
Conduct pre-departure training with physical fitness training for Japan bound job seekers (TITP)	15	118
Conduct Japanese Language Training	216	3938

Training Programmes conducted by the Domestic Training Division in 2020		
Training Programme	**No. of Classes**	**No. of Trainees**
Domestic House Keeping Assistant – Middle East Sector : 21 days | NVQ Level III	80	1235
Domestic House Keeping Assistant – Europe and East Asia : 21 days | NVQ Level III	16	220
Care giving : 45 days | NVQ Level III	24	442
Care giving : 07 days	05	11
Literacy Training Programme : Sinhala and Tamil Languages | 18 days	08	102
IFE Training Programmes : 07 days	40	368

Recruitment

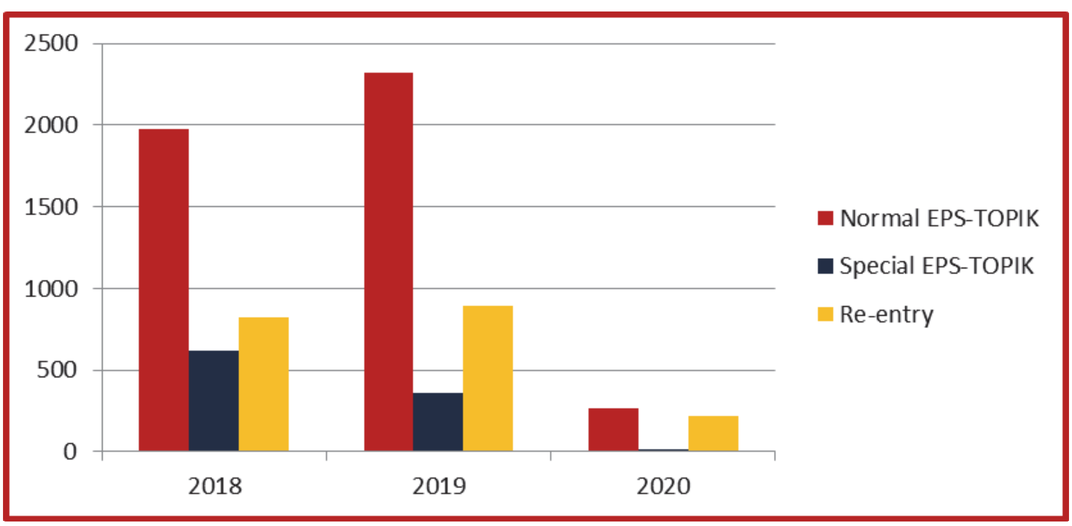
SLBFE facilitates the recruitment of Sri Lankans to South Korea under the Employment Permit System (EPS). This project is implemented as per the MOU signed between Sri Lanka & South Korea.

The Recruitment Division of the SLBFE has been renamed as the Recruitment (Korean) Division since 2017 to implement this programme coordinating with the Human Resources Development (HRD) in Korea.

Following activities are carried out by the Recruitment (Korean) Division under EPS for efficient implementation of this recruitment programme.

- Korean Language Proficiency Test (Point system exam/Normal EPS-TOPIK & Special EPS-TOPIK)
- Pre-departure training for selected candidates
- Issuance of job agreements
- Assistance to obtain pre-departure bank loans
- Departure arrangements
- Assistance to obtain pension benefits from Korea (for returnees)
- Happy Returnees Programme

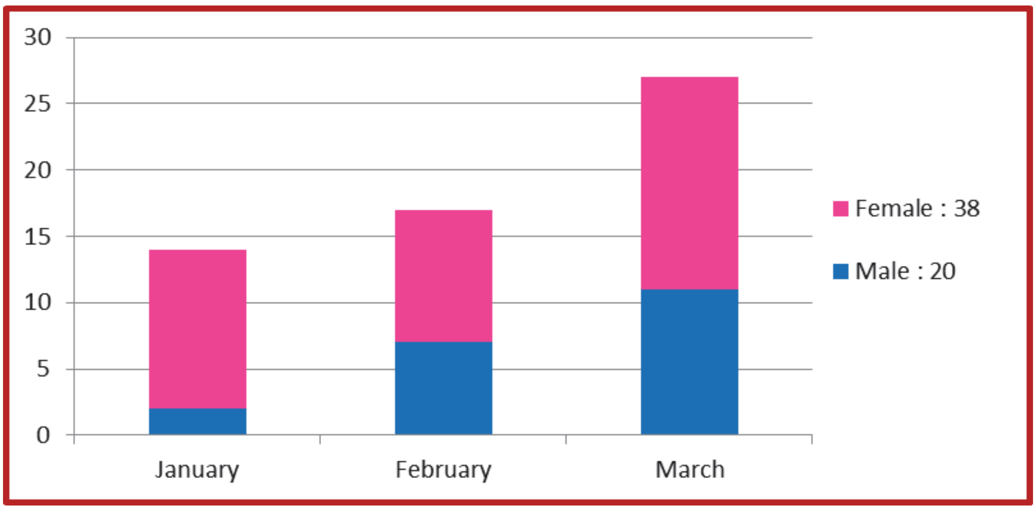
Departures to South Korea: 2018 - 2020



The COVI-19 global pandemic has affected to the departures in all categories decreasing the numbers in 2020: 500 compared to the previous years; 2019: 3580& 2018: 3419.

Recruitment of Sri Lankans youth to Japan under Technical Internal Training Programme (TITP) was commenced in 2017 as per the MOU signed between IM Japan and the Ministry of Foreign Employment & SLBFE.

Departures to Japan – 2020: 58



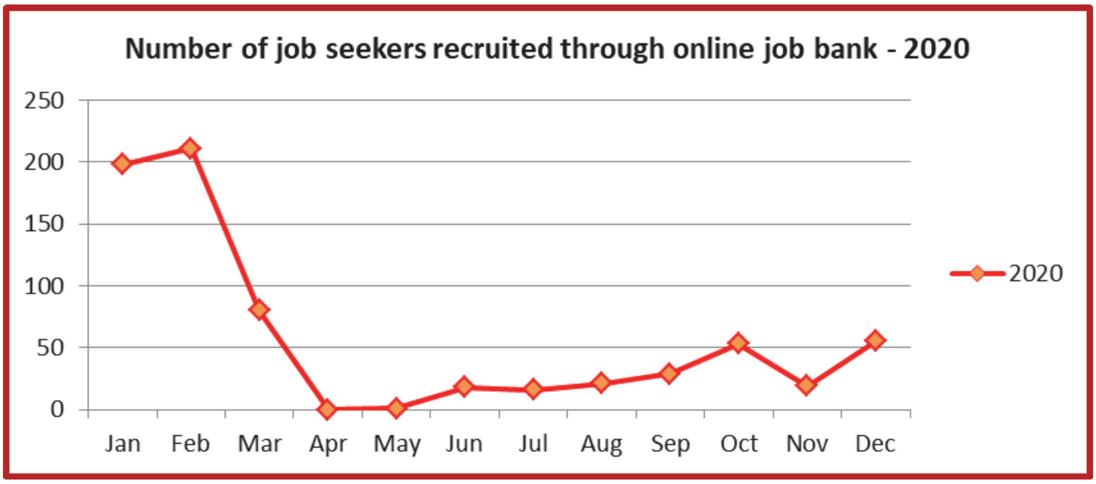
Employment Promotions

SLBFE implements various programmes locally and internationally to promote foreign employment of Sri Lankans. Local promotional programmes provide career guidance for job seekers.

Mobile Services, Job Fairs and Awareness Programmes etc, are conducted with the coordination of SLBFE Regional Centers, Government & Non-Government Organizations and the Labour Sections in Sri Lanka Diplomatic Missions Overseas.

"Vdigamanika Navodaya" a radio programme which was broadcasting every Friday in SLBC with the objective of making awareness to the public on foreign employment and success stories of the migrant workers was a new promotional programme carried out in 2020.

Online Job Bank of the SLBFE facilitates the job seekers to register and find foreign Employment opportunities. Licensed Foreign Employment Agencies and Employers are also facilitated to find suitable applicants for the vacancies available with them.

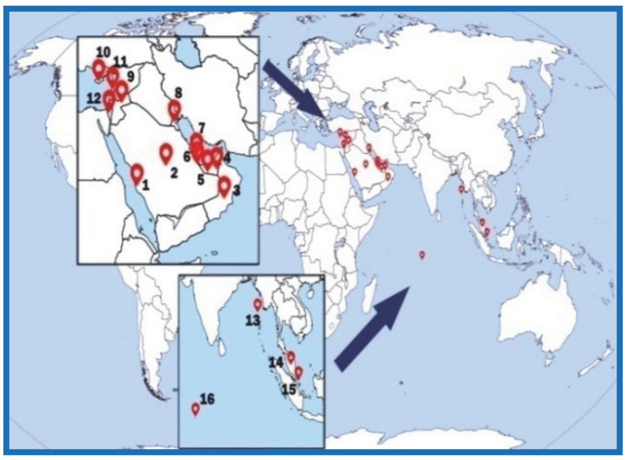


Approved vacancies available with Licensed Foreign Employment Agencies (LFEAs)are published through the SLBFE's website (www.slbfe.lk) to facilitate the job seekers to find foreign employment vacancies available with the LFEAs. The job seekers or any other party can view the details of the LFEAs, vacancies and approved minimum wages, qualifications needed, approved recruitment charges etc.

The SLBFE has obtained the ISO 9001:2008 Quality Certifications in 2012 and upgraded the Quality Management System to ISO 9001:2015.

Operations in Overseas Network

Employment and Welfare Sections in Sri Lanka Diplomatic Missions Overseas



16 Employment & Welfare (E&W) Sections have been established at the Sri Lanka Diplomatic Missions in 14 countries, including Abudhabi, Bahrain, Cyprus, Dubai, Israel, Jordan, Jeddah, Kuwait, Lebanon, Malaysia, Maldives, Oman, Qatar, Riyadh, South Korea & Singapore.

Overseas Administration & Foreign Relations Division of the SLBFE coordinates the operations of these Sections through the Heads of relevant Missions and provides services to the migrant workers.

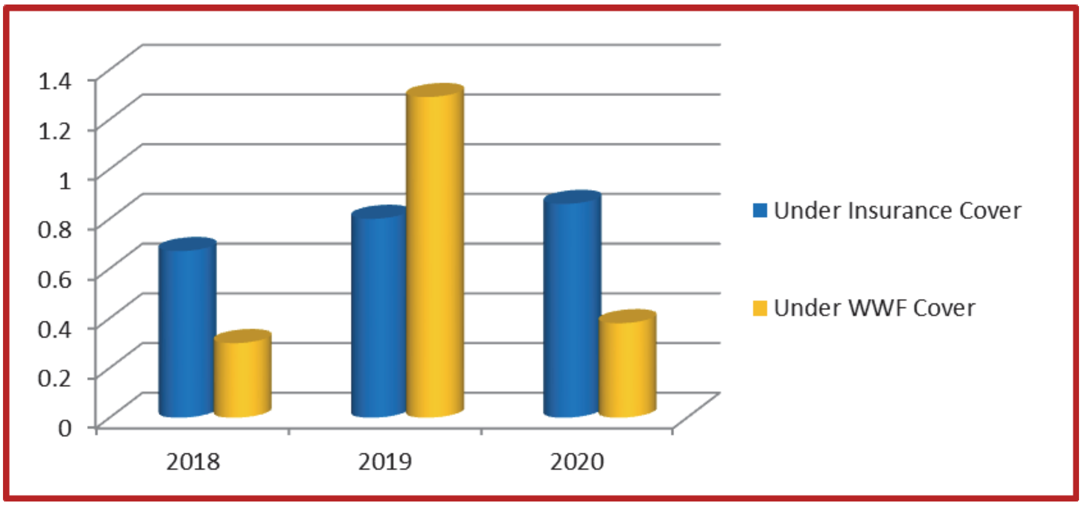
Some of the activities of this Division consist of;

- Deployment of Diplomatic Officers & Support Staff to the E&W Sections
- Implementing regulatory procedures on recruitments for foreign employment
- Facilitating signing of bilateral agreements / MOU with labour receiving countries
- Organizing conference/seminars/ workshops locally & internationally
- Repatriating stranded Sri Lankan workers
- Providing assistance in the event of a death of migrant workers
- Assisting migrant workers who are arrested, jailed, police custody & hospitalized
- Operation of Safe Houses at Sri Lanka Diplomatic Missions
- Sending & Receiving Delegations
- Monitoring the process of migrant worker's registrations/renewals at SLBFE

SLBFE provides airfare for the needy migrant workers for their return to Sri Lanka as per the recommendation of Sri Lanka Diplomatic Missions.

Description of airfare provided for MWs	2018		2019		2020	
	No. of persons	Cost (Mn.)	No of persons	Cost (Mn.)	No of persons	Cost (Mn.)
Under insurance cover	18	0.67	21	0.8	16	0.86
Under WWF cover	7	0.30	19	1.29	8	0.38

Cost of the Airfare provided for Migrant Workers: 2018 -2020



SLBFE assists family members of the deceased migrant workers for the dispatch of human remains with the coordination of the Ministry of Foreign Affairs and relevant Sri Lanka Diplomatic Missions. The SLBFE pays Rs.30, 000/- to the families of the deceased migrant workers as funeral expenses in addition to the financial assistance provided under the insurance scheme.

Description	2020	
	No of HR	Cost (Rs.Mn)
Repatriation of human remains under WWF	7	1.43
Funeral Expenses	114	2.4

The SLBFE maintains Safe Houses attached to Sri Lanka Diplomatic Missions in Abudhabi, Dubai, Cyprus, Jeddah, Jordan, Kuwait, Lebanon, Malaysia, Oman, Qatar& Riyadh. A total number of 1344 female workers were accommodated at the Safe Houses during the year.

The SLBFE provided food, medical facilities, cost of airline tickets, transport facilities, legal assistance & other essential items/assistance to the safe house inmates. The total cost of services offered to the distressed workers & maintenance of safe houses are borne under the Workers Welfare Fund (WWF) of the SLBFE. The SLBFE had spent Rs.Mn.19.69 (January to October) for the operations of the Safe Houses in 2020.

Assistance provided for the migrant workers who are arrested, jailed, police custody & hospitalized in the destination countries

Year	Jail	Police	Hospital
2018	167	12	104
2019	60	4	99
2020	81	3	94

Complaints reported to the Sri Lankan Missions

Year	Received Complaints	Settled Complaints
2018	283	273
2019	161	175 (accumulated)
2020	160	113

Administrations and Infrastructure

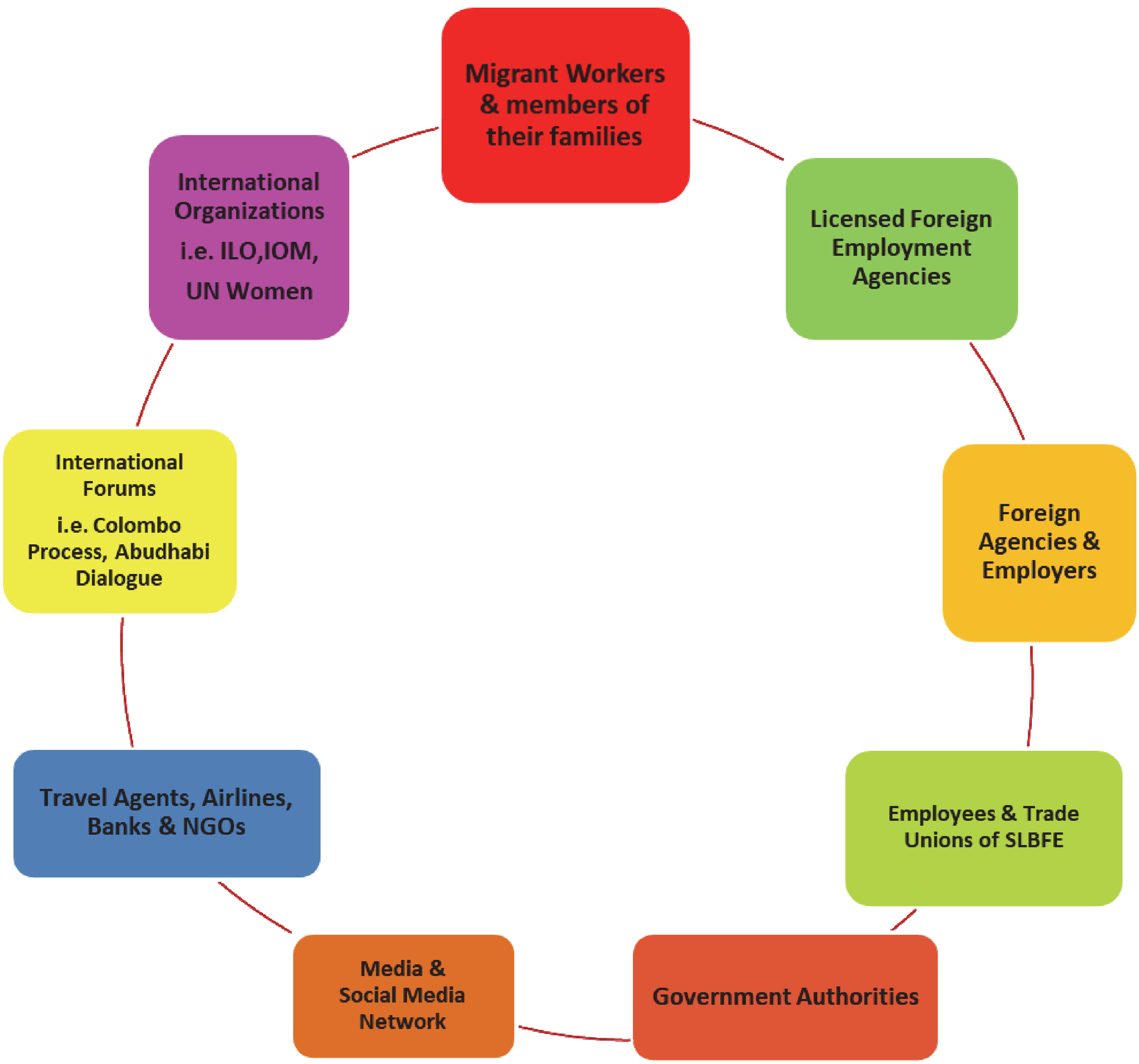
As the sole state institution which is responsible for the protection and welfare of the contractual labour migrants, the SLBFE manages its operations with effective use of the human and other resources and information technology under the principals of good governance and accountability with the prime intention of providing efficient and effective services for its stakeholders.

The wide area network (WAN) which connectsthe Head Office,Local& Foreign branch offices including the Labour Sections of Sri Lanka Diplomatic Missions abroad, the LFEAs and foreignrecruitmentagencies, improves the efficiency of operations of the institution.

The SLBFE official website (www.slbfe.lk) has been a source of various information on foreign employment industry in Sri Lanka.

Engagement with Stakeholders

SLBFE's engagement with its stakeholders effectively shapes its functions to reach the organizational goals. The stakeholder consultative processes help SLBFE to create the basis of effective strategy development. Stakeholders can provide essentials/requirements or constraints on the industry which will be important to gain competitive advantages.



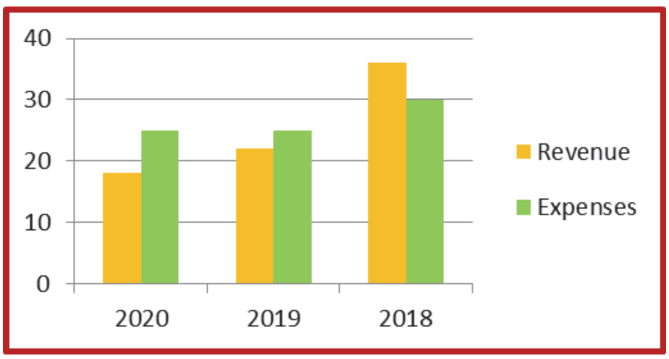
Subsidiary of SLBFE

SRI LANKA FOREIGN EMPLOYMENT AGENCY (SLFEA)

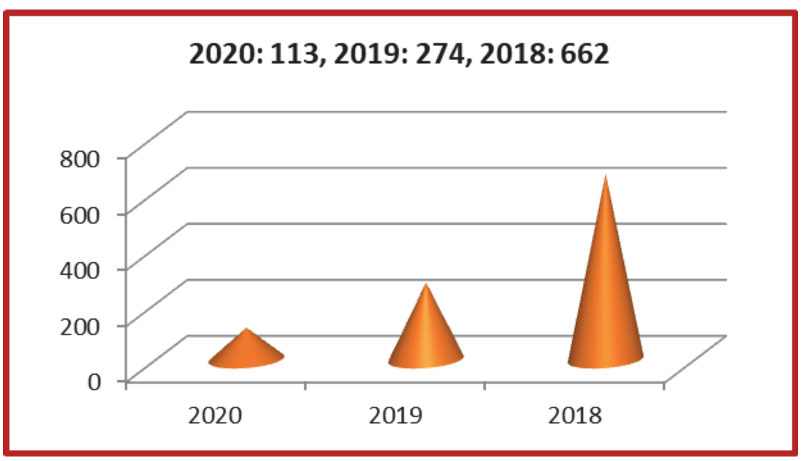
Sri Lanka Foreign Employment Agency was established in 1996 as a fully owned subsidiary of SLBFE under the purview of the Ministry of Foreign Employment. The SLFEA's registered office is located at No.12, Narahenpita Road, Nawala. The key activities of the company include training of foreign jobseekers to upgrade their skills and recruitment of Sri Lankans for foreign employment. The SLFEA acts as the government recruitment arm that caters jobseekers and foreign principles.

Revenue & Expenses in 2020-2018 – Rs. Mn.

	2020	2019	2018
Revenue	18	22	36
Expenses	25	25	30



Departures for foreign employment through SLFEA from 2020 to 2018



Financial

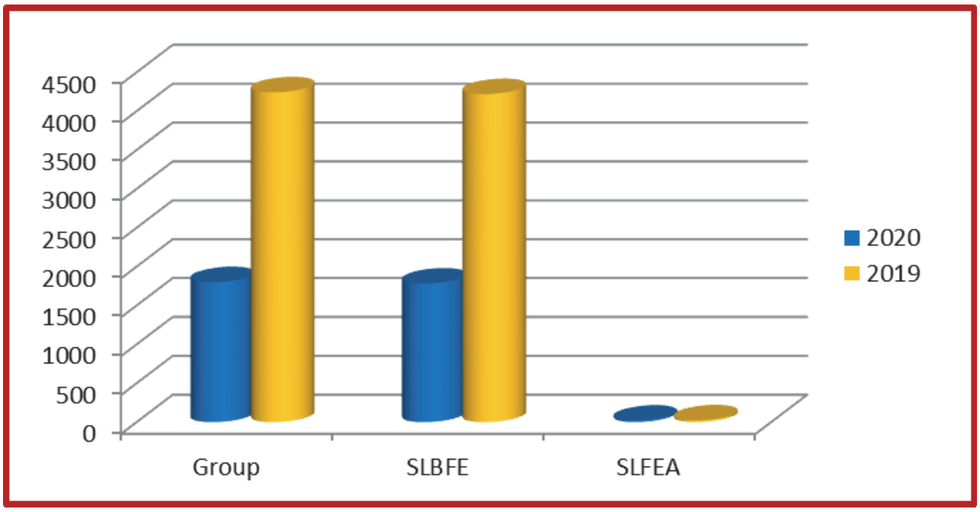
Financial Overview

The SLBFE's Finance Division is responsible for acquiring funds and also managing funds within the organization, and planning the effective expenditure of funds adhering to the financial control measures with a view to support all the local & overseas activities of the SLBFE.

Revenue of the Group, SLBFE & SLFEA 2020-2018 (Rs. Mn.)

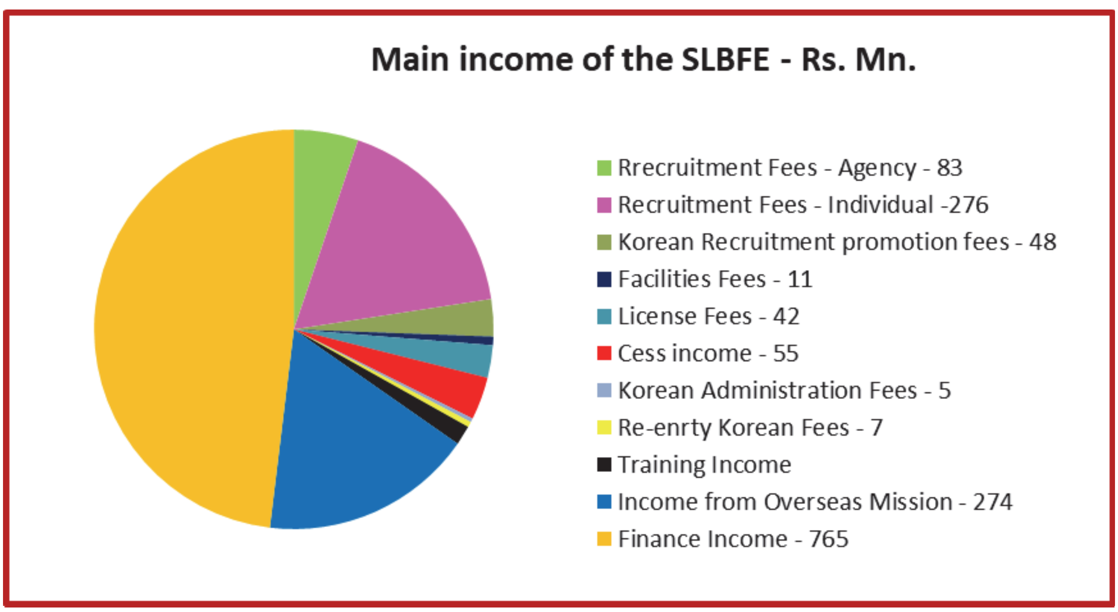
	2020	2019	2018
Group			
Revenue	1,799	4,241	4,507
Profit before tax	-638	1,046	1,532
Profit after tax	-744	756	1,171
Non-current assets	2,166	2,309	2,714
Current assets	14,563	14,679	14,047
Current liabilities	1,867	1,765	1,893
SLBFE			
Revenue	1,781	4,218	4,471
Profit before tax	-631	1,049	1,525
Profit after tax	-737	759	1,166
Non-current assets	2,088	2,244	2,648
Current assets	14,441	14,554	13,898
Current liabilities	1,817	1,715	1,820
SLFEA			
Revenue	18	22	36
Profit before tax	-7	-3	6
Profit after tax	-7	-3	4
Non-current assets	78	124	73
Current assets	123	72	149
Current liabilities	49	51	75

Revenue of Group, SLBFE and SLFEA: 2020-2019

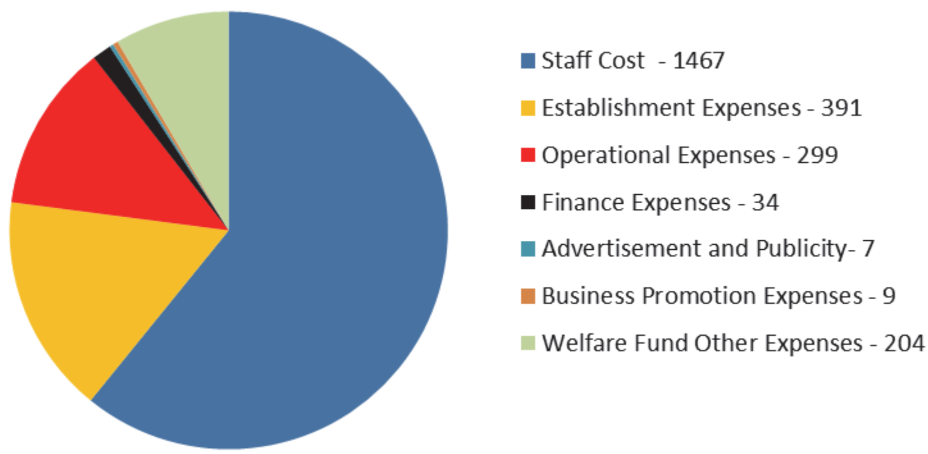


Main income of the SLBFE

	2020	2019	2018
Recruitment fees- Agency	83	311	300
Recruitment fees - Individual	276	1018	1151
Korean Recruitment promotion fees	48	120	103
Facilities Fees	11	41	42
License Fees	42	62	52
Cess Income	55	198	194
Korean Administration Fees	5	14	12
Re-entry Korean Fees	7	14	16
Training Income	25	68	33
Income from Overseas Mission	274	1080	1172
Finance Income	765	994	890



Main Operating Expense of SLBFE - 2020 Rs. Mn.



Our Bankers

Bank of Ceylon

People's Bank – The Pulse of the People

NSB National Savings Bank

SMIB State Mortgage & Investment Bank

Financial Statements

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

CONSOLIDATED INCOME STATEMENT

	Notes	GROUP 2020 Rs.	GROUP 2019 Rs.	SLBFE 2020 Rs.	SLBFE 2019 Rs.
Revenue	4	876,485,748	3,087,494,421	868,962,553	3,075,269,084
Other Income	5	148,219,968	149,179,964	146,145,874	149,366,715
		1,024,705,716	**3,236,674,385**	**1,015,108,427**	**3,224,635,799**
Expenses					
Staff Cost	6	1,482,421,649	1,759,589,064	1,467,494,641	1,743,826,083
Establishment Expenses	6	395,050,377	529,559,467	391,063,027	525,133,978
Operational Expenses	6	304,649,948	332,113,975	298,846,378	326,911,573
Finance Expenses	6	33,806,973	9,571,659	33,725,912	9,455,315
Advertisement and Publicity	6	6,920,736	13,814,795	6,869,123	13,681,253
Business Promotion Expenses	6	9,401,832	68,794,935	9,172,186	68,785,489
Welfare Other Expenses	6	204,269,330	481,486,840	204,269,330	481,486,840
		2,436,520,844	**3,194,930,735**	**2,411,440,597**	**3,169,280,531**
Finance Income	7	774,130,758	1,004,890,788	765,577,719	994,294,952
		774,130,758	**1,004,890,788**	**765,577,719**	**994,294,952**
			-		
Profit/(Loss) Before Tax		**(637,684,370)**	**1,046,634,438**	**(630,754,450)**	**1,049,650,220**
			-		
Tax Expenses	8	(106,206,904)	(290,231,707)	(106,206,904)	(290,231,707)
			-		
Profit After Tax		**(743,891,274)**	**756,402,731**	**(736,961,354)**	**759,418,513**

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

	GROUP 2020 Rs.	GROUP 2019 Rs.	SLBFE 2020 Rs.	SLBFE 2019 Rs.
Profit after tax	(743,891,274)	756,402,731	(736,961,354)	759,418,513
Other comprehensive income				
Actuarial (Loss)/Gain on post employment benefits	(50,158,579)	(15,118,552)	(49,977,107)	(15,224,572)
Total Other comprehensive income for the year, net of taxes	**(50,158,579)**	**(15,118,552)**	**(49,977,107)**	**(15,224,572)**
Total comprehensive income for the year	**(794,049,853)**	**741,284,179**	**(786,938,461)**	**744,193,941**

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	GROUP 2020 Rs.	GROUP 2019 Rs.	SLBFE 2020 Rs.	SLBFE 2019 Rs.
ASSETS					
Non-current assets					
Intangible Assets	9	1,000	4,825,000	1,000	4,825,000
Right-of use assets	10.1	196,765,088	122,378,554	196,765,088	122,378,554
Property, plant and equipment	10.2	1,604,817,540	1,749,293,489	1,521,103,398	1,679,448,370
Investment in Subsidiary	11	-	-	5,000,000	5,000,000
Staff Loans	12.1	255,265,156	259,618,773	255,265,156	259,618,773
Pre-paid Staff Loan	12.2	88,259,166	105,977,521	88,259,166	105,977,521
Non Current Financial Assets	13	2,282,516	47,708,016	2,282,516	47,708,016
Prepayments & Other Receivables	15	14,569,096	15,016,767	14,569,096	15,016,767
Work In Progress-Buildings	10.3	4,621,324	4,621,324	4,621,324	4,621,324
		2,166,580,886	**2,309,439,444**	**2,087,866,744**	**2,244,594,325**
Current Assets					
Inventory	14	13,706,045	15,818,469	13,433,630	15,527,639
Current Financial Assets	13	9,661,072,818	9,886,845,720	9,555,703,132	9,785,077,449
Surplus Trust Fund		-	21,912,150	-	21,912,150
Staff Loans	12.1	100,273,374	99,073,001	97,160,884	96,375,042
Prepayments & Other Receivables	15	1,184,243,308	1,114,044,114	1,175,967,465	1,106,198,140
Sundry Advances		31,867,595	39,216,691	31,843,456	39,056,598
Cash and Cash Equivalent	16	3,572,144,531	3,502,602,083	3,566,510,654	3,490,201,565
		14,563,307,671	**14,679,512,228**	**14,440,619,221**	**14,554,348,583**
TOTAL ASSETS		**16,729,888,557**	**16,988,951,672**	**16,528,485,965**	**16,798,942,908**
EQUITY AND LIABILITIES					
EQUITY					
Capital		691,161,789	691,161,789	691,161,789	691,161,789
Accumulated Fund		10,028,954,979	10,787,957,048	9,906,669,322	10,658,559,845
Revaluation Reserve		66,167,346	49,522,346	41,713,346	41,713,346
Grant		58,760	-	58,760	-
Total Equity		**10,786,342,874**	**11,528,641,183**	**10,639,603,217**	**11,391,434,980**

	Notes	GROUP 2020 Rs.	GROUP 2019 Rs.	SLBFE 2020 Rs.	SLBFE 2019 Rs.
Non Current Liabilities					
Retirement Benefit Obligation	3.11	230,658,845	160,717,288	226,794,082	158,079,070
Kuwait compensation- reserve	21	3,513,238,064	3,345,548,116	3,513,238,064	3,345,548,116
Deferred Tax Liability	18.1	172,078,752	91,700,873	172,343,405	91,965,526
Lease Liabilities		159,146,659	96,693,160	159,146,659	96,693,160
Interest Bearing Borrowing		1,650,000	-	-	-
		4,076,772,320	**3,694,659,437**	**4,071,522,210**	**3,692,285,872**
Current Liabilities					
Taxation	18.2	169,530,386	211,528,493	171,496,799	213,494,906
Agency Creditors		280,500,876	307,421,950	281,344,569	308,486,144
Accrued Expenses		104,985,640	90,330,829	101,369,054	86,195,918
Sundry Creditors & Borrowings	19	1,257,811,782	1,123,236,562	1,211,021,496	1,073,927,929
Lease Liabilities		43,389,086	24,926,676	43,389,086	24,926,676
Migrant Workers' Contributions		8,739,534	8,190,483	8,739,534	8,190,483
Short Term Borrowing		1,800,000			
Dividend Tax payable		16,059	16,059	-	-
		1,866,773,363	**1,765,651,052**	**1,817,360,538**	**1,715,222,058**
TOTAL EQUITY AND LIABILITIES		**16,729,888,557**	**16,988,951,672**	**16,528,485,965**	**16,798,942,908**

The Accounting policies and Notes on pages 07 to 53 form an integral part of the these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors on 01.06.2021 and signed on their behalf.

L. A. P. K. Liyanwala
D.G.M.Finance

Kamal Ratwatte
Chairman

N. P. Thibbotumunuwa
Director

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

		GROUP 2020 Rs.	GROUP 2019 Rs.	SLBFE 2020 Rs.	SLBFE 2019 Rs.
Cash Flow From Operating Activities					
Net Profit Before Tax		**(637,684,370)**	**1,046,634,438**	**(630,754,450)**	**1,049,650,220**
Adjustment For;					
Depreciation		227,546,527	160,438,961	224,728,168	159,148,586
Amortization of Intangible Assets		4,824,000	5,125,000	4,824,000	4,825,000
Interest Income		(774,130,758)	(1,004,890,788)	(765,577,719)	(994,294,952)
Finance Expense		33,806,973	9,571,659	33,725,912	9,455,315
Provision for Deferred Tax		-	17,323,963	-	17,323,963
Staff Loan Expenses-SLFRS		-	24,528,813	-	24,528,813
Interest Expenses-SLFRS		-	27,522,739	-	27,522,739
Lease Rental Expenses		447,671	447,671	447,671	447,671
Revaluation Reserve		16,645,000	-	-	-
Profit/Loss on Disposal of PPE		188,069	(10,242,723)	233,069	(10,242,723)
Exchange Gain		(120,329,631)	56,439,176	(120,162,801)	56,228,425
Interest on SLFEA Loan		(12,500)	(12,500)	(12,500)	(12,500)
Grants Income		(11,240)	-	(11,240)	-
Adjustments For the Year		(154)	(20,307,733)	-	(20,054,615)
Under Provision of Disposal assets Depreciation		(83,403)	-	(83,403)	-
Transfer to Consolidated Fund		-	(650,000,000)	-	(650,000,000)
Gratuity Provision		30,742,390	24,274,359	30,223,510	23,803,098
		(1,218,051,427)	**(313,146,963)**	**(1,222,419,785)**	**(301,670,959)**
Tax Paid		(52,514,615)	(522,778,918)	(52,514,615)	(521,639,115)
Gratuity Paid		(11,485,605)	(8,341,744)	(11,485,605)	(8,341,744)
		(64,000,220)	**(531,120,661)**	**(64,000,220)**	**(529,980,858)**
Net Cash Inflow/Outflow from Operating Activities Before Working Capital Changes		**(1,282,051,647)**	**(844,267,625)**	**(1,286,420,005)**	**(831,651,818)**
Working Capital Changes					
Increase/Decrease in Receivables	i	(76,050,191)	(92,453,988)	(75,774,690)	(92,135,814)
Provisions for the year (kuwait Fund)		-	50,676,848	-	50,676,848
Increase/Decrease in Creditors	ii	357,716,355	185,394,290	360,006,332	206,764,227
		281,666,164	**143,617,150**	**284,231,642**	**165,305,261**
Net Cash Inflow/Outflow from Operating Activities		**(1,000,385,482)**	**(700,650,474)**	**(1,002,188,363)**	**(666,346,556)**
Cash Flow From Investing Activities					
Acquisition of Property, Plant & Equipment		(25,241,066)	(113,043,232)	(8,553,530)	(112,947,557)
Proceeds from Disposal of PPE		255,000	10,480,897	209,850	10,480,897
Exchange Gain		-	(56,439,176)	-	(56,228,425)
Interest Income		928,863,898	1,004,890,788	920,310,859	994,294,952
Interest Expenses-SLFRS		-	(27,522,739)	-	(27,522,739)
Staff Loan Expenses-SLFRS		-	(24,528,813)	-	(24,528,813)
Loan Recovery of Non Cash benefit		-	(76,859)	-	(76,859)
Investment in Financial Assets	iii	242,672,278	37,097,199	246,521,392	37,435,048
Investment in Surplus Trust Fund		-	(1,290,383)	-	(1,290,383)
Net Cash Inflow/Outflow from Investing Activities		**1,146,550,110**	**829,567,678**	**1,158,488,571**	**819,616,123**
Cash Flow From Financing Activities					
Finance Expense		(33,235,228)	(9,571,659)	(33,154,167)	(9,455,315)
Right-of use assets		(46,836,951)	(10,795,442)	(46,836,951)	(10,795,442)
Proceeds from long borrowings		3,450,000	(210,826)	-	-
Provision for Deferred Tax		-	(17,323,963)	-	(17,323,963)
Net Cash Inflow/Outflow from Finance Activities		**(76,622,180)**	**(37,901,890)**	**(79,991,118)**	**(37,574,720)**
Net Change in Cash & Cash Equivalent		**69,542,448**	**91,015,315**	**76,309,089**	**115,694,847**
Cash & Cash Equivalent at the beginning of the year		**3,502,602,083**	**3,411,586,767**	**3,490,201,565**	**3,374,506,717**
Cash & Cash Equivalent at the end of the year		**3,572,144,531**	**3,502,602,083**	**3,566,510,654**	**3,490,201,565**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	Group	Bureau
Note i		
Increase/Decrease in Receivables		
Increase/Decrease in Consumable items	2,112,424	2,094,009
Increase/Decrease in Payments and Other Receivables	(85,511,712)	(85,081,842)
Increase/Decrease in Sundry Advance	7,349,097	7,213,143
	(76,050,191)	**(75,774,690)**
Note ii		
Increase/Decrease in Creditors		
Increase/Decrease in Agency Creditors	(26,921,074)	(27,141,575)
Increase/Decrease in Accrued Expenses	14,654,811	15,173,136
Grativity Payable	526,194	-
Increase/Decrease in Migrant workers' Contribution	(22,694)	(22,694)
Kuwait compensation	219,492,067	219,492,067
Increase/Decrease in Other Creditors	149,987,051	152,505,398
	357,716,355	**360,006,332**
Note iii		
Investment in Financial Assets		
Increase/Decrease in staff Loan	20,871,598	21,286,129
Increase/Decrease Treasury Bonds	535,953,423	535,953,423
Increase/Decrease in Fixed Deposit	(314,152,743)	(310,718,160)
	242,672,278	**246,521,392**

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	GROUP				SLBFE					
	Capital	Accumulated Fund	Revaluation Surplus	Total	Capital	Bureau	Welfare Fund	Total	Revaluation Surplus	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 January 2019	691,161,789	10,716,980,601	49,522,346	11,457,664,736	691,161,789	5,771,111,007	4,813,309,511	10,584,420,518	41,713,346	**11,317,295,653**
Profit for the year		756,402,731		756,402,731		507,668,195	251,750,318	759,418,513	-	**759,418,513**
Other comprehensive income		(15,118,552)		(15,118,552)		(15,224,572)		(15,224,572)	-	**(15,224,572)**
Adjustment for the year		(20,307,733)		(20,307,733)		(20,054,615)	-	(20,054,615)	-	**(20,054,615)**
Transfer to Consolidated Fund		(650,000,000)		(650,000,000)		(650,000,000)		(650,000,000)	-	**(650,000,000)**
Total	**691,161,789**	**70,976,447**	**49,522,346**	**70,976,447**	**691,161,789**	**(177,610,992)**	**251,750,318**	**74,139,326**	**-**	**74,139,326**
Balance as at 31 December 2019	**691,161,789**	**10,787,957,048**	**49,522,346**	**11,528,641,183**	**691,161,789**	**5,593,500,015**	**5,065,059,830**	**10,658,559,845**	**41,713,346**	**11,391,434,980**
Balance as at 01 January 2020	691,161,789	10,787,957,048	49,522,346	11,528,641,183	691,161,789	5,593,500,015	5,065,059,830	10,658,559,845	41,713,346	11,391,434,980
Adjustment of SLFRS 2015-2018		98,890,164		98,890,164		98,890,164		98,890,164		98,890,164
Adjustment of SLFRS & Exchange Gain Opening balance 2019		(93,323,094)		(93,323,094)		(93,323,094)		(93,323,094)		(93,323,094)
Profit for the year	-	(743,891,274)	-	(743,891,274)	-	(262,503,884)	(474,457,471)	(736,961,354)		(736,961,354)
Other comprehensive income	-	(50,158,579)	-	(50,158,579)	-	(49,977,107)		(49,977,107)		(49,977,107)
Vehicle Reverse	-	-	16,645,000	16,645,000		-	-	-	-	-
Adjustment for the year	-	51,801,965	-	51,801,965	-	-	51,802,119	51,802,119		51,802,119
Transfer to Consolidated Fund	-	(22,321,251)	-	(22,321,251)	-	(22,321,251)	-	(22,321,251)		(22,321,251)
Total	**-**	**(759,002,069)**	**16,645,000**	**(742,357,069)**	**-**	**(329,235,171)**	**(422,655,352)**	**(751,890,523)**		**(751,890,523)**
Balance as at 31 December 2020	**691,161,789**	**10,028,954,979**	**66,167,346**	**10,786,284,114**	**691,161,789**	**5,264,264,844**	**4,642,404,478**	**9,906,669,322**	**41,713,346**	**10,639,544,457**

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

Seperation of Income and Expenses between Bureau Fund and Welfare Fund (WWF)

Description	2020			2019
	Bureau Rs.	WWF Rs.	Total Rs.	Rs.
Revenue				
Recruitment Fees - Agency	55,695,239	27,848,150	83,543,389	311,429,143
Recruitment Fees - Individual	248,586,813	27,759,993	276,346,805	1,017,679,588
Korean Recruitment promotion Fees	-	47,651,524	47,651,524	119,716,033
Facility Fees	11,113,600	-	11,113,600	40,584,743
License Fees	41,900,400	-	41,900,400	61,678,558
Cess Income	55,016,717	-	55,016,717	198,394,366
Korean Administration Fees	5,518,719	-	5,518,719	13,867,900
Re-entry Korean Fee	6,953,501	-	6,953,501	14,045,689
Korean Training Fees	-	24,798,871	24,798,871	67,921,041
Training Income	-	41,611,779	41,611,779	149,389,882
Income from overseas mission (Note 04.1)	24,761,089	249,746,159	274,507,248	1,080,562,140
	449,546,078	**419,416,475**	**868,962,553**	**3,075,269,084**
Other Operating Income				
Grants Income	11,240	-	11,240	-
Commission received to Air ticketing Unit	194	-	194	162,330
Commission from Insurance (Local & Foreign)	-	(350,147)	(350,147)	52,525,466
Foreign Exchange Gain	138,084,107	(17,921,306)	120,162,801	(56,228,425)
Sundry Income (Sub Note-05.1)	7,650,307	18,671,479	26,321,785	152,907,345
	145,745,848	**400,026**	**146,145,874**	**149,366,715**
Less:				
Staff Cost	1,046,803,951	420,690,690	1,467,494,641	1,743,826,083
Establishment Expenses	182,258,907	208,804,120	391,063,027	525,133,978
Operational Expenses	244,057,482	54,788,896	298,846,378	326,911,573
Finance Expenses	28,531,917	5,193,995	33,725,912	9,455,315
Advertisement and Publicity	6,378,768	490,355	6,869,123	13,681,253
Business Promotion Expenses	8,432,472	739,714	9,172,186	68,785,489
Welfare Other Expenses	-	204,269,330	204,269,330	481,486,840
	1,516,463,497	**894,977,100**	**2,411,440,597**	**3,169,280,531**
Finance Income Note-7	764,874,591	703,128	765,577,719	994,294,952
	764,874,591	**703,128**	**765,577,719**	**994,294,952**
Profit/(Loss) before tax	**(156,296,980)**	**(474,457,471)**	**(630,754,450)**	**1,049,650,220**
Less: Income Tax *	(106,206,904)	-	(106,206,904)	(290,231,707)
Profit after Tax	**(262,503,884)**	**(474,457,471)**	**(736,961,354)**	**759,418,513**
Other Comprehensive Income	(262,503,884)	(474,457,471)	(736,961,354)	759,418,513
Actuarial (loss)/Gain on post employment benefits	(49,977,107)	-	(49,977,107)	(15,224,572)
Total Comprehensive Income	**(312,480,991)**	**(474,457,471)**	**(786,938,461)**	**744,193,941**

* Total income tax expense will be borned by Bureau

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1. CORPORATE INFORMATION

1.1 General

Sri Lanka Bureau of Foreign Employment (SLBFE) is a Public Corporation established under the Act No. 21 of 1985 (Subsequent Amendments Act No. 04 of 1994 and Act No. 56 of 2009) and currently under the supervision of State Ministry of Foreign Employment Promotions and Market Diversification . The registered office and the principal place of the business are located at No. 234, Denzil Kobbekaduwa Mawatha, Koswatta, Battaramulla.

1.2 Principal Activities and Nature of Operations

1.2.1 Sri Lanka Bureau of Foreign Employment

The main activities of the SLBFE is promotion and development of overseas employment for Sri Lankan's while assisting and regulating the business of foreign employment securing welfare and protection of Sri Lankans employed out of the country and their families.

1.2.2 Shareholding in Subsidiary

Subsidiary and its ownership as at December 31, 2020 and December 31, 2019 are as follows.

Subsidiary	Principal Activities	Type of Investment	31 December 2020	31 December 2019
Sri Lanka Foreign Employment Agency (Pvt) Ltd.	Provision of training to upgrade the skills Recruitment for Foreign Employment	Subsidiary	100%	100%

The Financial Statements of the group have a common financial year which ends on 31st December. Consolidated Financial Statements of Sri Lanka Bureau of Foreign Employment (Bureau) as at 31st December 2020 comprise the Bureau and its subsidiary Sri Lanka Foreign Employment Agency (Pvt) Ltd (SLFEA).

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements which comprise the Income Statement, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Equity, together with the Significant Accounting Policies and Notes, (the 'Financial Statements') as at 31st December 2020 and for the year then ended, have been prepared in accordance with Sri Lanka Accounting Standards, which include Sri Lanka Financial Reporting Standards ("SLFRS"s), Sri Lanka Accounting Standards ("LKAS"s), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC"). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise state

2.2 Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Bureau and its subsidiary as per the Sri Lanka Accounting Standards (SLFRSs/LKASs).

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The Board of Directors acknowledges this responsibility as set out in the Statement of "Directors' Responsibility for Financial Statements" (Refer page 03), "Annual Report of the Board of Directors" (Refer page …) and in the statement appearing with the Statement of Financial Position (Refer page 03) of the Financial Statements.

The Financial Statements for the year ended 31 December 2020, were approved and authorized for issue by the Board of Directors on 28.04.2021

2.3 Basis of Measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention unless otherwise stated.

The financial statements are presented in Sri Lankan Rupees which is the Group's functional and presentation currency.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, Management has made various judgments. Those which management has assessed to have the most significant effect on the amounts recognized in the Consolidated Financial Statements have been discussed in the individual Notes of the related Financial Statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual Notes of the related Financial Statement line items below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Management considered the following items, where significant judgements, estimates and assumptions have been used in preparing these Financial Statements.

Going concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties related to event or conditions that may cast significant doubt upon the Group's/Bureau's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on a going concern basis.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
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Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 December 2020 is included in the following Notes:

- Income Tax (current tax and deferred tax) (Note 3.6)
- Revaluation of property, plant and equipment (Note 3.1)
- Measurement of defined benefit obligation: key actuarial assumptions (Note 3.11)
- Recognition and measurement of provisions and contingencies: key assumption about the likelihood and magnitude of an outflow of resources (Note 3.10.1.2)
- Impairment of financial assets: key assumption underlying recoverable amount (Note3.7.5)

2.5 Comparative Information

Comparative information has been restated where it mentioned in the relevant notes to the financial statements in compliance with the Sri Lanka Accounting Standards (SLFRS/LKAS). Unless otherwise stated, the accounting policies have been consistently applied by the SLBFE with those of the previous financial year in accordance with LKAS 01 Presentation of Financial Statements. Further, comparative information is reclassified wherever necessary to comply with the current presentation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the SLBFE in preparation of its financial statements are included below. The accounting policies set out below have been applied consistently to all periods presented in theses financial statements unless otherwise indicated.

Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification.

An Asset is current when it is:

- Expected to be realized or intended to sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities including deferred tax liabilities as non-current.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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ASSETS AND RECEIVABLES

3.1 Property Plant and Equipment

Properties (land & buildings) are initially recognized at cost and subsequently stated at re-valued balances net of accumulated depreciation and accumulated impairment losses, if any. The revaluation of properties will be performed once in every 5 years if there are only insignificant movements in values. Revaluation will be performed annually if there are significant movements in property values.

Plant and Equipment is initially recognized at cost and subsequently stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Day-today repair and maintenance costs are recognized in the income statement as incurred.

An item of Property Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de -recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

3.1.1 Depreciation

Depreciation is calculated on straight line basis over the estimated useful lives of all Property Plant and Equipment other than freehold land.

Useful life time and the residual value of the assets are assessed at the end of each financial year end. The estimated useful lives for the current and comparative years for the SLBFE are as follows;

Buildings & Partitioning	13 1/3 Years
Motor Vehicles	5 Years
Other Office Equipment	5 Years
Computers	4 Years
Electrical Goods and Accessories	5 Years
Sundry Equipment	2 Years
Library Books	2 Years
Furniture & Fittings – Wooden	13 1/3 Years
Fittings – Steel	13 1/3 Years
Training Equipment	5 Years
Leasehold Assets	Over lease period

3.1.2 Revaluation

Any revaluation surplus is recognized in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Where land and buildings are subsequently revalued, the entire class of assets is revalued at fair value on the date of revaluation.

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3.1.3 Accounting for leases where the SLBFE and the Group are the lessee

Leases are recognized as right-of-use ('ROU') asset and a corresponding liability at the date on which the leased asset is available for use by the SLBFE and the Group (i.e. the commencement date).

(a) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs;

ROU assets that are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight -line basis.

(b) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the SLBFE and the Group, the lessee's incremental borrowing is used.

  This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The SLBFE and the Group present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in comprehensive income.

(c) Short term leases

Short-term leases are leases with a lease term of 12 months or less and recognized on a straight-line basis as an expense in comprehensive income.

3.3 Intangible Assets

3.3.1 Basis of Recognition

An Intangible asset is recognised if it is probable that future economic benefit associated with the assets will flow to the entity and cost of the asset can be reliably measured.

3.3.2 Basis of Measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

3.3.3 Useful Economic Lives and Amortization

Amortization is recognised in profit and loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and brand name, from the date on which they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Information System & Program 5 Years

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3.3.4 De-recognition of Intangible Assets

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Income Statement when the asset is derecognised.

3.3.5 Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit and loss as incurred.

3.4 Impairment of non-financial assets

The SLBFE assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the SLBFE estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.5 Foreign Currencies

(a) Functional and Presentation Currency

Items included in the financial statements of the SLBFE are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Sri Lankan Rupees, which is SLBFE's functional and presentation currency.

(b) Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of SLBFE at exchange rates applicable on the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Foreign currency differences arising on retranslation are recognised in Income Statement. All differences arising on settlement or translation of monetary items are taken to Income Statement. Non-monetary assets and liabilities which are carried in terms of historical cost in a foreign currency are translated at the exchange rate that prevailed at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on retranslation of non-monetary items are treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Income Statement also recognised in Other Comprehensive Income or Income Statement, respectively).

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3.6 Taxation

3.6.1 Current taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Current tax relating to items recognised directly in Other Comprehensive Income is recognized in Other Comprehensive Income and not in the Income Statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.6.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

3.7 Financial Assets

3.7.1 Presentation and Disclosure

Financial Assets have been presented and disclosed in line with SLFRS 9, 'Financial Instruments',

Financial assets are disclosed in note number 13 under the notes to the financial statements.

3.7.2 Initial Recognition and Measurement

Financial Assets are classified as financial assets at Fair Value through Profit or Loss, Loans and Receivables, Held to Maturity Investments and Available-For-Sale Financial Assets as appropriate and determine the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs of assets in the case of investments not at fair value through profit or loss.

3.7.3 Subsequent Measurement

The subsequent measurement of financial assets depends on their classification are as follows;

3.7.3.1 Loans and Receivables
Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost

using the Effective Interest Rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement.

3.7.3.2 Held to Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as Held To -Maturity when the SLBFE has the positive intention and ability to hold it to maturity. After initial measurement, Held- To-Maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized as finance cost in the income statement.

3.7.4 De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when,

i) The rights to receive cash flows from the asset have expired
ii) The SLBFE has transferred its rights to receive cash flows from the asset or has assumed an obligation to Pay the received cash flows in full without material delay to a third party under a 'pass-through' Arrangement; and either
-The SLBFE has transferred substantially all the risks and rewards of the asset, or
-The SLBFE has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3.7.5 Impairment of Financial Assets

The SLBFE assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3.7.5.1 Financial Assets Carried at Amortized Cost

For financial assets carried at amortized cost, the SLBFE assesses whether objective evidence of impairment exists individually for financial assets.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Income Statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously

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recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the Income Statement.

3.8 Consumables

Consumables are measured at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

Net realizable value is the estimated selling price in the ordinary course of business less, the estimated cost of completion and the estimated costs necessary to make the sale.

3.9 Cash & Cash Equivalents

Cash and cash equivalents comprise cash in hand and bank, other short-term highly liquid investments with original maturities of three months or less from the date of acquisition.

LIABILITIES AND PROVISIONS

3.10 Financial Liabilities

Financial liabilities are initially recognized at fair value net of transaction costs and subsequently carried at amortized cost using effective interest method. They are included in current liabilities, except for maturities greater than 12 months after the end of the reporting date in which case they are classified as non-current liabilities.

De-recognition
A financial liability is derecognised when the obligation under the liability is extinguished.

3.10.1 Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows;

3.10.1.1 Other Financial Liabilities

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the income statement.

3.10.1.2 Provisions, Commitments and Contingencies Accounting Policy

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, 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. When the Group expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset when the reimbursement is virtually certain. The expense relating to provision is presented in Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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Provisions are calculated based on the historical experience and the specific terms in the individual cases. The Group arrives at an estimate on the basis of an evaluation of the most likely outcome.

All known provisions have been accounted for in preparing the Financial Statements.

Contingent Liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured. All contingent liabilities are disclosed as a Note to the Financial Statements unless the outflow of resources is remote.

SLBFE

Following court cases filed by the employees and outsiders against the SLBFE are pending and there is a total contingent liability of Rs.42,847,726

Case No.	Compensation expects from SLBFE (LKR)
SC/FR/39/17	-
DC/1852/13	10,000,000/-
DC 3895	10,000,000/-
DC/1229/2017	3,000,000/-
LT 8/582/2011	-
LT 6R/7015	2,216,760/-
SC/FR/66/19	10,000,000/-
SC/FR/72/19	5,000,000/-
A/46/2018	600,000/-
A/24/2018	1,358,976/-
A/55/2018	671,990/-

SLFEA

There are 5 pending cases against to the SLFEA, Due to the current situation on any provisions are provided for below cases.

- Ms.W.M.A.S.Fernando (Tea) - Labor Tribunal CMB – LT/01/89/2020
- Ms. W.M.A.S.Fernando (Servant) - Labor Department – CW/Com/02L/202007/368
- Ms. Sriyani Madampage – Management Ast - Labor Department – CW/Com/02L/201805/328
- Mr.L.K.Najith Darshana - (Former Manager-Business Promotion)-High Court
- M/S Insilab Medical Centre Building - district Court CMB – DRE/45/2019

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3.10.1.3 Tax Assessments

Department of Inland Revenue has issued assessments on Income Tax for the Years 2012 to 2017. The SLBFE has made appeals against those assessments. Income Tax appeal has not finalized yet.

Pending Income Tax Assessments for year 2012 to 2017

	Amount (Rs.)
Income Tax 2013	(2,787,217)
Income Tax 2014	98,450,501
Income Tax 2015	109,043,423
Income Tax 2016	174,431,987
Income Tax 2017	268,971,839
Total	648,110,533

3.11 Retirement Benefit Obligations

3.11.1 Defined benefit plan – Retirement Gratuity

The Liability recognized in the Statement of Financial Position in respect of defined benefit plan is the present value of defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 - "Employee Benefits". Remeasurements, comprising of actuarial gains and losses, are recognized immediately in the Statement of Financial Position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur remeassortments are not reclassified to profit or loss in subsequent periods.

The Group recognizes the changes in the defined benefit liability attributable to the service costs (current service costs and any past service costs) and interest expense in the profit or loss. Key assumptions used in determining the defined benefit obligation are given in Note 3.11.4

Defined benefit plan liability has not been externally funded by the SLBFE as well as subsidiary of the Group.However investments are allocated for the settlement of liability.

According to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity payment to an employee arises only after the completion of five years of continued service.

3.11.2 The following table shows reconciliation from the opening balances to the closing balances for the net defined benefit liability:

As at 31 December	Group 2020 LKR	Group 2019 LKR	SLBFE 2020 LKR	SLBFE 2019 LKR
Balance at the beginning of the year	160,717,288	129,666,120	158,079,070	127,393,144
Current service cost	13,076,680	9,362,755	12,834,813	9,152,886
Interest cost	17,665,711	14,911,604	17,388,698	14,650,212
Actuarial (Gains)/Losses	50,158,579	15,118,552	49,977,107	15,224,572
	241,618,258	169,059,031	238,279,688	166,420,814

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3.11.3 Expense recognized in the Statement of Profit or Loss and Other Comprehensive Income

As at 31 December	Group 2020 LKR	Group 2019 LKR	SLBFE 2020 LKR	SLBFE 2019 LKR
Current service cost	13,076,680	9,362,755	12,834,813	9,152,886
Interest cost	17,665,711	14,911,604	17,388,698	14,650,212
Expected return on Plan Assets				
Actuarial (gains)/losses recognized in other comprehensive income	50,158,579	15,118,552	49,977,107	15,224,572
Expenses recognized in the Income Statement	**80,900,970**	**39,392,911**	**80,200,618**	**39,027,670**

3.11.4 Key assumptions and quantitative sensitivity analysis

The costs of the defined benefit plan are determined using actuarial valuations and it involves making various assumptions. These include the determination of the discount rate, future salary increases, staff turnover and retirement age (mortality in service). Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The key assumptions and their sensitivity analyses are discussed further below:

3.11.4.1 SLBFE

An independent actuarial valuation of the retirement benefit obligation was carried out as at 31 December 2020 by professional actuaries - Messrs Actuarial & Management Consultants (Pvt) Ltd .

The valuation method used by the Actuaries to value the Retirement Benefit Obligation is the "Projected Unit Credit Method". The method recommended by the LKAS 19 - "Employee Benefits".

The Principal assumptions used in determining the cost of employee benefits were:

Description	**2020**	**2019**
Discount rate (%)	8 p.a	11 p.a
Expected annual average salary increment rate (%)	1.84	1.84
Staff turnover factor (%)	1	1
Retirement age (Years)	60	60

3.11.4.2 Group

Sri Lanka Foreign Employment Agency (Pvt) Ltd

An actuarial valuation of the provision for employee benefits was carried out as at 31 December 2020 by Actuarial and Management Consultants (Private) Limited. The valuation method used by the Actuaries to value the Employee Benefit Obligation is the "Projected Unit Credit Method". The method recommended by the LKAS 19 - "Employee Benefits".

The principal assumptions used in determining the employee benefits obligation were:

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Description	2020	2019
Discount rate (%)	8	10.5
Staff turnover factor (%)	8	8
Retirement age (Years)	60	60

3.11.4.3 Sensitivity of assumptions used

A quantitative sensitivity analysis for significant assumptions as at 31 December is, as shown below:

Effect on the defined benefit obligation liability

Description	SLBFE	
	2020 (LKR)	2019 (LKR)
Increase by one percentage point in discount rate	210,863,230	148,084,294
Decrease by one percentage point in discount rate	244,818,689	169,266,108

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

3.11.5 Defined Contribution Plans - Employee Provident Fund & Employee Trust Fund

SLBFE contributes to Employees' Provident Fund contribution and Employees' Trust Fund contribution is covered by relevant contribution funds in line with respective regulation. Obligations for contributions to the plans covering the employees are recognized as an expense in the income statement.

Employees' Provident Fund

SLBFE and Employees contribute to provident fund at 15% and 10% respectively on the salary which is liable for EPF.

Employees' Trust Fund

SLBFE contributes 3% on liable salary to the Employees' Trust Fund.

3.12 Government Grants

3.12.1 Grants related to Asset

For the construction of Hali –ela, Katharagama and Rathnapura Training centres, Treasury has granted Rs.691, 161,789 .

Up to year 2017, Government grants related to assets were recorded under equity and expected to recognize to income statement on a systematic basis over the useful life of the asset once the asset is ready for the intended use.

However, in the year 2018 it was instructed to consider the grants as a part of capital contribution of the SLBFE by the treasury. Required changes were made accordingly.

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INCOME AND EXPENSES

3.13 Revenue Recognition

(a) Fee Income

Revenue from rendering of services is recognised in the Statement of Profit or Loss when each performance obligations are satisfied by transferring promised service to the customer. This includes Recruitment Fees, Facility Fees, License Fees, Cess, Korean Administration and Re-entry fees, Korean promotional fees, Korean Training Fees and other training fees and all overseas mission income.

(b) Interest income

For all financial instruments measured at amortized cost, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

(c) Other Income

Other income is recognised on an accrual basis.

3.14 Expenses

All expenditures incurred in the running of the operations of SLBFE have been charged to income in arriving at the profit for the year irrespective of the payments made.

3.15 Welfare Fund (WF)

To be in line with the Section 45 of the Act No. 21 of 1985, SLBFE has established the Welfare Fund (WF) for the benefit of the employees who are working in outside Sri Lanka. It has specified the income and expenses need to be incurred by the WF. Further to that SLBFE has maintained a separate bank account to record the income and expenses to be in line with Act.

According to the above, SLBFE has shown income and expenses of WF and the Bureau in a separate note (note no.15) and assets and liabilities separately identified in the notes for assets & liabilities for disclosure purpose and there is a separate column for WF under the Statement of Changes in Equity to show during the year changes to the WF. Income and expenses of WF are as follows;

Income

- All donations and contributions received from Sri Lankan employed outside Sri Lanka, foreign employers and licensees, and any other party should be accounted as income for WF
- Contributions from SLBFE
- 10% of the recruitment fee of each individual – Sri Lanka Bureau of Foreign Employment (Amendment) Act No. 4 0f 1994.
- Training Fees
- Investment income and other

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There shall be paid out of fund

- The remunerations payable to the Directors;
- The salaries payable to officers, servants and employees of the Bureau;
- Any allowances payable to the representatives of the Bureau; and
- All sums required to defray any expenditure incurred by the Bureau in the exercise, performance and discharge of its powers, duties and functions.

Impact of COVID-19 on the Foreign Employment Sector and SLBFE's Operations

The COVID-19 outbreak drastically affected the Foreign Employment sector in Sri Lanka mainly due to travel restrictions, island wide curfew, movement restrictions imposed to prevent the spread of the virus all over the country and the world.

As immediate initiatives, the SLBFE established safety measures for employees & special information counter to gather information on issues faced by the migrant workers and their family members due to the pandemic and below mentioned actions were taken to respond the same:

(a) Provision of required safety equipment to employees and maintenance of hygiene standards; maintain social distancing at work, job rotation and working from home for selected jobs.

(b) Obtain frequent information from the persons who seek the SLBFE's assistance to overcome the issues rose due to the pandemic.

(c) Detailed messages on the COVID -19 pandemic were published through the mass media and social media to share information and government instructions with the migrant workers and their family members.

(d) Reduction of overseas mission staff, freezing capital expenditure and other cost saving initiatives was taken to reduce overall expenditure and tight cash flow management was made.

Due to the significant impact of the COVID-19 pandemic on the Foreign Employment sector in Sri Lanka, the SLBFE has taken the following actions to assist migrant workers:

(a) Allocated an amount of Rs.500,000/ per Sri Lankan Diplomatic Mission, operating in a country affected by COVID-19 to provide relief for Sri Lankan migrant workers on a humanitarian basis, without considering their status with the SLBFE. This allocation was increased as per the requests received from the individual Missions depending on the requirement.

(b) Instructions were given to all the Labour sections of the Diplomatic Missions to provide packs of dry rations worth of Rs.5,000 to the Migrant Workers who lost their employment due to COVID -19 and unable to secure meals or essential items. Further, necessary facilitation was made with the assistance of Sri Lankan community groups/Host country governments for the needy migrant workers.

(c) The validity period of the Family Background Report (FBR) obtained by females to leave foreign employment has been extended.

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The SLBFE could not achieve the predicted targets of the Annual Action Plan & Budget 2020 during the 3rd month of 1st quarter and entire second quarter in 2020 (from March). During the period of January to December 2020, the SLBFE has registered a total of 53,806 Sri Lankans who departed for foreign employment, reflecting a decrease of 73.51% compared to 203,087 in 2019 January to December. This resulted a loss of registration fees amounting to Rs.2,239,215/- during the year 2020. However, the SLBFE managed to reduce overall expenditure by Rs 757,839,934/- By compared to year 2019.

The SLBFE's Management continuously and closely evaluates the effects and takes necessary measures to mitigate the negative impacts of COVID-19 pandemic with the assistance of the Sri Lankan Government.

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4 REVENUE

Description	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Recruitment Fees - Agency	83,543,389	311,429,143	83,543,389	311,429,143
Recruitment Fees - Individual	276,346,805	1,017,679,588	276,346,805	1,017,679,588
Korean Recruitment promotion Fees	47,651,524	119,716,033	47,651,524	119,716,033
Facilities Fees	11,113,600	40,584,743	11,113,600	40,584,743
License Fees	41,850,400	61,628,558	41,900,400	61,678,558
Cess Income	55,016,717	198,394,366	55,016,717	198,394,366
Korean Administration Fees	5,518,719	13,867,900	5,518,719	13,867,900
Re-Entry Korean Fees	6,953,501	14,045,689	6,953,501	14,045,689
Korean Training Fees	24,798,871	67,921,041	24,798,871	67,921,041
Training Income	41,611,779	149,389,882	41,611,779	149,389,882
Income from Overseas Mission (Sub Not 04.1)	274,507,248	1,080,562,140	274,507,248	1,080,562,140
Recruiting Income	5,411,695	8,578,854	-	-
Agency claim	1,186,500	2,877,000	-	-
Compensation of Israel	875,000	587,963		
Registration Fees	100,000	231,520	-	-
	876,485,748	**3,087,494,421**	**868,962,553**	**3,075,269,084**

In the case of agency recruitment facilities fees & recruitment fees are calculated as follows:

FEES PAYABLE (RS.)	FACILITIES FEES (Rs.)	RECRUITMENT FEES (Rs.)	AGENCY PORTION (70%) Rs.
15,200	200	4,500	10,500

4.1 Income from Overseas Mission

Description	2020 Group Rs.	2020 Bureau Rs.	2020 WWF Rs.	2020 Total Rs.	2019 Total Rs.
Credibility Assessment	2,641,903	-	2,641,903	2,641,903	7,508,744
Job Order Approvals	21,959,819	-	21,959,819	21,959,819	69,731,574
Verification/Registration of Employment	104,097,291	-	104,097,291	104,097,291	476,120,168
Non Refundable Deposit	43,136,927	-	43,136,927	43,136,927	230,507,692
Renewal of SLBFE registration fee	27,511,584	24,761,089	2,750,495	27,511,584	93,739,502
Foreign Agency Renewal Fee	594,792	-	594,792	594,792	1,410,705
Insurance Claims Received	-	-	-	-	791,888
Sundry Income	1,981,337	-	1,981,337	1,981,337	658,023
Contract Registration fee	72,583,596		72,583,596	72,583,596	200,093,845
	274,507,248	**24,761,089**	**249,746,159**	**274,507,248**	**1,080,562,140**

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5 OTHER OPERATING INCOME

Description	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Foreign Aid and Grants	11,240	-	11,240	-
Commission received to Air ticketing Unit	194	162,330	194	162,330
Commission from Insurance(Local & Foreign)	(350,147)	52,525,466	(350,147)	52,525,466
Foreign Exchange Gain	120,329,631	(56,439,176)	120,162,801	(56,228,425)
Sundry Income (Sub Not 05.1)	28,229,050	152,931,345	26,321,785	152,907,345
	148,219,968	**149,179,964**	**146,145,874**	**149,366,715**

5.1 Sundry Income

Description	2020 Group Rs.	2020 Bureau Rs.	2020 W.W.Fund . Rs.	2020 Total Rs.	2019 Total Rs.
Registration of Suppliers	477,815	477,815	-	477,815	586,530
Disposal of Fixed Assets	58,949	13,949	-	13,949	10,339,181
Non Refundable Deposit from Suppliers (Tender)	359,722	359,722	-	359,722	433,649
Sale of Korean Books	7,500	7,500		7,500	58,500
75% of Court Deposit Under 69(B) 1 of Act No.56 of 2009	1,903,152	-	1,903,152	1,903,152	5,095,875
Korean Examination Fees Income	1,649,387	1,649,387	-	1,649,387	68,677,478
Collection From Nanasala	528,757	528,757	-	528,757	1,258,987
NVQ Charges	4,654,250		4,654,250	4,654,250	17,870,000
Blacklisting of Housemaid & Lifting Blacklisting	-		-	-	795,579
Korean Trainee Uniforms	607,380		607,380	607,380	2,494,474
NVQ / Work Experience Fees	-		-	-	99,471
Labour Receiving Commission of Japan	9,818,812	-	9,818,812	9,818,812	21,780,046
Donation to Welfare Fund	500,000	-	500,000	500,000	-
Write off Profit	1,599,765	-	-	-	-
Vehical Rent Income	225,000	-	-	-	-
Rent Income - SLBFE Auditorium	20,000	20,000	-	20,000	-
Alternative awareness progamme-Covid	15,408	15,408	-	15,408	-
Reservation Charges-Kataragama	30,240	30,240	-	30,240	-
Korean Boand Withdrawal	3,458,598	3,458,598	-	3,458,598	2,900,000
Other Sundry Income	2,314,315	1,088,931	1,187,884	2,276,815	20,517,574
Sundry Income Total	**28,229,050**	**7,650,307**	**18,671,479**	**26,321,785**	**152,907,345**

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6 EXPENSES

STAFF COST

Description	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Salaries and Wages	1,027,323,470	1,123,021,868	1,014,848,550	1,110,416,422
Staff Welfare	96,089,386	117,156,281	95,998,532	116,882,421
EPF & ETF	118,126,468	105,148,310	116,449,634	103,446,585
Reim.of Interest on Housing Loans	9,281,817	8,757,496	9,281,817	8,757,496
Bonus	25,920,491	119,834,446	25,920,491	119,545,696
Overtime	104,420,205	135,352,417	104,261,761	134,930,478
Travelling	41,609,387	92,240,879	41,602,311	92,240,879
Gratuity	30,742,390	24,274,359	30,223,510	23,803,098
Staff Loan Expenses	27,931,388	24,528,813	27,931,388	24,528,813
Staff Training	976,647	9,274,194	976,647	9,274,194
	1,482,421,649	**1,759,589,064**	**1,467,494,641**	**1,743,826,083**

ESTABLISHMENT EXPENSES

Description	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Printing, Stationery and Consumables	19,585,491	37,142,361	19,251,629	36,652,565
Telephone & Postage	57,328,273	59,906,844	56,777,891	59,163,763
Rent	146,698,140	222,492,778	146,698,140	222,492,778
Maintenance of Premises	54,922,834	68,812,263	54,140,866	68,305,045
Audit Fees	4,548,827	2,548,032	4,343,027	2,342,236
Electricity Charges	43,521,516	54,037,721	43,008,776	53,206,578
Cost of piece rate works	308,900	398,620	308,900	398,620
Security Charges	44,318,286	51,062,620	43,490,744	50,198,886
Directors' Fees and Travelling	1,187,405	1,271,000	1,133,500	1,263,500
Water Charges	12,314,049	14,505,932	12,229,732	14,399,227
Consultancy and Legal Fees	10,316,654	17,381,296	9,679,820	16,710,780
	395,050,377	**529,559,467**	**391,063,027**	**525,133,978**

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OPERATIONAL EXPENSES

Description	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Depreciaton of Fixed Assets	227,546,527	160,438,961	224,728,168	159,148,586
Amortization of Intangible Assets	4,824,000	5,125,000	4,824,000	4,825,000
Motor Vehicle Maintenance	49,402,684	77,605,514	48,038,930	76,281,413
Hiring of Vehicles	3,299,893	34,200,244	3,299,893	34,200,244
Computer Maintenance	4,869,961	11,805,926	4,737,661	11,664,726
Maintenance of Office Equipment	10,593,727	11,705,474	10,579,587	11,567,257
News papers and periodicals	1,039,612	1,110,986	1,029,312	1,106,306
Bad Debtors	305,940	334,616	305,940	334,616
Loss of Sale on Fixed Assets	247,018	96,458	247,018	96,458
Interest Expenses	-	27,522,739	-	27,522,739
Medical Insurance	1,584,817	1,379,227	-	-
Medical Expenses	81,150	-	-	-
Death Expenses	200,000	-	-	-
Miscellaneous Expenses	654,619	788,831	1,055,869	164,230
	304,649,948	**332,113,975**	**298,846,378**	**326,911,573**

Finance Expenses

Description	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Finance Charges	5,883,037	5,071,927	5,801,976	4,955,583
Interest Subsidy on Bank Loans	-	8,550	-	8,550
Interest Expenses on Leases	27,352,191	3,849,531	27,352,191	3,849,531
Interest on Migrant Workers' Contributions	571,745	641,651	571,745	641,651
	33,806,973	**9,571,659**	**33,725,912**	**9,455,315**

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ADVERTISEMENT & PUBLICITY

Description	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Advertisement Expenses	4,808,664	7,775,728	4,757,051	7,642,186
Cost of Radio Programmes	1,667,222	1,054,000	1,667,222	1,054,000
Awareness Programmes	444,850	4,985,067	444,850	4,985,067
	6,920,736	**13,814,795**	**6,869,123**	**13,681,253**

BUSINESS PROMOTION EXPENSES

Description	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Business Promotion	4,341,144	10,985,650	4,111,498	10,976,204
Receiving Delegation from Lab.Recr.Countries	1,119	424,421	1,119	424,421
Recruitment of Japan Programme	500,536	3,193,661	500,536	3,193,661
Ran Piyapath Programme	16,820	33,276,713	16,820	33,276,713
Expenses on Korean Projects and Recruitment	2,247,950	14,915,449	2,247,950	14,915,449
Seminars and Workshops	2,294,263	5,817,688	2,294,263	5,817,688
	9,401,832	**68,794,935**	**9,172,186**	**68,785,489**

WELFARE OTHER EXPENSES

Description	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Training Activities	56,243,696	149,951,855	56,243,696	149,951,855
Cost of Insurance of Migrant Workers	32,319,044	109,275,193	32,319,044	109,275,193
Scholarship to Childrens' of Migrant Employees	4,109,202	98,827,314	4,109,202	98,827,314
Distribution of School Books	836,144	2,387,545	836,144	2,387,545
Sending Delegation to Labour Receiving Countries	1,738,350	3,623,161	1,738,350	3,623,161
Food,Medical & Other Expenses Migrant workers	47,021,397	48,237,753	47,021,397	48,237,753
Welfare Centre - Seeduwa	2,491,471	5,052,219	2,491,471	5,052,219
Conciliation & Other welfare work local and abroa	131,293	245,537	131,293	245,537
Social Welfare Program for Migrant Workers	25,316,115	18,178,311	25,316,115	18,178,311
Housing Program for disabled Migrant Workers	326,030	526,166	326,030	526,166
Welfare Facilities to the Migrant Workers	6,060,139	9,997,605	6,060,139	9,997,605
Foreign Travel on Overseas Audit	-	9,891,456	-	9,891,456
Special Award of Funeral Expenses	4,970,000	7,123,500	4,970,000	7,123,500
Study Tours to Labour Receiving Countries	1,845,893	(28,625)	1,845,893	(28,625)
Medical Bill for Migrant Workers	16,284,911	13,991,367	16,284,911	13,991,367
Providing bus fair & Refreshment	189,603	366,785	189,603	366,785
Medical Camp to the Mig.Workers and their Famili	445,766	459,532	445,766	459,532
Overseas Mission - other expenses	3,940,277	3,380,167	3,940,277	3,380,167
	204,269,330	**481,486,840**	**204,269,330**	**481,486,840**

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7 FINANCE INCOME

Description	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Interest from Investments - Treasury Bonds	-	194,238,294	-	194,238,294
Staff Loan Interest	44,789,605	43,823,079	44,676,359	43,712,450
Interest on SLFEA Loan	-	-	12,500	12,500
Interest on Savings	1,134,267	6,181,476	1,127,346	5,913,909
Interest on Fixed Deposit	728,206,886	760,647,938	719,761,514	750,417,798
	774,130,758	**1,004,890,788**	**765,577,719**	**994,294,952**

8 INCOME TAX

Description	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Current tax on profit for the year	25,829,025	307,555,670	25,829,025	307,555,670
Deferred Income Tax (release)/charge	80,377,879	(17,323,963)	80,377,879	(17,323,963)
	106,206,904	**290,231,707**	**106,206,904**	**290,231,707**

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Seperation of Income and Expenses between Bureau Fund and Welfare Fund (WF) (cont..)

	Description	2020			2019
		Bureau Rs.	WWF Rs.	Total Rs.	Rs.
6	**Staff Costs**				
	Salaries & Wages	675,547,270	339,301,280	1,014,848,550	1,110,416,422
	Staff Welfare	84,125,142	11,873,390	95,998,532	116,882,421
	E.P.F. & E.T.F.	110,627,152	5,822,482	116,449,634	103,446,585
	Reim. of Interest on Housing Loans	8,817,726	464,091	9,281,817	8,757,496
	Bonus	24,624,466	1,296,025	25,920,491	119,545,696
	Overtime	80,452,770	23,808,991	104,261,761	134,930,478
	Travelling	4,736,782	36,865,529	41,602,311	92,240,879
	Gratuity	29,013,439	1,210,071	30,223,510	23,803,098
	Staff Loan Expenses-SLFRS	27,931,388	-	27,931,388	24,528,813
	Staff Training	927,814	48,832	976,647	9,274,194
		1,046,803,951	**420,690,690**	**1,467,494,641**	**1,743,826,083**
	Establishment Expenses				
	Printing ,Stationery & Consumable	13,401,961	5,849,669	19,251,629	36,652,565
	Telephone & Postage	34,372,407	22,405,485	56,777,891	59,163,763
	Rent	25,218,690	121,479,451	146,698,140	222,492,778
	Maintenance of Premises	40,425,215	13,715,652	54,140,866	68,305,045
	Audit Fees	4,225,876	117,151	4,343,027	2,342,236
	Electricity	25,841,018	17,167,758	43,008,776	53,206,578
	Cost of piece rate work	138,688	170,213	308,900	398,620
	Security Charges	30,086,377	13,404,367	43,490,744	50,198,886
	Directors Fees & Travelling	1,077,875	55,625	1,133,500	1,263,500
	Water	2,501,749	9,727,983	12,229,732	14,399,227
	Consultancy & Legal Fees	4,969,053	4,710,768	9,679,820	16,710,780
		182,258,907	**208,804,120**	**391,063,027**	**525,133,978**
	Operational Costs				
	Depreciation of Fixed Assets	194,848,110	29,880,058	224,728,168	159,148,586
	Amotization of Intangible Assets	4,824,000	-	4,824,000	4,825,000
	Motor Vehicle Running Expenses	29,469,536	18,569,394	48,038,930	76,281,413
	Hiring of Vehicles	538,905	2,760,988	3,299,893	34,200,244
	Computer Running Expenses	4,192,706	544,955	4,737,661	11,664,726
	Maintenance of Office Equipment	8,894,403	1,685,185	10,579,587	11,567,257
	Newspapers & Periodicals	703,831	325,480	1,029,312	1,106,306
	Bad debtors	290,643	15,297	305,940	334,616
	Interest Expenses-SLFRS	-		-	27,522,739
	Loss on Sale of Fixed Assets	102,066	144,952	247,018	96,458
	Miscellaneous Expenses	193,282	862,587	1,055,869	164,230
		244,057,482	**54,788,896**	**298,846,378**	**326,911,573**
	Finance Expenses				
	Finance Charges	2,547,336	3,254,640	5,801,976	4,955,583
	Interest Expenses on Leases	25,984,581	1,367,610	27,352,191	3,849,531
	Interest Subsidy on Bank Loans	-	-	-	8,550
	Interest on Migrant Workers' Contributions	-	571,745.25	571,745	641,651
		28,531,917	**5,193,995**	**33,725,912**	**9,455,315**

Description	2020 Bureau Rs.	2020 WWF Rs.	2020 Total Rs.	2019 Rs.
6 **Advertisement & Publicity**				
Advertisements	4,410,689	346,362	4,757,051	7,642,186
Cost of Radio Programmes	1,561,861	105,361	1,667,222	1,054,000
Awareness Programmes	406,218	38,632	444,850	4,985,067
	6,378,768	**490,355**	**6,869,123**	**13,681,253**
Business Promotion Expenses				
Business Promotion Mission	3,391,758	719,739	4,111,498	10,976,204
Recruitment of Japan Programme	496,629	3,907	500,536	3,193,661
Publicity Programme	16,820	-	16,820	33,276,713
Receiving Delegation From Lab.Recr.Countries	1,119	-	1,119	424,421
Expenses of Korean project and Recruitment Expenses	2,247,950	-	2,247,950	14,915,449
Air Ticket	-	-	-	181,354
Seminars & Workshops	2,278,196	16,068	2,294,263	5,817,688
	8,432,472	**739,714**	**9,172,186**	**68,785,489**

Welfare Other Expenses	2020 WWF	2020 Total	2019 Rs.
Training Activities	56,243,696	56,243,696	149,951,855
Cost of Insurance of Migrant Workers	32,319,044	32,319,044	109,275,193
Scholarship to Children's of Migrant Employees	4,109,202	4,109,202	98,827,314
Distribution of School Books	836,144	836,144	2,387,545
Sending Delegation to Labour Receiving Countries	1,738,350	1,738,350	3,623,161
Food,Medical & Other Expenses Migrant workers	47,021,397	47,021,397	48,237,753
Welfare Centre - Seeduwa	2,491,471	2,491,471	5,052,219
Conciliation & Other welfare work local and abroad	131,293	131,293	245,537
Social Welfare Program for Migrant Workers	25,316,115	25,316,115	18,178,311
Housing Program for disabled Migrant Workers	326,030	326,030	526,166
Welfare Facilities to the Migrant Workers	6,060,139	6,060,139	9,997,605
Foreign Travel on Overseas Audit	-	-	9,891,456
Special Award Scheme of Funeral Expenses	4,970,000	4,970,000	7,123,500
Study Tours to Labour Receiving Countries	1,845,893	1,845,893	(28,625)
Medical Bill for Migrant Workers	16,284,911	16,284,911	13,991,367
Providing bus fair & Refreshment	189,603	189,603	366,785
Medical Camp to the Mig.Workers and Their Families	445,766	445,766	459,532
Overseas mission - other expenses	3,940,277	3,940,277	3,380,167
	204,269,330	**204,269,330**	**481,486,840**

Expenditure

The expenses incurred by the Bureau on the Workers Welfare which can not be directly identifiable are apportioned on the following basis from the year 2005 as recommended by Public Enterprises Department of the General Treasury.

	Rate
Salaries & Wages	5%
Overtime	5%
E.P.F. & Wages	5%
Bonus	5%
Traveling & Subsistence	5%
Gratuity	5%
Staff Welfare & Training	5%
Compensation for employees	5%
Printing Stationery & Consumables	5%
Telephone & Postage	5%
Building Rent	5%
Maintenance of Premises	5%
Audit Fees	5%
Water & Electricity	5%
Security Charges	5%
Cost of Piece rate Work	5%
Director fees & Travelling	5%
Consultancy & legal fees	5%
Motor Vehicle running expenses	5%
Leasing of Vehicles	5%
Debit Tax	5%
Economic Service Charges	5%
Computer running cost	5%
Maintenance of Equipment	5%
Financial Charges	5%
Newspapers & Periodicals	5%
Provision for Bad Debtors	5%
General Expenses	5%
Loss on Sale of Assets	5%
Advertisements	5%
TV & radio Programme	5%
Awareness Programme	5%

Deferred Expenditure

Expenditure which is deemed to have a benefit or relationship to more than one financial year is classified as deferred expenditure. Such expenditure is written off over the period, to which it relates, on a straight – line basis.

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9 Intangible Asset GROUP
COST

Description	As at 31.12.2019	As at 01.01.2020	Additions/ Revaluations during the year	Amotization during the year	As at 31.12.2020
Information System Program-SLFEA	1,701,026	1,701,026		-	1,701,026
IT Management System	1,500,000	1,500,000			1,500,000
Software License & Software	24,238,220	24,238,220	-	-	24,238,220
	27,439,246	**27,439,246**	**-**	**-**	**27,439,246**
Amotization					
Information System Program-SLFEA	1,500,000	1,500,000		-	1,500,000
IT Management System	1,701,026	1,701,026			1,701,026
Information System Program	19,413,220	19,413,220	-	4,824,000	24,237,220
	22,614,246	**20,913,220**	**-**	**4,824,000**	**27,438,246**
Written down value	**4,825,000**	**6,526,026**	**-**	**-**	**1,000**

9 Intangible Asset SLBFE
COST

Description	As at 31.12.2019	As at 01.01.2020	Additions/ Revaluations during the year	Amotization during the year	As at 31.12.2020
Software License & Software-SLBFE	24,125,000	24,125,000	-	-	24,125,000
	24,125,000	**24,125,000**	**-**		**24,125,000**
Amotization	19,300,000	**19,300,000**		4,824,000	24,124,000
	-	**-**	**-**	**4,824,000**	**24,124,000**
Written down value	**4,825,000**	**4,825,000**	**-**	**-**	**1,000**

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10.1 RIGHT -OF-USE ASSETS
(a) Amounts recognised in the statement of financial position

GROUP

Description	As at 01.01.2020	Additions/ Revaluations during the year	Disposal	As at 31.12.2020
Motor Vehicles	132,504,627	142,114,249	(23,589,677)	251,029,200
Total	**132,504,627**	**142,114,249**	**(23,589,677)**	**251,029,200**
Accumulated Depreciation				
Motor Vehicles	**10,126,073**	**52,072,585**	(7,934,546)	54,264,112
Total	**10,126,073**	**52,072,585**	(7,934,546)	**54,264,112**
As at 31.12.2020				**196,765,088**

SLBFE

Description	As at 01.01.2020	Additions/ Revaluations during the year	Disposal	As at 31.12.2020
Motor Vehicles	132,504,627	142,114,249	(23,589,677)	251,029,200
Total	**132,504,627**	**142,114,249**	**(23,589,677)**	**251,029,200**
Accumulated Depreciation				
Motor Vehicles	**10,126,073**	52,072,585	(7,934,546)	54,264,112
Total		**52,072,585**		**54,264,112**
As at 31.12.2020				**196,765,088**

5 Lease hold vehicles obtained from Pasan Rent A Car were handed over to them on 29.08.2020 prior to expiry of Original lease terms.Value of the Motor Vehicles and Accumulated depreciation of Right of Use Assets were shown under disposal in above Note No. 10.1

10.2 PROPERTY, PLANT AND EQUIPMENT - GROUP

Description	As at 31.12.2019	As at 01.01.2020	Additions/ Revaluations during the year	Disposals /Transfer of Depreciation during the year	As at 31.12.2020
At Cost / valuation					
Free Hold Land	347,206,276	347,206,276		-	347,206,276
Building	1,970,470,568	1,970,470,568	-	-	1,970,470,568
Partitioning Works	56,582,754	56,582,754	-	-	56,582,754
Motor Vehicle	309,356,063	309,356,063	16,645,000	(17,761,154)	308,239,909
Furniture & Other Office Equipment	212,367,899	212,367,899	12,164,395	(5,463,130)	219,069,164
Wooden & Steel Furniture	197,951,116	197,951,116	1,926,733	(3,172,744)	196,705,105
Computers	301,857,020	301,857,020	836,316	(1,530,414)	301,162,922
Electrical Goods & Accessories	83,946,525	83,946,525	671,626	-	84,618,150
Sundry Equipment	2,356,509	2,356,509	-	-	2,356,509
Library Books	1,665,237	1,665,237	-	-	1,665,237
Training Equipments	69,556,006	69,556,006	1,202,849	(579,615)	70,179,239
Total	**3,553,315,973**	**3,553,315,973**	**33,446,919**	**(28,507,058)**	**3,558,255,834**
Accumulated Depreciation					
On Cost / Valuation					
Building	780,287,299	780,287,299	125,136,725	-	905,424,024
Partitioning Works	44,773,437	44,773,437	2,046,793	-	46,820,230
Motor Vehicle	270,106,503	270,106,503	10,755,319	(17,761,000)	263,100,822
Furniture & Other Office Equipment	174,451,433	174,451,433	13,436,066	(3,422,646)	184,464,853
Wooden & Steel Furniture	120,743,970	120,743,970	10,463,408	(2,770,410)	128,436,969
Computers	259,746,106	259,746,106	11,645,826	(1,525,845)	269,866,087
Electrical Goods & Accessories	81,104,754	81,104,754	1,273,681	-	82,378,435
Sundry Equipment	2,351,866	2,351,866	-	-	2,351,866
Library Books	1,545,935	1,545,935	80,403	-	1,626,338
Training Equipments	68,911,181	68,911,181	719,099	(661,609)	68,968,671
	1,804,022,485	**1,804,022,485**	**175,557,320**	**(26,141,510)**	**1,953,438,295**
Written Down Value	**1,749,293,490**	**1,749,293,490**			**1,604,817,540**

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10.2 PROPERTY, PLANT AND EQUIPMENT - SLBFE

Description	As at 31.12.2019	As at 01.01.2020	Additions/ Revaluations during the year	Disposals during the year	As at 31.12.2020
At Cost / valuation					
Free Hold Land	80,938,796	80,938,796	-	-	80,938,796
Building	1,806,778,198	1,806,778,198	-	-	1,806,778,198
Partitioning Works	45,313,048	45,313,048	-	-	45,313,048
Motor Vehicle	169,268,581	169,268,581	-	-	169,268,581
Furniture & Other Office Equipment	132,380,779	132,380,779	11,693,939	(2,737,940)	141,336,778
Wooden & Steel Furniture	95,139,965	95,139,965	369,003	(1,460,786)	94,048,182
Computers	252,317,407	252,317,407	806,200	(567,588)	252,556,019
Electrical Goods & Accessories	83,900,386	83,900,386	573,920	-	84,474,306
Sundry Equipments	2,356,509	2,356,509	-	-	2,356,509
Library Books	1,620,402	1,620,402	-	-	1,620,402
Total	**2,670,014,071**	**2,670,014,071**	**13,443,062**	**(4,766,313)**	**2,678,690,819**
Accumulated Depreciation					
On Cost / Valuation					
Building	760,982,102	760,982,102	112,133,344	-	873,115,446
Partitioning Works	36,588,063	36,588,063	1,514,791	-	38,102,854
Motor Vehicle	169,182,926	169,182,926	19,430		169,202,356
Furniture & Other Office Equipment	98,922,664	98,922,664	11,920,896	(803,381)	110,040,179
Wooden & Steel Furniture	53,217,081	53,217,081	4,848,368	(1,288,818)	56,776,631
Computers	211,616,263	211,616,263	11,014,891	(567,501)	222,063,653
Electrical Goods & Accessories	81,090,868	81,090,868	1,243,402	-	82,334,270
Sundry Equipments	2,351,866	2,351,866	-	-	2,351,866
Library Books	1,501,130	1,501,130	80,403	-	1,581,533
Total	**1,415,452,963**	**1,415,452,963**	**142,775,525**	**(2,659,700)**	**1,555,568,787**
Written Down Value	**1,254,561,108**	**1,254,561,108**			**1,123,122,032**

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10.2 PROPERTY, PLANT AND EQUIPMENT - Welfare Fund (WF)

Description	As at 31.12.2019	As at 01.01.2020	Additions/ Revaluations during the year	Disposals during the year	As at 31.12.2020
At Cost / valuation					
Land	209,567,480	209,567,480		-	209,567,480
Buildings	146,022,041	146,022,041	-	-	146,022,041
Partitioning Works	11,269,706	11,269,706		-	11,269,706
Motor Vehicles	122,230,653	122,230,653	-	-	122,230,653
Furniture & Other Office Equipments	66,653,135	66,653,135	427,920	(2,271,274)	64,809,782
Wooden & Steel Furniture	102,811,151	102,811,151	1,557,730	(1,711,959)	102,656,923
Computers	49,539,613	49,539,613	30,116	(962,826)	48,606,903
Electrical Goods & Accessories	46,139	46,139	97,706		143,844
Library Books	44,835	44,835	-	-	44,835
Training Equipment	69,556,006	69,556,006	1,202,849	(579,615)	70,179,239
Total	**777,740,759**	**777,740,759**	**3,316,321**	**(5,525,673)**	**775,531,407**
Accumulated Depreciation On Cost / Valuation					
Buildings	13,959,938	13,959,938	12,119,864	-	26,079,802
Partitioning Works	8,185,374	8,185,374	532,002	-	8,717,376
Motor Vehicles	83,162,577	83,162,577	9,002,035	-	92,164,612
Furniture & Other Office Equipments	62,919,004	62,919,004	1,314,182	(2,165,348)	62,067,838
Wooden & Steel Furniture	67,526,889	67,526,889	5,615,040	(1,481,591)	71,660,338
Computers	48,129,843	48,129,843	630,936	(958,344)	47,802,434
Electrical Goods & Accessories	13,886	13,886	30,279		44,165
Library Books	44,805	44,805	-	-	44,805
Training Equipment	68,911,181	68,911,181	719,099	(661,609)	68,968,671
Total	**352,853,498**	**352,853,498**	**29,963,436**	**(5,266,892.86)**	**377,550,041**
Written Down Value	**424,887,262**	**424,887,262**			**397,981,366**

10.3 Capital Work in Progress

Capital expenditure incurred in connection with the construction works is shown at cost.

Description	2020 SLBFE Rs.	2019 SLBFE Rs.
WIP - Mathugama	3,884,584	3,884,584
WIP - Homagama	736,740	736,740
Total	**4,621,324**	**4,621,324**

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11 INVESTMENT IN SUBSIDIARIES

	2020	2019	2020	2019
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Sri Lanka Foreign Employment Agency (Private) Ltd	5,000,000	-	5,000,000	5,000,000
	-	-	**5,000,000**	**5,000,000**

12.1 STAFF LOANS

	2020	2019	2020	2019
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Distress Loans	274,055,350	268,836,379	270,942,860	266,177,420
Vehicle Loans	80,306,460	87,022,967	80,306,460	87,022,967
Festival Advances	137,550	294,050	137,550	255,050
Instant Loan to Staff	720,570	1,363,820	720,570	1,363,820
Pilgrimage Loan	318,600	449,600	318,600	449,600
Loans for Disasters	-	724,958	-	724,958
	355,538,531	**358,691,774**	**352,426,041**	**355,993,815**
Staff Loan- Long Term	255,265,156	259,618,773	255,265,156	259,618,773
Staff Loan-Short Term	100,273,374	99,073,001	97,160,884	96,375,042
	355,538,531	**358,691,774**	**352,426,041**	**355,993,815**

12.2 Pre paid Staff Loan

	2020	2019	2020	2019
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Pre paid Distress Loans	67,465,682	82,082,918	67,465,682	82,082,918
Pre paid Vehicle Loans	20,793,484	23,894,602	20,793,484	23,894,602
	88,259,166	**105,977,521**	**88,259,166**	**105,977,521**

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13 FINANCIAL ASSETS

A sum of Rs.5,000,000/- invested in fully owned subsidiary namely Sri Lanka Foreign Employment Agency (Pvt) Ltd and investments to be matured after one year from the balance sheet date are shown as Long Term Investments.

	2020	2019	2020	2019
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Held to Maturity				
Treasury Bonds	-	535,953,423	-	535,953,423
	-	**535,953,423**	**-**	**535,953,423**
Less : Matured within 3 month	-	-	-	-
	-	**535,953,423**	**-**	**535,953,423**
Short Term -Treasury Bonds	-	535,953,423	-	535,953,423
Less : Matured within 3 month	-	-	-	-
	-	**535,953,423**	**-**	**535,953,423**
Long Term-Treasury Bonds	-	-	-	-
	-	**535,953,423**	**-**	**535,953,423**

	2020	2019	2020	2019
Financial Assets	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Fixed Deposits - (Bureau/wwf/kuwait)	13,095,552,953	12,565,244,741	12,990,183,267	12,463,476,470
	13,095,552,953	**12,565,244,741**	**12,990,183,267**	**12,463,476,470**
Less : Matured within 3 month	(3,432,197,619)	(3,166,644,429)	(3,432,197,619)	(3,166,644,429)
	9,663,355,334	**9,398,600,312**	**9,557,985,648**	**9,296,832,041**
Short Term -Fixed Deposits	13,093,270,437	12,517,536,726	12,987,900,751	12,415,768,455
Less : Matured within 3 month	(3,432,197,619)	(3,166,644,429)	(3,432,197,619)	(3,166,644,429)
	9,661,072,818	**9,350,892,297**	**9,555,703,132**	**9,249,124,026**
Long Term-Fixed Deposits	2,282,516	47,708,016	2,282,516	47,708,016
	9,663,355,334	**9,398,600,312**	**9,557,985,648**	**9,296,832,041**

14 INVENTORIES

	2020	2019	2020	2019
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Consumable Items	13,706,045	15,818,469	13,433,630	15,527,639
	13,706,045	**15,818,469**	**13,433,630**	**15,527,639**

Consumable items include and stock of stationery items, motor vehicle maintenance items, staff welfare items and Printing accessories.

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15 PREPAYMENTS & OTHER RECEIVABLES

	2020	2019	2020	2019
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Lease rental prepayment-Battaramulla Land	8,974,487	9,278,707	8,974,487	9,278,707
Lease rental prepayment-Rathnapura Land	5,594,609	5,738,060	5,594,609	5,738,060
	14,569,096	**15,016,767**	**14,569,096**	**15,016,767**

	2020	2019	2020	2019
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Bureau				
Cess Commission Receivables	192,500	192,500	192,500	192,500
Sundry Deposits	6,426,774	6,831,628	6,297,874	6,831,628
Refundable Deposits	1,053,627	952,612	1,045,627	786,712
Other Receivables	109,744,834	110,731,176	104,303,475	105,690,006
Pre-payments	2,220,826	5,606,938	2,220,826	5,606,938
Salary Advances	10,371	49,000	10,371	49,000
Petty Cash Advance	-	10,000	-	10,000
Loan to SLFEA (Pvt) Ltd.	-	-	250,000	250,000
Recivable to Kuwaid Fund	141,897,982		141,897,982	
Payment for land	20,034,475	20,034,475	20,034,475	20,034,475
Registration fee receivables	460,580	460,580	460,580	460,580
WHT On Kuwait Fund	-	15,312,517	-	15,312,517
VAT recovery	2,459,015	2,459,015	-	-
Economic service charges	-	41	-	-
Medical Insurance-staff	384,792	339,144	-	-
Advance Insuarance	103,778	90,704	-	-
Sub Total	**284,989,553**	**163,070,331**	**276,713,709**	**155,224,357**
Welfare Fund Receivable	-			
Labour Contract Agreemet Fees L/M	869,955,801	869,955,801	869,955,801	869,955,801
Funds Receivable (Kwt.com.case no. 28912)	156,000	156,000	156,000	156,000
Pre-payments	27,856,855	39,075,657	27,856,855	39,075,657
Amount Receivable from S/L Mission in Rome Italy	887,610	887,610	887,610	887,610
Commission Receivable SL Insur. Corporation	-	18,285,889	-	18,285,889
Receivable from Ministry of Foreign Employment	-	22,000,000	-	22,000,000
Amount receivable from SL Mission - Abu Dhabi	1,149,258	1,149,258	1,149,258	1,149,258
Fund Receivable from S/L Mission in Kuwait	258,103		258,103	
Fund Receivable from S/L Misson in Israel	1,182,997	1,656,437	1,182,997	1,656,437
Sub Total	**901,446,624**	**953,166,651**	**901,446,624**	**953,166,651**
Less: Specific Impairment Provision	**(2,192,868)**	**(2,192,868)**	**(2,192,868)**	**(2,192,868)**
	899,253,756	**950,973,783**	**899,253,756**	**950,973,783**
Total Prepayments & Other Receivables	**1,184,243,308**	**1,114,044,114**	**1,175,967,465**	**1,106,198,140**

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
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16 CASH & CASH EQUIVALENTS

	2020	2019	2020	2019
Bureau	**Group**	**Group**	**SLBFE**	**SLBFE**
Current Accounts - LKR	**Rs.**	**Rs.**	**Rs.**	**Rs.**
BOC Corporate Branch - 1650	8,098,105	15,995,217	8,098,105	15,995,217
Peoples bank Battaramulla - 2081001151791068	6,015,163	6,087,906	6,015,163	6,087,906
Peoples Bank 119200163694176 (Narahenpita)	2,366	2,275	-	-
Peoples Bank 119100363694176 (Narahenpita)	178,315	1,290,018	-	-
Peoples Bank 119200253694176 (Narahenpita)	3,160,218	3,160,218		
Peoples Bank A/C-100183694176	1,559,227	977,379	-	-
Peoples Bank A/C-100103694830(Narahenpita)	165,574	25,000	-	-
Peoples Bank Queens Branch-A/C-033402102466473	129,368	6,548,149		
BOC A/C-9099724	165,544	166,044	-	-
BOC A/C-76882603	54,429	54,429	-	-
	19,528,309	**34,306,635**	**14,113,268**	**22,083,123**
Savings Accounts - LKR				
NSB - Battaramulla - 100800442461	9,851,767	40,865,605	9,851,767	40,865,605
Saving Account- Peoples Bank	35,000	-	-	-
NSB-02-40494	183,836	177,006	-	-
	10,070,603	**41,042,611**	**9,851,767**	**40,865,605**
Cash in hand	28,280	150,108	28,280	150,108
	28,280	**150,108**	**28,280**	**150,108**
Welfare Fund				
Current Accounts - LKR				
BOC Corporate Branch - 1672	854,112	28,057,769	854,112	28,057,769
Peoples Queens Branch - 033100161791068	1,852,003	1,789,835	1,852,003	1,789,835
	2,706,115	**29,847,604**	**2,706,115**	**29,847,604**
Current Accounts - Foreign Currency				
BOC offshore Banking Unit - 2305	13,797,674	65,661,574	13,797,674	65,661,574
	13,797,674	**65,661,574**	**13,797,674**	**65,661,574**
Savings Account				
Savings A/C 2620212743/0204200180097762 Siyatha	40,612,277	37,674,807	40,612,277	37,674,807
Savings A.C No.2620213079/0204200100097761 Vides	10,226,316	44,468,229	10,226,316	44,468,229
A/C BOCA/C DFCA/USD/(73-394)-832	1,381,035	1,335,595	1,381,035	1,335,595
	52,219,628	**83,478,631**	**52,219,628**	**83,478,631**
Cash in Hand WWF-Local	312,561	1,241,060	312,561	1,241,060
Cash in Hand WWF-Overseas	333,601	1,640,969	333,601	1,640,969
	646,163	**2,882,029**	**646,163**	**2,882,029**

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	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Cash & Bank Balance Foreign Missions	40,950,140	78,588,464	40,950,140	78,588,464
	40,950,140	**78,588,464**	**40,950,140**	**78,588,464**
Total Cash & Bank Balance	**139,946,912**	**335,957,655**	**134,313,035**	**323,557,137**
Investments to be matured within 03 months	3,432,197,619	3,166,644,429	3,432,197,619	3,166,644,429
	3,572,144,531	**3,502,602,083**	**3,566,510,654**	**3,490,201,565**

A cash shortage of Rs.1,149,258 was reported in the labour section of Abudhabi mission due to non banking of the collections by the officer incharge . A complain was made to CID for the Investigation this and take legal action on this matter.
A Cash shortage of Rs.1,828,596.51 was reportd in the Israel mission due to misuse of daily collection. NIS 11,000 equivlent to Rs.602,400.00 has recoverd up to 30.06.2020

17 Prior Year Adjustment

NATURE OF THE ERROR	GROUP 2020-Rs.	BUREAU 2020 -Rs.	LINE ITEM AFFECTED
Income Tax for Kuwait fund	51,802,119	51,802,119	Accumulated Fund & Kuwait fund
Vehical revaluation	16,644,846	-	Adjustment of SLFEA account
Balance as at 31.12.2020	**68,446,965**	**51,802,119**	

As At 31 December 2019

NATURE OF THE ERROR	GROUP 2019-Rs.	BUREAU 2019 -Rs.	LINE ITEM AFFECTED
Security Deposit Payment related to Balance recognized as income in previos year	(183,639)	(183,639)	Accumulated Fund & Safe deposit Account
ETF Surchage on cost of Living Allowance related to previos year	(6,261,168)	(6,261,168)	Accumulated Fund & ETF Payable
KoreanAir Ticket fees Refund related to Balance recognized as income in previos year	(47,500)	(47,500)	Accumulated Fund & Korean Air Ticket Payable
Death Compensation Payment related to Balance recognized as income in previos year	(50,000)	(50,000)	Accumulated Fund & Death Copensation Payable
EPF Payment related to Year 2016 to 2017	(4,112,513)	(4,112,513)	Accumulated Fund & EPF Payable
ETF Payment related to Year 2016 to 2018	(740,252)	(740,252)	Accumulated Fund & ETF Payable
Security Deposit Payment related to Balance recognized as income in previos year	(57,774)	(57,774)	Accumulated Fund & Safe deposit Account
Payment of Salary Dues which was recognized as income in year 2018	(834,811)	(834,811)	Accumulated Fund & Safe Account
Under Provition of Expenses-2018	(11,246,291)	(11,246,291)	Accumulated Fund & Respective Accrued Expenditure Accounts
Security Deposit Payment related to Balance recognized as income in previos year (as over state of previos year Income)	(546,340)	(546,340)	Accumulated Fund & Safe deposit Payable Account
Air Ticket Reimbursement recognized as Expenditure in previos year (as under state of previos year Income)	2,777,784	2,777,784	Accumulated Fund & Air Ticket Payable
Reimbursement of Food Supply Expenditure in previos years Transfered to income(as under state of previos year Income)	3,048,071	3,048,070.80	Accumulated Fund & Food Supply Payable
Repatriation cost related to Balance recognized as income in previos year	(1,800,181)	(1,800,181.26)	Accumulated Fund & Repatriation cost Payable
Under provision of Audit Fee year 2016-2018	(314,527)		Adjustment of SLFEA account
Over provision for Director Fee year 2018	46,800		
Error correction for the year 2018	14,609		
Balance as at 31.12.2019	**(20,307,733)**	**(20,054,615)**	

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18 TAX PROVISION

18.1 DEFERRED TAX PROVISION

	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Opening balance as at 1st January	91,700,873	109,024,836	91,965,526	109,289,489
Add: Provisions for the year	80,377,879	(17,323,963)	80,377,879	(17,323,963)
	172,078,752	**91,700,873**	**172,343,405**	**91,965,526**
	172,078,752	**91,700,873**	**172,343,405**	**91,965,526**

18.2 INCOME TAX PROVISION

	2020 Group Rs.	2019 Group Rs.	2020 SLBFE Rs.	2019 SLBFE Rs.
Opening balance as at 1st January	211,528,493	376,074,893	213,494,906	376,901,503
Add:Provisions for the year (kuwait Fund)	-	50,676,848	-	50,676,848
Add: Provisions for the year	25,829,025	307,555,670	25,829,025	307,555,670
	237,357,518	**734,307,411**	**239,323,931**	**735,134,021**
Less: Tax paid during the year	(67,827,132)	(522,778,918)	(67,827,132)	(521,639,115)
	169,530,386	**211,528,493**	**171,496,799**	**213,494,906**

18.3

	Group		SLBFE	
	2020	2019	2020	2019
Profit before tax	(637,684,370)	1,046,634,438	(630,754,450)	1,049,650,220
Income not liable for income tax	(79,781,620)	(10,608,336)	(71,216,081)	-
Adjusted Profit	**(717,465,990)**	**1,036,026,102**	**(701,970,531)**	**1,049,650,220**
Amount considered as Investment income	(694,361,638)	(994,294,952)	(694,361,638)	(994,294,952)
Disallowable expenses	265,551,582	192,140,959	261,738,405	189,726,475
Capital Allowances	(126,325,348)	(155,168,965)	(126,804,958)	(154,422,229)
Gratuity payments	(11,485,605)	(8,341,744)	(11,485,605)	(8,341,744)
Accounting profit on disposal of Fixed Assets	(13,949)	(10,339,181)	(13,949)	(10,339,181)
Rent paid on Rented vehicles (Right of Used)	(5,190,250)	(5,610,000)	(5,190,250)	(5,610,000)
Assessable charges/Balancing allowance	-	6,547,879	-	6,547,879
Assessable Income from Business	**(1,289,291,198)**	**60,960,100**	**(1,278,088,526)**	**72,916,468**
Interest Income	786,881,589	1,221,947,504	778,316,050	1,206,485,383
Investment Income	**786,881,589**	**1,221,947,504**	**778,316,050**	**1,206,485,383**
Taxable Income	(471,633,668)	1,282,907,602	(499,772,476)	1,279,401,851
B/F Income Tax on over paid	(127,723)		(127,723)	
Income Tax on Taxable Income	-	307,178,221	-	307,555,670
Income Tax on Taxable Income (Kuwait Fund)	-	50,676,848	-	50,676,848

Deferred Tax Expenses/Income

	Group		SLBFE	
	2020	2019	2020	2019
Origination /(Reversal) of temporary differences arising from Property,Plant and Equipment	1,366,603,727	1,358,503,923	1,366,603,727	1,358,503,923
Tax written down value	(1,007,068,971)	(1,128,241,675)	(1,007,068,971)	(1,128,241,675)
Provision for gratuity	(226,794,082)	(158,079,070)	(226,794,082)	(158,079,070)
Business Loss C/fas per Tax Computation	(467,648,503)		(467,648,503)	
Net differences	**(334,907,829)**	**72,183,178**	**(334,907,829)**	**72,183,178**
Tax charged at standard rate at 24%	(80,377,879)	17,323,963	(80,377,879)	17,323,963
Tax charged at standard rate at 28%	-	-	-	-
Provision for defferred tax	**(80,377,879)**	**17,323,963**	**(80,377,879)**	**17,323,963**

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19 ACCRUALS AND OTHER PAYABLES

	2020	2019	2020	2019
	Group	Group	Bureau	Bureau
	Rs.	Rs.	Rs.	Rs.
Bureau				
Deposit for salaries & Settlement of complaints	19,575,461	18,835,462	19,575,461	18,835,462
Retention Money Payable	43,188,086	58,115,883	43,188,086	58,115,883
Refundable Tender Deposit	1,450,505	1,403,267	1,450,505	1,403,267
Guarantee Money From Cashiers	25,000	25,000	25,000	25,000
Deposit for Korean Visa Fees	11,673,600	7,879,200	11,673,600	7,879,200
VAT	1,485,667	8,355,789	1,485,667	8,271,428
Sundry Creditors	39,376,480	85,282,818	33,087,113	76,612,904
Tender Creditors	131,201,632	113,218,911	131,201,632	113,218,911
Stamp Duty	92,350	141,800	92,350	141,800
Amount Payable to Kuwaid Fund	141,897,982		141,897,982	
Nations Building Tax	-	829,034	-	829,034
Payee Tax	-	33,149	-	33,149
Re-entry Korean charges	3,256,875	3,206,875	3,256,875	3,206,875
Collection of Air Ticket	5,816,965	5,937,058	5,816,965	5,937,058
Withholding Tax Deducted	-	2,833,387	-	2,833,387
Unpresented Cheque	83,310	83,310	-	-
Other Payable	1,812,456	1,564,228	-	-
Refundable Deposit	-	10,000	-	-
Death claim payable	7,489,993	7,706,660	-	-
Korean Contracts	16,015,000	16,090,000	-	-
Israel Refundable deposit	15,100,000	15,100,000	-	-
Insurance payable	160	160	-	-
Sub Total	**439,541,523**	**346,651,991**	**392,751,237**	**297,343,358**
Welfare Fund				
Insurance claim received & payable to claimants	51,239,587	32,073,228	51,239,587	32,073,228
Insurance Claim Payable (Union Insurance)	8,626,365	4,898,248	8,626,365	4,898,248
Refundable Deposit Female Domestic Wokers	668,986,984	664,223,974	668,986,984	664,223,974
Police Clearance Report-cyprus	-	177,551	-	177,551
Refundable Deposit Cyprus	10,700,000	11,000,000	10,700,000	11,000,000
Safe Accounts – Overseas	61,489,787	49,288,795	61,489,787	49,288,795
Deposit for Repatriation Cost	17,212,076	14,907,315	17,212,076	14,907,315
Deposit for Kuwait Insurance	15,460	15,460	15,460	15,460
Sub Total	**818,270,259**	**776,584,571**	**818,270,259**	**776,584,571**
Total Accruals and Other Payables	**1,257,811,782**	**1,123,236,562**	**1,211,021,496**	**1,073,927,929**

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
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20 KUWAIT COMPENSATION ACCOUNT

This amount represent the unsettled compensation claims along with accumutated Interest on funds to the persons who were working in Kuwait and came back to Sri Lanka suddenly due to Kuwait war during the period 1990 - 1991. Government has proposed a penson schem for migrant workers using Rs.2,000 million from kuwait compensation fund as a initial capital.

21 RELATED PARTY DISCLOSURE

Details of significant related party disclosures are as follows:

21.1 Transactions with related entities
SLBFE

	As At 31.12.2020 Rs	As At 31.12.2019 Rs
(i) Loan balance receivable from Sri Lanka Foreign Employment Agency (SLFEA)	250,000	250,000
(ii) 70% Agency commissions paid to SLFEA	1,407,000	3,622,500

(iii) The Licensees of the following Foreign Employment Agencies served as board members of the Sri Lanka Bureau of Foreign Employment in year 2020. The 70% portion of the recruitment fees which has been refunded to them were as follows.

Name of the Director	Agency	70 % Refund
Mr.A L A Hazzam	Al Akeem Enterprises (pvt) Ltd	2,026,500
Mr.M.F.M.Fannor	Trans Asia	1,428,000
Mr.L.Ajith Silva	ARA Overseas Company	21,000
Mr.M.M.Mohamed	Muna Recruitment Agency	924,000

SLFEA

21.2 Transactions with Key Management Personnel

Key management personnel are the members of the Board of Sri Lanka Bureau of Foreign Employment.

No significant transactions had taken place involving key management personnel & their close family members.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
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22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has exposure to the following risk from financial assets;
1. Credit Risk
2. Liquidity Risk
3. Market Risk

Risk Management Framework

The Board of Directors have the overall responsibility for the establishment and oversight of the Group's risk management framework, which includes developing and monitoring the Group's risk management policies.

The SLBFE s risk management policies are establised to identify, quantify and analyse the risks faced by the entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors oversees how management monitors compliance with the SLBFE's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk face by the Group.

Credit Risk

Credit risk is the risk that the counter party will not meet the obligations under the financial instruments and the other receivables, leading to a financial loss.

Currently SLBFE has invested in Government Treasury Bonds and Fixed Deposits in Government Banks. Therefore Management of SLBFE is in a view that the credit risk of SLBFE is insignificant.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal & stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The tables below analyses the Group's and Trust Fund's financial liabilities into relevant maturity groups based on the remaining period at the Balance Sheet date to the contractual maturity date.

Market Risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices. Market Price comprises four types of risk; interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, available for sale investments and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

Equity Price

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

23 Other Transactions

07 nos fixed deposit accounts opened in National Savings Bank for the winners of the VideshaRekiya Lottery winners have not been shown in final accounts.

Fixed Deposit A/C Nos	Bank
20001-90-14730	NSB
20001-90-14985	NSB
20001-90-15027	NSB
20001-90-15051	NSB
20001-90-15078	NSB
20001-90-15094	NSB
20001-90-15892	NSB

The following fixed deposits are kept as Bank gurantees for Housing loan schems for the Sri Lanka Migrant employees registered with the Sri Lanka Bureau of Foreign Employment.

Fixed Deposit A/C Nos

		Rs.
3425	BOC	100,000,000.00
204-60-01-000032128	Peoples Bank	50,000,000.00
204-60-01-00006926-8	Peoples Bank	10,000,000.00
204-6001-00025178-3	Peoples Bank	12,895,081.95
204-60-01-00011730-4	Peoples Bank	4,000,000.00
208-60-01-00011145-9	Peoples Bank	5,800,000.00
SMIB-IFD-001116	SMIB	108,224,484.36
SMIB-IFD-001129	SMIB	17,184,026.40
SMIB-IFD-001133	SMIB	17,299,121.10
		325,402,713.81

Unidentified debits made to the Bank A/C No.1650

The values of following two Cheques have been debited to our current No.1650 at Bank of Ceylon, Corporate Branch. Since the above Cheques were stolen and presented to the Bank after making forged signatures.

Cheque No	Date of debited	Value - Rs.
239481	11.09.2009	400,000
239482	12.10.2009	400,000

We have made a complaint to Fraud Investigation Unit at Mirihana Police Station on this matter and investigations are carried out by them. There is a pending court case at Kaduwela M/C on this matter.

According to the diciplinery action 2 employees are liable to settle the amount (one employee 200,000 and anothrt 600,000) recovery actions are in progress.

Auditor General's Report

NATIONAL AUDIT OFFICE

Chairman,

Sri Lanka Bureau of Foreign Employment

Auditor General's Report in terms of Section 12 of the National Audit Act No. 19 of 2018 on Financial Statements and other Legal and Regulatory Requirements of the Sri Lanka Bureau of Foreign Employment for the year ended on the 31st day of December 2020.

1. Financial Statements

1.1 qualitative opinion

The audit of the Financial Statements of Sri Lanka Bureau of Foreign Employment and it's Subsidiary Company (Group) and the Consolidated Financial Statements for the year ended 31 December 2020 comprising the Statement of Financial Position as at 31 December 2020 and the Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, Notes to the Financial statements and a summary of significant accounting policies, was carried out under my direction in pursuance of provisions of National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971 which should concurrently be referred with Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course

In my opinion, the Financial position and financial performance and cash flows for the year ended on 31st December 2020 of the Bureau and Group give a true and fair view in accordance with Sri Lanka Accounting Standards except the impact of the facts described under basis for qualitative opinion of my report.

1.2 Basis for qualitative opinion

(A) The total net value of the assets of the Bureau reported to be Rs. 1,607,606 as at 31st December in the year reviewed whereas it was observed that actual value of aforesaid assets depicted in the financial statements has been undervalued or overvalued as the assets have not been revalued after year 2010.

(B) Although 15,664 units of assets value of Rs. 92,732,838 possessed by the Bureau and 17,518 items of assets worth Rs. 260,519,329 belonging to the workers Welfare Fund had completely been depreciated, but those were still in use. The Bureau had not conducted review of those assets annually in accordance with paragraph 16 of the Sri Lanka Accounts Standards and Sri Lanka Accounting Standards 8 Accounting Policies, changes in accounting estimates and errors.

(C) In terms of Chapter 32 of Sri Lanka Accounting Standards 16, Rights of use assets (ROU) are generally depreciated over the shorter of the assets useful lifespan and the term of lease by the Lessee, whereas the Bureau had not carried out calculation of depreciation based on term of lease which is the shorter period with regard to 05 vehicles leased on Rights of use assets basis and consequently a depreciation of Rs. 2,694,052 had been understated in in the accounts of the year reviewed.

(D) The land acquired for and in consideration of Rs. 52,000,000 on Lease basis in 2015 had been stated under Property, Plant and Equipment in statement of financial position without been recognized as Lease Property in accordance with Sri Lanka Financial Reporting Standard (SLFRS). Further, a sum of Rs. 26,000,000 payable as lease liability which should be stated in the statement of financial position had been stated under miscellaneous creditors. Further, Rs. 5,720,000, the accumulated depreciation of the said lease property from 2015 to the year reviewed, has not been duly accounted.

(E) Foreign Exchange Gain had been overstated by Rs. 127,984,991 in the year reviewed as erroneous accounting of fixed deposit interest of Rs. 93,669,604 as Foreign Exchange Gain, overstatement of Rs. 23,730,274 Foreign Exchange Gain in the accounts and deficient accounting of Rs. 10,585,113 which should be adjusted to the Foreign Exchange Gain of the previous year to the profit of the year review. Accordingly, the loss of year reviewed had been understated in the aforesaid same amount.

(F) Interest of Rs. 92,587,269 earned from fixed deposits had been understated in financial statements of the year reviewed due to non-accounting of interest of Rs. 93,669,604 earned from fixed deposits and overstatement of fixed deposit interest by Rs. 1,082,335 due to accounting deficiencies. Accordingly, the loss of year reviewed had been overstated in the aforesaid same amount.

(G) In accordance with the calculations at the Audit, deferred tax of Rs. 143,406,716 had been over allocated for the year reviewed and from which after adjusting Rs. 25,829,025 of Tax expenditure,Rs. 117,577,691 should be adjusted as Deferred Tax over allocation in the comprehensive income statements, but Rs. 106,206,904 had been stated as Tax Expenditure in the comprehensive income statements. Likewise, although Rs. 127,248,426 should have been stated as deferred tax asset, Rs. 172,343,405 had been stated as Deferred Tax Liability in the statement of financial position.

(H) Rs. 4,485,317 of depreciation had been overstated in the Financial Statements of the year reviewed due to deficiency in calculation of depreciation of buildings and other office equipment. Similarly, although the accumulated depreciation relevant to buildings and computers as at 31st December of the year reviewed is Rs. 1,097,623,115, whereas the said amount had been depicted as Rs. 1,121,258,901 in the statement of financial position and accordingly Net Value of Property, Plant and Equipment had been under stated as Rs. 23,635,786 in the relevant accounts.

(I) Following deficiencies were observed in scrutinizing Statement of cash Flow

i. Change in Working Capital had been over stated by Rs. 29,447,539 in the Cash Flow Statement due to errors such as overstatement of increase in payments and other receivables by Rs. 15,312,417 in adjustment to change in working capital, non-accounting of Surplus Trust Fund of Rs. 21,912,150 which had already stated under current asset and then cut off to Government Revenue, overstatement of the value of Kuwait Compensation Fund by Rs. 51,802,119 and not considering of Rs. 526,375, the increase of contribution of migrants workers.

(ii) Interest Income received had been overstated by Rs. 611,799,366 under investment activities in the Cash Flow Statements.

(iii) Amount received from Redemption of Treasury Bonds had been understated by Rs. 13,463,421 in the Cash Flow Statements.

(iv) As per the Ledger, the Net Value of Investment in finance activities was Rs.276, 912,664,the said amount had been stated as Rs. 310,718,160 and presented as negative value in the amended Cash Flow Statements.

(J) Actions had been taken to obtain balance confirmation from 64 creditors totaling Rs. 101,481,502 from the total balance of Rs. 281,344,569 which is the amount payable to Foreign Employment Agencies stated in the Financial Statements, of which confirmations of only 14 creditor balances had been submitted to the Audit. As per the said confirmations, a discrepancy of Rs. 18,030,689 was observed between value stated in the financial statement and confirmed balances.

The Audit was conducted by me in accordance with the Sri Lanka Audit Standards (SLAS).My responsibility under these audit standards is further elaborated under Auditor's Responsibility section on audit of Financial Statements in this report. I am confident that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualitative opinion.

1.3 "Other information" in the Annual Report - 2020 of the Bureau

"Other Information" refers to the information that are intended to be submitted to me subsequent to the date of the Audit and the information included in the Annual Report 2020 of the Bureau, but not depicted in the financial statement and my Audit Report where the Management is responsible for the "Other Information" hereof.

Accordingly, "Other Information" hereof is not covered in my opinion with regard to the Financial Statement and I, under no circumstances, give any certification or declare any opinion in that regard.

My responsibility with regard to the Audit of the Financial Statement is to review whether the knowledge I gained from perusing the statements, compare whether these information materially mismatch with the financial statements when the other information identified above are duly obtained.

Perusing the 2020 Annual Report of the Bureau, In case I decide that there are material misrepresentations, those should be communicated with the governing parties enabling them to rectify those issues. In case there will be further misrepresentations that have not been corrected, in pursuant to the No. 154(6) of the Constitution, those shall be included by me in the Reports that shall be submitted to the Parliament in due course

1.4 Responsibilities of management and controlling parties in respect of financial statements

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It is the responsibility of the management to prepare these financial statements in accordance with the Sri Lanka Accounting Standards and to present fairly in order to determine the internal controls required to prepare financial statements without material or misleading statements that occur due to frauds and errors.

In preparing financial statements, it is the responsibility of management to determine the going concern of the Bureau, and to maintain accountability and disclosure of matters relating to the continued existence of the Bureau unless the management intends to liquidate the Bureau and discontinue operations when there is no other option.

Responsibility in relation to Financial Reporting Process of the Bureau is held by the Governing Parties.

In accordance with Sub-section 16 (1) of the National Audit Act No. 19 of 2018, the Bureau shall maintain proper books and records on its income, expenditure, assets and liabilities in order to be able to prepare annual and periodical financial statements.

1.4 Responsibility of the Auditor in relation to Auditing of financial statements

It is my objective to provide a reasonable assurance that there are no material misrepresentations in financial statements due to frauds and errors as a whole and to issue an auditor's report that includes my opinion. Though fair assurance is a high level of certification, auditing in accordance with Sri Lanka Audit Standards does not always guarantee that it will detect material misrepresentations. Fraud and errors, individually or collectively, can lead to material misrepresentations and it is expected that this affects the economic decisions made by users based on these financial statements.

Auditing was conducted by me in accordance with Sri Lanka Audit Standards with professional judgment and due care and further;

- In order to have a base to my opinion, obtaining adequate and appropriate audit evidence to avoid the risks posed by fraud or error by designing appropriate audit procedures in time to identify and assess the risks of material misrepresentations in financial statements due to fraud or errors. The effects of fraud are far greater than the effects of material misrepresentations, which can lead to fraud, misrepresentation, forgery, intentional evasion, or evasion due to none existence of internal controls.

- Understanding of internal controls were made in order to plan appropriate audit procedures whenever necessary and it does not intend to express an opinion on the effectiveness of internal control.

- The appropriateness of the accounting policies and accounting estimates adopted and the fairness of the associated disclosures made by management were evaluated.

- The relevance of using the basis of the going concern of the institution for accounting was determined on the basis of the audit evidence obtained as to whether there is material uncertainty about the continuity of the Bureau due to events or circumstances. In case I conclude that there is sufficient uncertainty, my audit report should focus on the disclosures in the financial statements, and if those disclosures are insufficient, I should modify my opinion. However, going concern may end on future events or circumstances.

- Submission, structure and content of the financial statements disclosures and the transactions and events on which they were based were evaluated to ensure the presentation appropriately and reasonably.

Controlling body were made aware on significant Audit Findings, key internal control weaknesses and other associated facts during my Audit.

2. Reporton other legal and regulatory requirements

2.1 The National Audit Act No. 19 of 2018 contains special provisions regarding the following requirements.

2.1.1 In accordance with the requirements set out in Section 12 (a) of the National Audit Act No. 19 of 2018, except for the effect of the facts described in the Basis for the Qualitative Opinion in my report, I obtained all the information and explanations required for the audit, the Bureau had maintained proper Financial records as per my observations in my examination.

2.1.2 In accordance with 6 (1) (d) (iii) of the National Audit Act No. 19 of 2018, the financial lial Statements submitted by the Bureau complies with the same of the previous year.

2.1.3 As per the requirement mentioned in Section 6 (1) (d) (iv) of the National Audit Act No. 19 of 2018, recommendations made by me during the last year are included in the financial statements submitted.

2.2 none of the following statements came to my notice, upon the procedures followed and the evidence obtained and restricting to material facts,

2.2.1 In accordance with the requirement of Section 12 (d) of the National Audit Act No. 19 of 2018, a member of the Board of Directors of the Bureau may be directly or indirectly involved in an agreement other than the general business situation within the Bureau.

2.2.2 In accordance with the requirement of Section 12 (e) of the National Audit Act No. 19 of 2018, No observations have been made in non-compliance with the any written law or other general or special directives issued by the Board of Directors of the Bureau.

2.2.3 Acted in non-compliance with the powers, functions and roles of the Bureau as required by Section 12 (g) of the National Audit Act No. 19 of 2018

2.2.4 The resources of the Bureau have not been procured and utilized in accordance with the relevant rules during the time period in economic, efficient and effective manner, as required by Section 12 (d) of the National Audit Act No. 19 of 2018.

03. Other Audit Observations

The property obtained on lease basis by the Bureau in 2015 for and in consideration of Rs. 53 million had been kept defunct for a period of 06 year without utilizing it for an productive economic activity and it was observed that there is no written agreement for the same.

Signed illegibly
W.P.C. Wickramatatne,
Auditor General

Chairman's Observations on Auditor General's Report

Auditor General's Report in terms of Section 12 of the National Audit Act No. 19 of 2018 on Financial Statements and other Legal and Regulatory Requirements of the Sri Lanka Bureau of Foreign Employment for the year ended on the 31st day of December 2020.

Auditor General's Report	Comments and explanations of the Management
1.2 **<u>Basis for qualitative opinion</u>**	
(A) The total net value of the assets of the Bureau reported to be Rs. 1,607,606 as at 31st December in the year reviewed whereas it was observed that actual value of aforesaid assets depicted in the financial statements has been undervalued or overvalued as the assets have not been revalued after year 2010.	**A.** Although Revaluation was initiated by the Government Assessors Department and since it became unsuccessful I intend to complete the process of Revaluation on 31.12.2022 through a recognized private Institution and include the same in the Financial Statement 2022.
(B) Although 15,664 units of assets value of Rs. 92,732,838 possessed by the Bureau and 17,518 items of assets worth Rs. 260,519,329 belonging to the workers Welfare Fund had completely been depreciated, but those were still in use. The Bureau had not conducted review of those assets annually in accordance with paragraph 16 of the Sri Lanka Accounts Standards and Sri Lanka Accounting Standards 8 Accounting Policies, changes in accounting estimates and errors.	B. Having completed the Revaluation for the disclosures for the Asset Items that are revalued in terms of Sri Lanka Accounting Standards 16 and 8 before 31.12.2022, include the same in the Financial Statement 2022 through relevant review of estimates

(c) In terms of Chapter 32 of Sri Lanka Accounting Standards 16, Rights of use assets (ROU) are generally depreciated over the shorter of the assets useful lifespan and the term of lease by the Lessee, whereas the Bureau had not carried out calculation of depreciation based on term of lease which is the shorter period with regard to 05 vehicles leased on Rights of use assets basis and consequently a depreciation of Rs. 2,694,052 had been understated in the accounts of the year reviewed.	**C.** Further depreciation adjustment is no longer required as the term of Lease has already expired and those have been removed from the accounts.
(d) The land acquired for and in consideration of Rs. 52,000,000 on Lease basis in 2015 had been stated under Property, Plant and Equipment in statement of financial position without been recognized as Lease Property in accordance with Sri Lanka Financial Reporting Standard (SLFRS). Further, a sum of Rs. 26,000,000 payable as lease liability which should be stated in the statement of financial position had been stated under miscellaneous creditors. Further, Rs. 5,720,000, the accumulated depreciation of the said lease property from 2015 to the year reviewed, has not been duly accounted.	D. Necessary corrections will be made during the preparation of Final Accounts in the year 2021

(E) Foreign Exchange Gain had been overstated by Rs. 127,984,991 in the year reviewed as erroneous accounting of fixed deposit interest of Rs. 93,669,604 as Foreign Exchange Gain, overstatement of Rs. 23,730,274 Foreign Exchange Gain in the accounts and deficient accounting of Rs. 10,585,113 which should be adjusted to the Foreign Exchange Gain of the previous year to the profit of the year review. Accordingly, the loss of year reviewed had been understated in the aforesaid same amount.	**E. Relevant corrections will be made in the final account of the year 2021**
(F) Interest of Rs. 92,587,269 earned from fixed deposits had been understated in financial statements of the year reviewed due to non-accounting of interest of Rs. 93,669,604 earned from fixed deposits and overstatement of fixed deposit interest by Rs. 1,082,335 due to accounting deficiencies. Accordingly, the loss of year reviewed had been overstated in the aforesaid same amount.	**F. Correct adjustments relevant to the year 2021 have already been made and errors corrected.**
(G) In accordance with the calculations at the Audit, deferred tax of Rs. 143,406,716 had been over allocated for the year reviewed and from which after adjusting Rs. 25,829,025 of Tax expenditure Rs. 117,577,691 should be adjusted as Deferred Tax over allocation in the comprehensive income statements, but Rs. 106,206,904 had been stated as Tax Expenditure in the comprehensive income statements. Likewise, although Rs. 127,248,426 should have been stated as deferred tax asset, Rs. 172,343,405 had been stated as Deferred Tax Liability in the statement of financial position.	**G. Relevant adjustments will be made during the preparation of Final Accounts of the year 2021.**

(H) Rs. 4,485,317 of depreciation had been overstated in the Financial Statements of the year reviewed due to deficiency in calculation of depreciation of buildings and other office equipment. Similarly, although the accumulated depreciation relevant to buildings and computers as at 31st December of the year reviewed is Rs. 1,097,623,115, whereas the said amount had been depicted as Rs. 1,121,258,901 in the statement of financial position and accordingly Net Value of Property, Plant and Equipment had been under stated as Rs. 23,635,786 in the relevant accounts.	**H. Relevant adjustments will be made during the preparation of Financial Accounts in the year 2021.**
(I) Following deficiencies were observed in scrutinizing Statement of Cash Flow	**I.**
i. Change in Working Capital had been overstated by Rs. 29,447,539 in the Cash Flow Statement due to errors such as overstatement of increase in payments and other receivables by Rs. 15,312,417 in adjustment to change in working capital, non-accounting of Surplus Trust Fund of Rs. 21,912,150 which had already stated under current asset and then cut off to Government Revenue, overstatement of the value of Kuwait Compensation Fund by Rs. 51,802,119 and not considering of Rs. 526,375, the increase of contribution of migrants workers.	**i. Comparative cash flow statement together with relevant adjustments will be submitted in the year 2021**
Ii. Interest Income received had been overstated by Rs. 611,799,366 under investment activities in the Cash Flow Statements.	**ii. Comparative cash flow statement together with relevant adjustments will be submitted in the year 2021**
Iii. Amount received from Redemption of Treasury Bonds had been understated by Rs. 13,463,421 in the Cash Flow Statements.	**iii. Comparative cash flow statement together with relevant adjustments will be submitted in the year 2021**

Iv. As per the Ledger, the Net Value of Investment in finance activities was Rs.276, 912,664,the said amount had been stated as Rs. 310,718,160 and presented as negative value in the Amended Cash Flow Statements.	**iv. Comparative cash flow statement together with relevant adjustments will be submitted in the year 2021**
(K) Actions had been taken to obtain balance confirmation from 64 creditors totaling Rs. 101,481,502 from the total balance of Rs. 281,344,569 which is the amount payable to Foreign Employment Agencies stated in the Financial Statements, of which confirmations of only 14 creditor balances had been submitted to the Audit. As per the said confirmations, a discrepancy of Rs. 18,030,689 was observed between value stated in the financial statement and confirmed balances.	**(K) The Bureau cannot make any confirmation on the Accounting system. However further verification of the relevant balances of bank receipts and 70% agency refund could be confirmed, though the available accounting system process of the SLBFE.**
The Audit was conducted by me in accordance with the Sri Lanka Audit Standards (SLAS).My responsibility under these audit standards is further elaborated under Auditor's Responsibility section on audit of Financial Statements in this report. I am confident that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualitative opinion.	
1.3 "Other information" in the Annual Report - 2020 of the Bureau "Other Information" refers to the information that are intended to be submitted to me subsequent to the date of the Audit and the information included in the Annual Report 2020 of the Bureau, but not depicted in the financial statement and my Audit Report where the Management is responsible for the "Other Information" hereof.	
Accordingly, "Other Information" hereof is not covered in my opinion with regard to the Financial Statement and I, under no circumstances, give any certification or declare any opinion in that regard.	

My responsibility with regard to the Audit of the Financial Statement is to review whether the knowledge I gained from perusing the statements, compare whether these information materially mismatch with the financial statements when the other information identified above are duly obtained.

Perusing the 2020 Annual Report of the Bureau, In case I decide that there are material misrepresentations, those should be communicated with the governing parties enabling them to rectify those issues. In case there will be further misrepresentations that have not been corrected, in pursuant to the No. 154(6) of the Constitution, those shall be included by me in the Reports that shall be submitted to the Parliament in due course

1.4 Responsibilities of management and controlling parties in respect of financial statements

It is the responsibility of the management to prepare these financial statements in accordance with the Sri Lanka Accounting Standards and to present fairly in order to determine the internal controls required to prepare financial statements without material or misleading statements that occur due to frauds and errors

In preparing financial statements, it is the responsibility of management to determine the going concern of the Bureau, and to maintain accountability and disclosure of matters relating to the continued existence of the Bureau unless the management intends to liquidate the Bureau and discontinue operations when there is no other option.

Responsibility in relation to Financial Reporting Process of the Bureau is held by the Governing Parties

In accordance with Sub-section 16 (1) of the National Audit Act No. 19 of 2018, the Bureau shall maintain proper books and records on its income, expenditure, assets and liabilities in order to be able to prepare annual and periodical financial statements.

2. Report on other legal and regulatory requirements

2.1 The National Audit Act No. 19 of 2018 contains special provisions regarding the following requirements.

2.1.1 In accordance with the requirements set out in Section 12 (a) of the Nationa Audit Act No. 19 of 2018, except for the effect of the facts described in the Basis for the Qualitative Opinion in my report, I obtained all the information and explanations required for the audit, the Bureau had maintained proper Financial records as per my observations in my examination.

2.1.2 In accordance with 6 (1) (d) (iii) of the National Audit Act No. 19 of 2018, the financial Statements submitted by the Bureau complies with the same of the previous year.

2.1.3 As per the requirement mentioned in Section 6 (1) (d) (iv) of the National Audit Act No. 19 of 2018, recommendations made by me during the last year are included in the financial statements submitted.

2.2 none of the following statements came to my notice, upon the procedures followed and the evidence obtained and restricting to material facts,

2.2.1 In accordance with the requirement of Section 12 (d) of the National Audit Act No. 19 of 2018, a member of the Board of Directors of the Bureau may be directly or indirectly involved in an agreement other than the general business situation within the Bureau. 2.2.2 In accordance with the requirement of Section 12 (e) of the National Audit Act No. 19 of 2018, No observations have been made in non-compliance with the any written law or other general or special directives issued by the Board of Directors of the Bureau. 2.2.3 Acted in non-compliance with the powers, functions and roles of the Bureau as required by Section 12 (g) of the National Audit Act No. 19 of 2018 2.2.4 The resources of the Bureau have not been procured and utilized in accordance with the relevant rules during the time period in economic, efficient and effective manner, as required by Section 12 (d) of the National Audit Act No. 19 of 2018.	
03. Other Audit Observations ----------------------------- The property obtained on lease basis by the Bureau in 2015 for and in consideration of Rs. 53 million had been kept defunct for a period of 06 year without utilizing it for an productive economic activity and it was observed that there is no written agreement for the same.	Bureau had obtained a land in extent of 1.9510 hectares situated at Mahenawatta, Homagama, on lease amounting to Rs. 64 million for a period of 50 years. An advance payment of Rs 26 million has been paid on 16.06.2015 to Urban Development Authority. Resultantly, the physical ownership of the land has been taken over by the Bureau. Further, following charges have also been paid to the Urban Development Authority to prepare the Lease Agreement for the period of 50 years.

Legal charges	Rs.	750,000,00
Stamp duty	Rs.	266,000.00
VAT	Rs.	114,795.00
NBT	Rs.	15,300.00
Total	Rs.	**1,146,095.00**

Letters requesting to prepare the agreement for the future proceeding have been sent on 28.08.2019, 03.01.2020, 23.12.2020, 08.06.2021 to the Director (Legal) of the Urban Development Authority. On a telephone inquiry conducted with the Urban Development Authority (Legal) it was informed that there will be delay in the preparation of the relevant agreement as surveying of the land has to be undertaken and accomplished.

Approval of the Board of Director of the Bureau has been received by Approval No. 58/2020 (M-07) dated 27.06.2020 to build a pre casted building for the Recruitment Division of the Bureau. Accordingly, tender documents have been prepared and forwarded on 27.07.2021 to the Technical Evaluation Committee (TEC) to select a Consultancy Firm and a TEC meeting has been conducted on 19.11.2021.

However, the Ministry of Finance, Economic and Policy Formulation has notified to cut off all expenditure on constructions and non-essential initiatives by the budget circular No. 07/2019 and dated 04.12.2019 by BD/CBP/01/01/03-2019 and the Circular No. 05/2020 and dated 03.09.2020 by BD/CBP/01/01/06-2020 of the Ministry of Finance and to take relevant action to postpone all construction of building by two years.

	However, by forwarding a letter No. PR/02/05/61 and dated 06.10.2020 to the Secretary to Ministry of Foreign Employment Promotion and Market Diversification it has been requested to obtain the approval of Ministry of Finance for the proposed construction. However, it has been stated under No. I of 2.3 (A) of National Budget Circular No. 01/2021 issued on 28.07.2021 by the Ministry of Finance that the decision to temporarily withhold the construction of building will be extended in the next year as well. Accordingly, the request letter No. PR/02/05/26 Vol. i dated 01.10.2021 has been resubmitted to the Secretary to Ministry of Foreign Employment Promotion and Market Diversification to obtain the relevant approval.

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