



Sri Lanka Bureau of Foreign Employment

ANNUAL REPORT | 2021



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ABOUT THIS REPORT

Scope and Boundaries

The Sri Lanka Bureau of Foreign Employment (SLBFE) presents its Annual Report, covering the operational performance of the SLBFE and its subsidiary - Sri Lanka Foreign Employment Agency (SLFEA) - for the period of January 1, 2021 to December 31, 2021, which is the reporting period of the SLBFE. All the financial reviewing is within the scope of sectoral operations of the SLBFE.

The financial information has been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS), Public Enterprise Guidelines, Finance Act No. 28 of 1971, and Code of Best Practice on Corporate Governance issued by CA Sri Lanka. This report covers the performance of our business units, our leadership team, our governance practices and published financial statements together with the Audit Report.



SLBFE Head Office

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



Vision

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

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.





OUR 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.





GROUP STRUCTURE



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

The 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

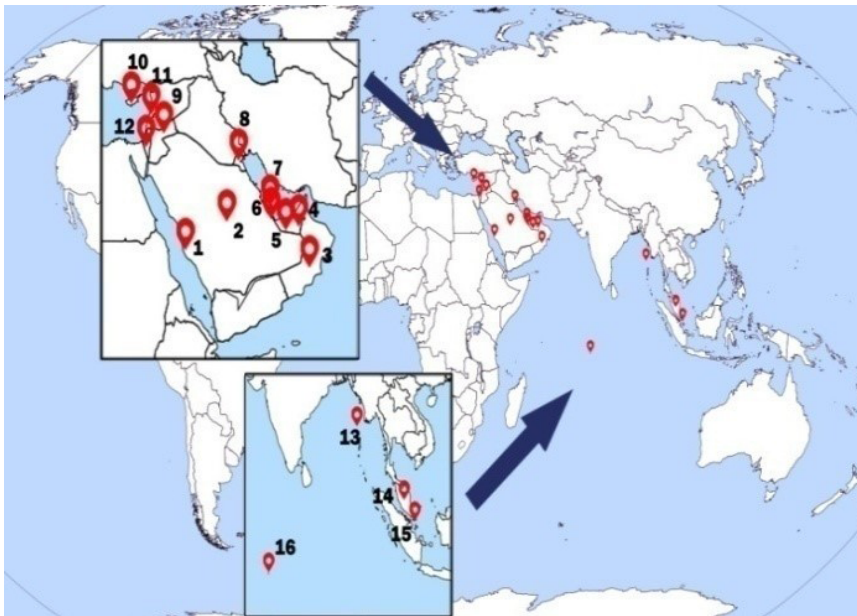


Sri Lanka Foreign Employment Agency

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



SLBFE NETWORK



Employment and Welfare Sections of the Sri Lanka Diplomatic Missions Overseas

Abu Dhabi, Bahrain, Cyprus, Dubai, Israel, Lebanon, Malaysia, Maldives, Oman, Qatar, Jeddah, Riyadh, Jordan, Singapore, Kuwait, South Korea.

Divisions in Head Office & Talahena: 30 Divisions

Head office: No. 234, Denzil Kobbekaduwa Mawatha, Koswatta, Battaramulla.

District Training Centres: 07

Jaffna, Batticaloa, Chilaw, Dambulla, Galle, Polonnaruwa, Trincomalee.

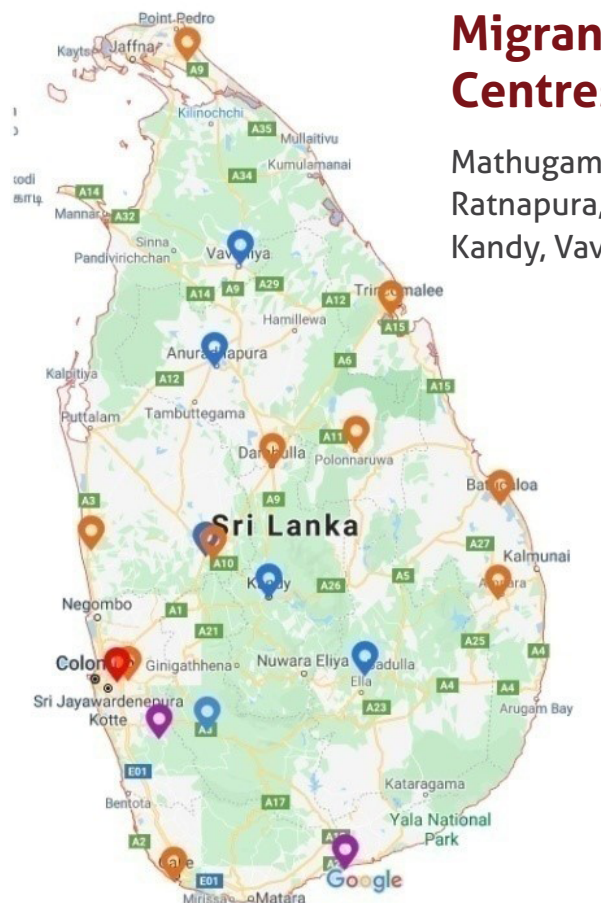
Training Centres: 02

Kurunegala, Pannipitiya.

Our Workforce 1179

Migrant Resource Centres: 09

Mathugama, Tangalle, Hali-ela, Ratnapura, Ampara, Kurunegala, Kandy, Vavuniya, Anuradhapura.





HIGHLIGHTS | 2021

**Qatar
Saudi Arabia
U.A.E.**

Major Labour
Receiving
Countries

**Professional:
8,373**

**Skilled:
40,174**

**Semi-skilled:
1,930**

**Middle Level:
4,256**

**Clerical &
Related:
6,540**

**Low-skilled:
31,676**

**Housemaids:
29,315**

**Total Registrations
(Manpower Levels)**

**122,264
Male: 81,110**

**Female:
41,154**

Registrations
for Foreign
Employment

Rs. 897 Mn.

Workers Welfare
Fund Expenditure

**1,087
LKR (Billion)
5,491
USD (Million)**

Remittances

Rs.Mn. 3,053

SLBFE Revenue

Rs. 2,421 Mn.

SLBFE Expenditure



CHAIRMAN'S MESSAGE



The SLBFE, being the sole authority in Sri Lanka for the promotion, governance and regulation of the foreign employment industry, was driven through an extremely challenging period during the year under review due to the COVID-19 pandemic. The travel restrictions world over, islandwide lockdowns and the closure of the airports have had an unprecedented impact on the foreign employment industry reducing the revenue of the SLBFE significantly.

Compared to the previous year (2020), the SLBFE witnessed a faster recovery by the end of financial year 2021 as the Home and the Countries of Destinations were returning to normal business activities on finding new ways to move on with the global pandemic. Despite the numerous challenges encountered throughout this period, the positive attitude of all stakeholders helped the SLBFE to navigate to safeguard Migrant Workers and their family members and to generate substantial income to SLBFE.

The performance of the SLBFE gradually increased with the commitment of the management and the staff who contributed their services in utmost efficacy for the transformation of the industry and to achieve the given target by the government by securing overseas employment opportunities for 100,000 Sri Lankans. Moreover, the efficiency of co-business activities improved significantly by simplifying the process of co-business areas and applying IT-based solutions where necessary. Sri Lankans employed around the world were facilitated to communicate their grievances/complaints to the SLBFE via an online platform and strengthened the overseas branches of the SLBFE to ensure welfare and protection of those Sri Lankans working abroad.

The income of the SLBFE during the year 2021 of Rs. 3,053 million increased by 71% compared to Rs. 1,780 million in 2020, the previous year, while recording a profit of Rs. 632 million before tax. In addition, the SLBFE continued its welfare packages for Sri Lankans employed abroad and their family members in Sri Lanka by spending Rs. 352 million during the year.

The SLBFE is currently heading towards the target of securing 300,000 employment opportunities for Sri Lankans on the experience and the strong structural reforms made in 2021. In this endeavour, I extend my gratitude to the Cabinet Minister of Labour and the State Minister of Foreign Employment Promotion and Market Diversification and the officials of the ministries for their guidance and advice. Furthermore, I would like to recall the contribution of the Management and our Staff during this period and the cooperation of the Board of Directors, Sri Lanka Diplomatic Missions overseas, other stakeholders, as well as the Sri Lankan community in destination countries.

Major General Mahinda Hathurusinghe
Chairman



BOARD OF DIRECTORS

In terms of Section 5 of the SLBFE Act No. 21 of 1985 as amended by No. 04 of 1994 and No. 56 of 2009, the Board of Directors of the SLBFE 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

The names of persons who held the office as Directors of the SLBFE during the year ended 31 December 2021 are given below.

Name of the Director	Position
1. Major General Mahinda Hathurusinghe	Chairman
2. Mrs. K. M. S. D. Jayasekara	Director
3. Mr. W. A. Samantha Upananda	Director
4. Mr. Suranga Alegawatta	Director
5. Mr. Nimal Piyarathne Thibbotumunuwa	Director
6. Mr. Sudhammika Keminda Attygalle	Director
7. Mr. P. B. Kulathunga	Director
8. Mr. Buddhi Pradeep Niyadandupola	Director
9. Mr. Wattakgoda Shiroman Hemantha Sapumohotti	Director
10. Mr. Madarange Lanka Vijitha Kumara	Director
11. Mr. Abdul Razik Mohamed Ghouse	Director

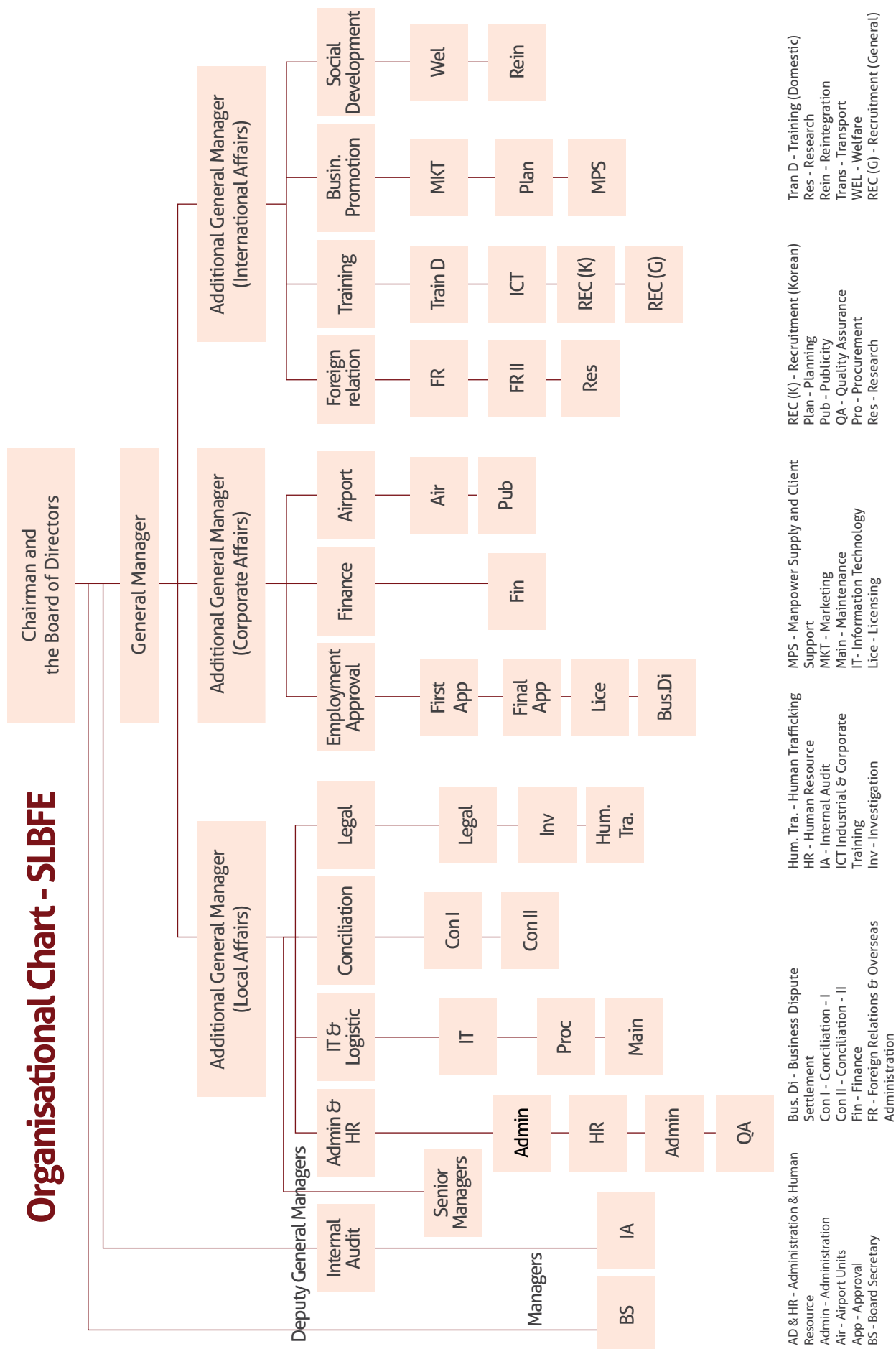


SENIOR MANAGEMENT TEAM

1. Major General Mahinda Hathurusinghe	- Chairman
2. Mr. D. D. P. Senanayake	- General Manager
3. Mr. M. M. Deshapriya	- Additional General Manager (Local Affairs)
4. Mr. R. K. K. M. P. Randeniya	- Additional General Manager (International Affairs)
5. Mr. A. P. K. Liyanwala	- Deputy General Manager (Finance)
6. Mr. B. M. P. K. T. Hettiarachchi	- Deputy General Manager (Social Development)
7. Mr. A. K. U. Rohana	- Deputy General Manager (IT)
8. Mr. P. P. Weerasekara	- Deputy General Manager (Approval)
9. Mr. M. R. C. B. Ekanayake	- Deputy General Manager (Business Promotion)
10. Ms. Y. C. N. Abeygunawardena	- Deputy General Manager (Internal Audit)
11. Mr. K. L. H. K. Wijeratne	- Deputy General Manager (Foreign Relations)
12. Mr. P. G. G. S. Yapa	- Deputy General Manager (Logistics)
13. Ms. I. Pathinayake	- Deputy General Manager (Conciliation)
14. Ms. N. Y. Samarasekara	- Actg. Deputy General Manager (Legal)
15. Mr. J. M. R. U. Jayasinghe	- Deputy General Manager (Admin. & HR - Cover-up)/ Senior Manager (Northern Province and Recruitment)
16. Ms. Y. H. R. Senaratne	- Senior Manager (Publicity)
17. Mr. H. M. Sunil	- Senior Manager (North Central)
18. Ms. M. M. S. Sweetey	- Senior Manager (Central)
19. Mr. Jagath Batugedara	- Senior Manager (Airport)
20. Mr. L. Y. Pathirana	- Senior Manager (North Western)
21. Mr. W. Leelaratne	- Senior Manager (Sabaragamuwa)
22. Ms. P. M. Rathnasinghaarachchi	- Senior Manager (Western)
23. Ms. S. Gallage	- Senior Manager (Eastern)
24. Mr. B. Hittetiyege	- Actg. Senior Manager (Southern)
25. Mr. R. A. S. Chaminda	- Actg. Senior Manager (Uva)



Organisational Chart - SLBFE

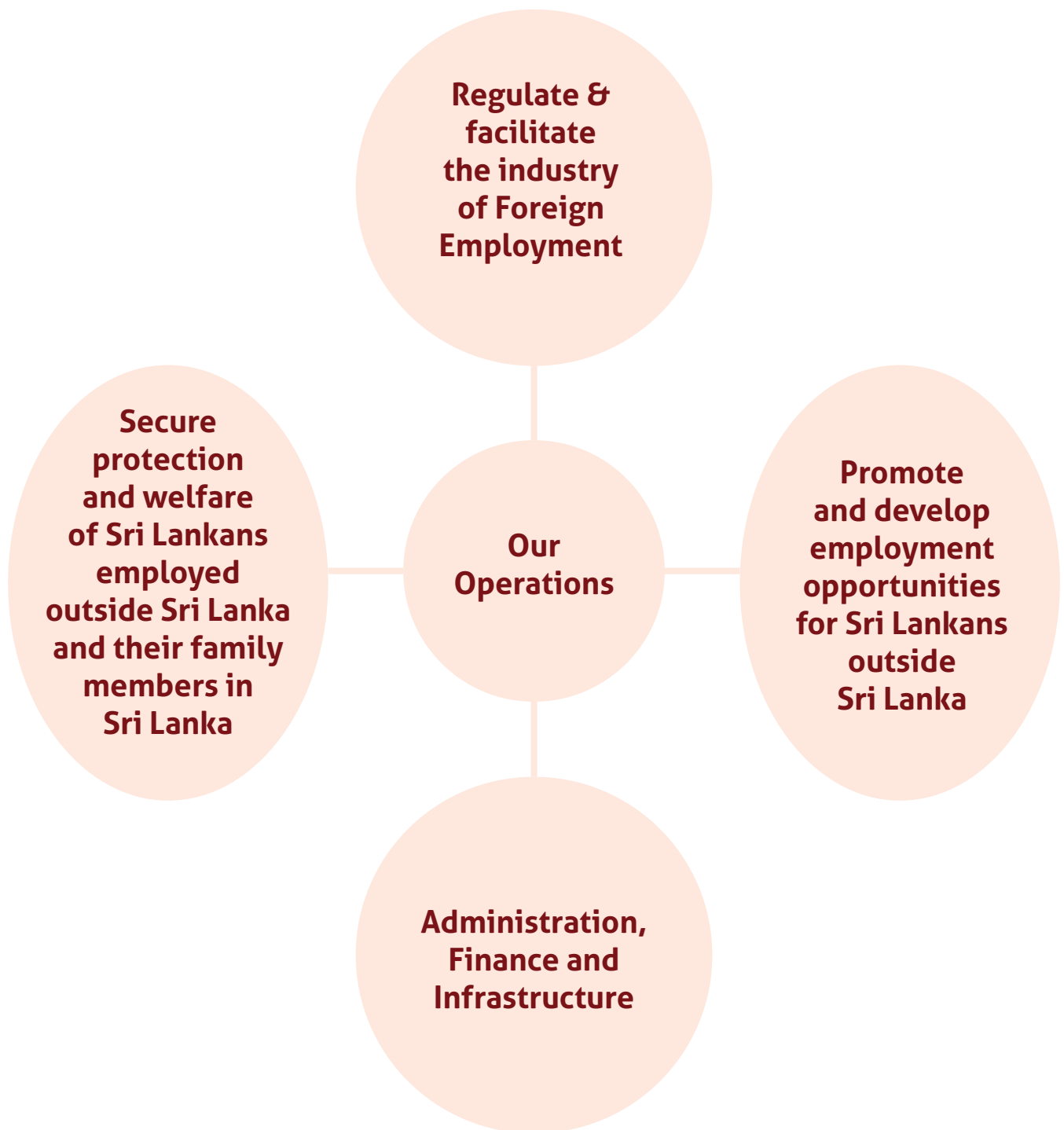


• Senior Managers who are appointed for provinces come under the supervision of Addi GM (Local Affairs)



OPERATIONAL REVIEW

Being the regulatory and monitoring body for foreign employment, the SLBFE has structured its operations in line with its key objectives focusing on migrant workers and members of their families on the stages of Pre-Departure, In-Service and Post Arrival in the migration arena.





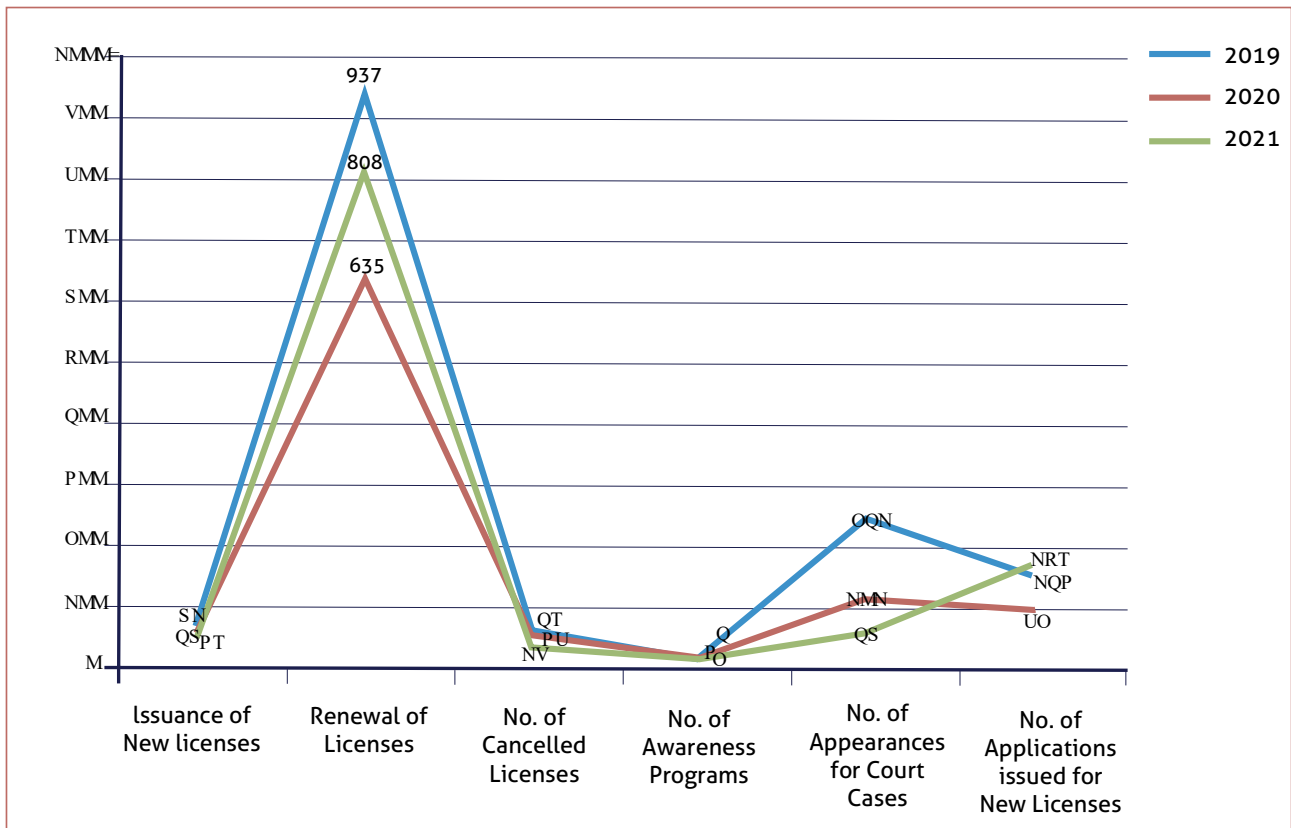
Regulate & facilitate the industry of foreign employment

Licensing:

The SLBFE issue licenses to carry out the business of foreign employment to those persons & entities that/who have fulfilled the requirements as per the provisions of the SLBFE Act. A license is valid for a period of one year and is renewable. The operations of the License Division comprises of;

- a. Issuance of new licenses
- b. Renewal of licenses
- c. Cancellation of licenses
- d. Awareness programmes for new licensees
- e. Appearances for court cases
- f. Applications issued for new licenses to those who have got through an interview

Activities carried out by the Division		2019	2020	2021
	Issuance of new licenses	61	46	37
	Renewal of licenses	937	635	808
	No. of cancelled licenses	47	38	19
	No. of awareness programmes	03	04	02
	No. of appearances for court cases	241	101	46
	No. of applications issued for new licenses	143	82	157



Job order approval and employment registration process

The two divisions namely, the First Approval Division and the Final Approval Division of the SLBFE operates towards this process.

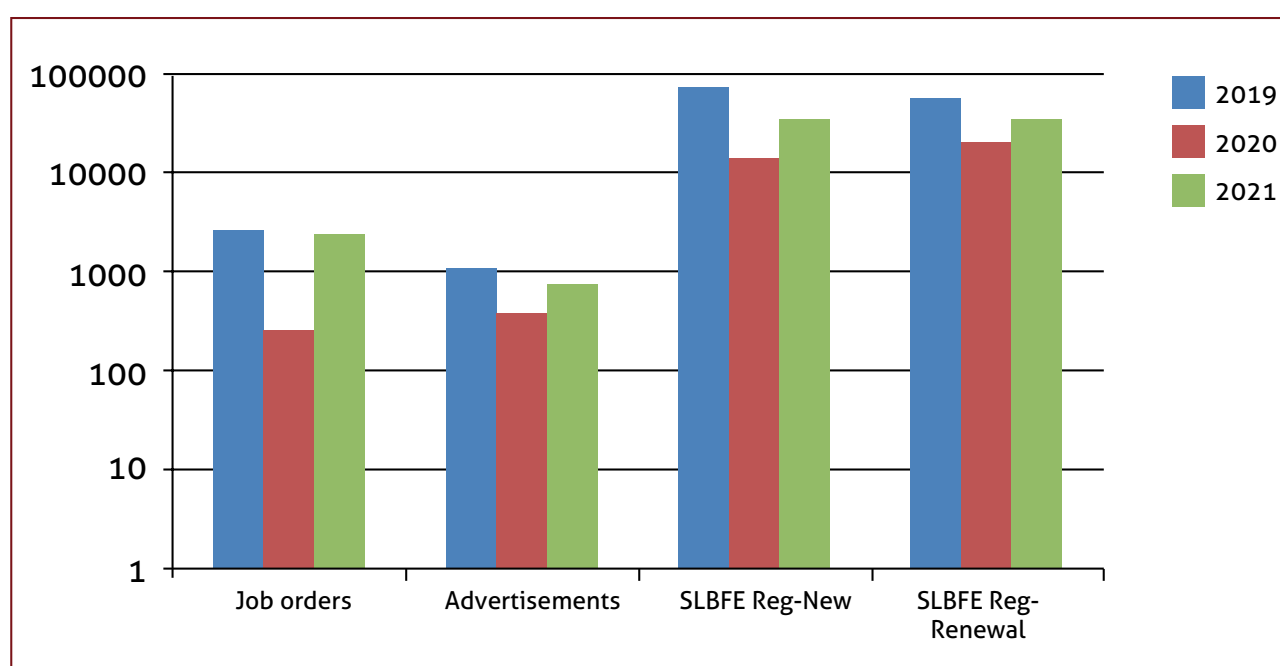
The First Approval Division grants approvals for the job orders and the advertisements submitted by Licensed Foreign Employment Agencies (LFEAs). It also facilitates the registration and renewal of registration of migrant workers who receive employment through private sources (self registration).

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



Activities carried out by the First Approval Division: 2019-2021

	2019	2020	2021
Job order approvals	2,629	261	2,378
Advertisement approvals	1,129	387	729
SLBFE registration - new	76,106	14,746	34,289
SLBFE registration - renewal	57,704	20,899	36,931

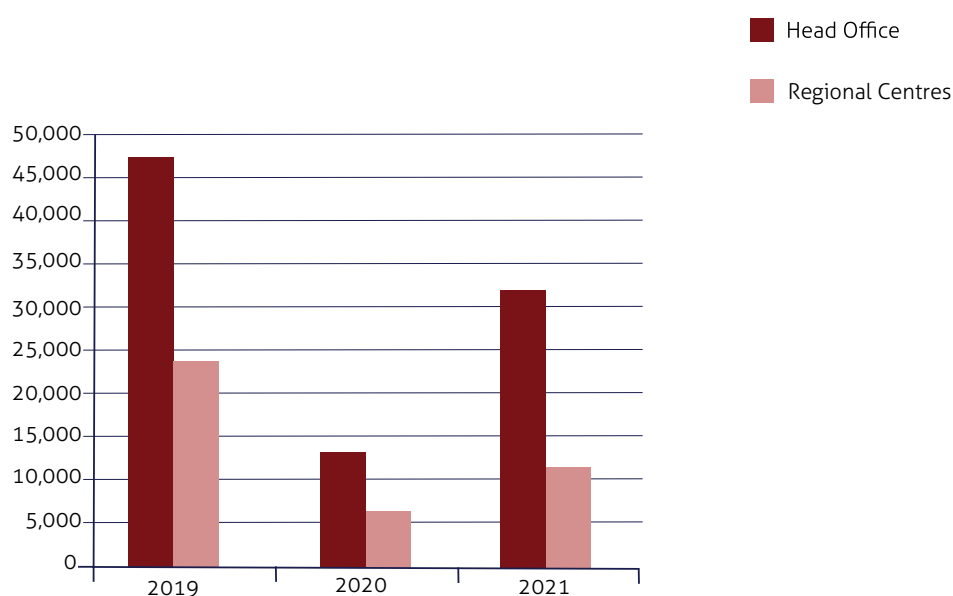


Due to the worldwide pandemic situation, there were limitations on recruitment of manpower for employment in destination countries, as some of those receiving countries imposed travel restrictions for expatriate workers in view of controlling the spread of the virus in their countries. Under these circumstances, the SLBFE faced many challenges in sending manpower for overseas employment during the pandemic situation. The islandwide lockdowns in certain areas affected the foreign employment business placing barriers on its regular process. However, compared to the previous year, and increase in the numbers could be observed in 2021.



Registration of Sri Lankan workers for foreign employment through Licensed Foreign Employment Agencies: 2019 - 2021 by the Final Approval Division

	2019	2020	2021
Head Office	47,254	13,414	31,967
Regional Centres	23,841	5,971	11,011
Total	71,095	19,385	42,978

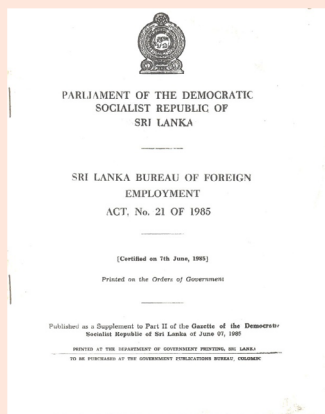


As per the provisions of the SLBFE Act, every Sri Lankan who leaves for employment outside Sri Lanka should register with the SLBFE prior to such departure. The registration with the SLBFE ensures that Sri Lankans are employed overseas with a valid employment contract which safeguards their rights and interests in host countries. **All registered migrant workers are eligible for an insurance cover provided by the SLBFE free-of-charge, which 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.

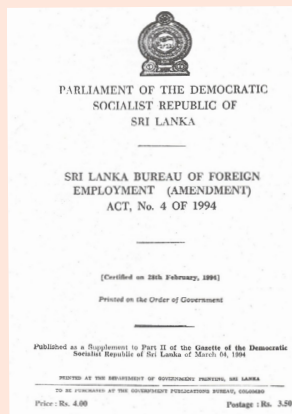


Law Enforcement

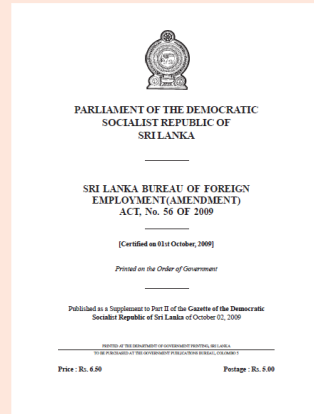
Sri Lanka Bureau of Foreign Employment



Act, No. 21 of 1985



Act, No. 04 of 1994



Act, No. 56 of 2009

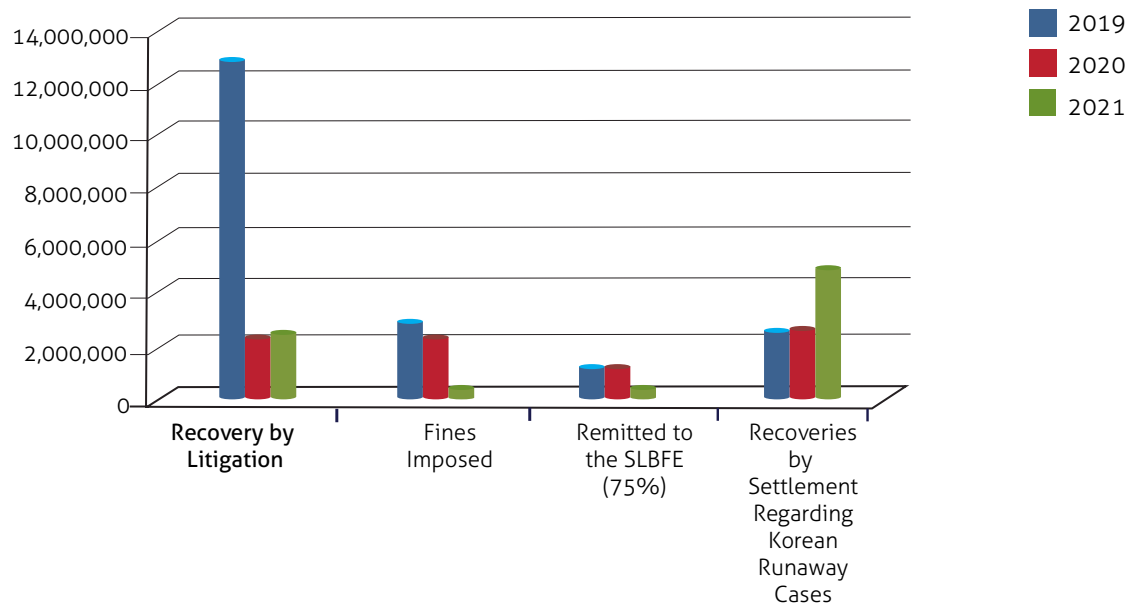
The Legal Division, Special Investigation Division and the Human Trafficking Unit of the SLBFE are in operation for the purpose of law enforcement. The SLBFE takes all possible efforts to eliminate illegal activities, malpractices, trafficking in persons and also to promote good practices by the actors 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 job seekers, migrant employees, their family members and other aggrieved parties. The SLBFE conducts inquiries into public complaints received on illegal recruitment activities carried out by Licensed Foreign Employment Agencies and other non-licensed parties. Raids are conducted to take suspects into custody and legal action is taken against those who violate the law, after conducting proper investigations.

The **Legal Division** of the SLBFE functions with the following activities:

- Litigation regarding complaints made by migrant workers or their relatives at the pre-departure stage or post-departure stage against licensees or non-licensed persons, under the provisions of the SLBFE Act No. 21 of 1985 as amended by Act No. 04 of 1994 and 56 of 2009.
- Litigation against Korean recruits who have violated the bond that has been entered into by and between the recruit and the SLBFE.
- Dealing with cases filed by various outside parties against the SLBFE at various courts and the other tribunals such as the Human Rights Commission, Department of Labour etc.
- Recommendation of insurance benefits and the other compensation due to victimised migrant workers and their dependents on the operation of the SLBFE.
- Granting recommendations for renewal of licenses.

- Drafting and certification of contracts, MOUs, other types of legal documents regarding procurement purposes and the operations of the SLBFE.
- Conducting various awareness programmes on the provisions of the SLBFE's Act and other legislation for the benefit of internal staff and the other stakeholders of the industry (i.e licencees, public officers and police officers etc.).
- Legal advices and consultations for the affected migrant workers, their families and various divisions of the SLBFE.
- Handling loan recoveries in the case of defaulted loans by the employees of the SLBFE.

Activities		Progress		
		2019	2020	2021
01	Appear in courts of law & tribunals in cases filed against SLBFE	137	130	134
02	Take legal action against licensed agents and non-licensed persons who have violated the law	461	127	134
03	Appearing in courts of law & tribunals in cases filed by the SLBFE against the licensed agents and non-licensed persons	3330	2761	2548
04	Provide necessary legal assistance for divisional activities	1304	984	1187
05	Draft and attest legal documents	25	11	31
06	Conduct awareness programmes for SLBFE officials to update knowledge on the law of foreign employment and other related laws	02	-	01
07	Ensure legal officers participate in national and international legal workshops and programmes to update their existing law	02	-	-
08	Conduct awareness programmes for divisional secretarial staff, police officers regarding prevention of human trafficking under the SLBFE act	02	01	-
Providing legal assistance for divisional activities				
		2019	2020	2021
09	No. of reports submitted for the renewal of licenses	1041	808	872
10	No. of insurance payment files completed	263	176	315
11	Appearing at human rights commissions and other similar organisations to provide necessary information, as and when required	05	08	-



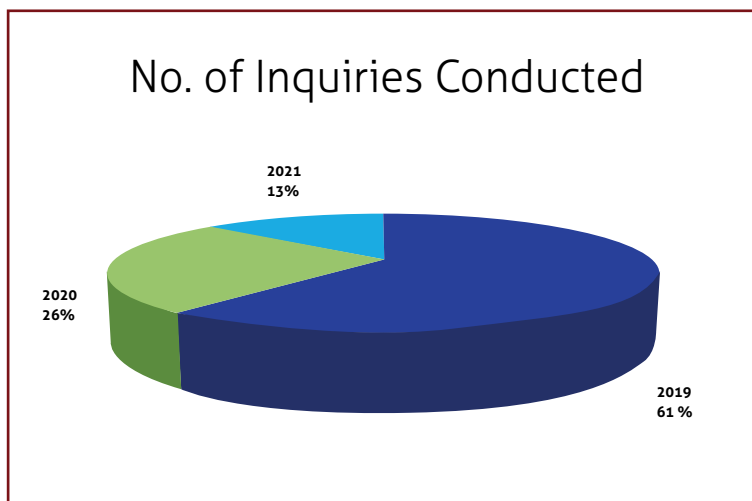
“Ethera Shramayata Neethiyen Athwelak” is an awareness programme conducted for the staff of the SLBFE and public sector officials to expand their knowledge on laws, regulations and practices related to foreign employment, and also to enhance the skills required to discharge their duties efficiently and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





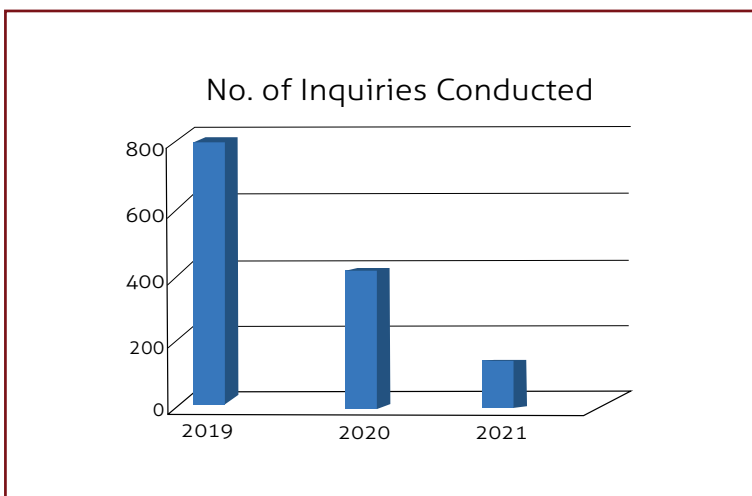
Inquiries conducted by the Investigation Division on complaints received from the general public against Licensed Foreign Employment Agencies

Year	No. of Inquiries Conducted
2019	1,762
2020	749
2021	387
Total	2,898



Inquiries conducted by the Investigation Division on complaints against non-licensed persons who engaged in foreign employment businesses

Year	No. of Inquiries Conducted
2019	779
2020	394
2021	80
Total	1,253





Awareness programmes conducted by the Counter Human Trafficking Unit of the SLBFE - 2021



Raids conducted on illegal recruitment activities to prevent trafficking of persons and smuggling

Year	No. of Raids	No. of Successful Raids
2019	298	252
2020	173	173
2021	04	04
Total	475	468

Business Dispute Settlement

As a measure of promoting good practices among stakeholders in the industry of foreign employment, the SLBFE intervenes to settle business disputes that arise 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 family members in Sri Lanka

Resolving Complaints

The SLBFE operates a web-based Complaint Management System (CMS) to enhance the efficiency of resolving complaints received from or on behalf of 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, local branch office or the Labour Section of the Sri Lanka Diplomatic Mission in the respective country. The SLBFE's authorised officers attached to the Conciliation Division/Units or Labour Sections at Sri Lanka Diplomatic Missions overseas, relevant Licensed Foreign Employment Agencies and foreign agencies are facilitated to communicate through and record information in the CMS.

Number of complaints received and resolved by the Conciliation Division: 2019 -2021

Month	Year 2019		Year 2020		Year 2021	
	Received	Resolved	Received	Resolved	Received	Resolved
January	431	517	421	511	952	486
February	313	260	470	391	715	555
March	394	529	208	139	549	725
April	348	123	20	8	245	624
May	349	471	454	138	76	281
June	386	375	653	315	135	273
July	615	404	553	357	258	589
August	464	362	560	266	156	387
September	387	489	566	457	91	276
October	455	511	262	147	267	549
November	416	309	445	227	295	344
December	434	401	376	386	323	322
Total	4,992	4,751	4,988	3,342	4,062	5,411*

* Accumulated (no. of complaints resolved includes complaints lodged in the previous years)



SLBFE assistance for aggrieved migrant employees to recover money as compensation, salary and other dues : 2019 - 2021

Year	No. of cases (complaints, files)	Paid amount (Rs)
2019	190	13,687,801.00
2020	31	2,370,612.00
2021	22	2,295,925.00

Conciliation Day Programmes are conducted with the participation of Conciliation Officers, Licensed Foreign Employment Agencies and complainants to expedite the complaint resolving process. The Conciliation Division conducted its awareness programmes in the year 2021 for the relevant parties in-home, and the officials of the labour sections of Sri Lankan Missions overseas via zoom, during the pandemic situation.

Welfare Services

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



Providing of an artificial leg to a disabled migrant worker



Financial Assistance



Welfare activities carried out in 2021

No	Activities	No of beneficiaries Rs. (Mn.)	Cost incurred
01	Insurance benefits - Registered migrant workers who died or suffered with an illness, personal accident, harassment within a period of two years from the date of registration	640	130.29
02	Special assistance for migrant workers and their family members under Workers Welfare Fund - Registered migrant workers who returned to Sri Lanka after the validity period of registration - Unable to submit the claim within the prescribed period - Migrant workers who died after the validity period - Migrant workers and their family members who face economic difficulties - Migrant workers or their family members with severe illness	131	26.92
03	Granting of scholarships - Awarding of scholarships to children of registered migrant workers who passed; • Grade 5 Scholarship Examination, • GCE – 'O' Level • GCE - 'A' Level, who follow the higher education	872	21.51
04	School equipment - Provide school equipment to the children of migrant workers who are unable to continue their studies due to financial difficulties since their parent are overseas and face problems while working	46	0.22
05	Financial and technical assistance to build a house - Registered migrant workers who are disabled due to accident (disability 65% or above) while working overseas	01	0.6
06	Financial and non-financial support by providing medical facility for needy migrant workers - Provide payment of medical treatments, prescription medication and nutrition foods to needy registered migrant workers and their family members	06	0.25
07	Donation of a sum of Rs. 40,000/- to NOK of deceased migrant workers due to Covid-19 for their religious activities. - Registered migrant workers who died due to the COVID – 19 pandemic, and buried abroad	83	3.32
08	Quarantined migrant workers at private quarantine centres - Registered migrant workers who arrived in Sri Lanka during the period April – May 2021	570	23.19



Scholarships awarded in Uva and Western provinces to the children of migrant workers.



Providing school equipment for the children of migrant workers in Kandy



A house being constructed at Horathapalawa for disabled migrant worker, Mrs. A. A. D. Wijayanthi



24-hour Information Service

24-hour Information Centre 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 Centre through our Hotline (1989) and dedicated hunting telephone lines (011-2879900), email (infor_center@slbfe.lk) and over Skype (24 hours call center - SLBFE).



Inquiries received by the Information Centre in 2020

Telephone inquires	200,225
Email inquires	3,955

විදේශ රැකියා ප්‍රවර්ධන හා වෙළඳපල විවිධාංගීකරණ රාජ්‍ය අමාත්‍යාංශය

**මුළු ලොවම කොරෝනා වසංගතයෙන් වසාගෙන,
ආර්ථිකය මෙන්ම සමාජ ජීවිතයද ඇද වැටුණු මෙහෙතෙම,
අත් කවරදාවත් වඩා ධෛර්යෙන් නැගී සිටී
අභිමානවත් ශ්‍රී ලාංකිකයින් අපි වෙමු...**

**වසංගතය සමඟ වසර දෙකක කාලයක් ක්‍රමයෙන් බිඳ වැටුණු
විදේශ රැකියා සේවනය යළි පණ ගසා නැගී සිටීමත්,
ලියාපදිංචි විදේශ රැකියාලාභීන් සංඛ්‍යාව
ලක්ෂයේ සීමාව
පසු කරන්නට සමත් විය.**

**එය සමස්ත විදේශ රැකියා සේවනයම ලැබූ විශිෂ්ට ජයග්‍රහණයකි.
මෙවන් අවදානම් මොහොතක ධෛර්ය සම්පන්නව
අභියෝගයට මුහුණ දුන්**

විගමනික ශ්‍රමික ප්‍රජාවට ජාතියේ ප්‍රණාමය.

සෞභාග්‍යයේ දැක්ම තුළින්, මාධ්‍ය ජයගෙන දීර්ගයෙන්
ඉදිරියට යන්නට නායකත්වය ලබාදුන් හා මග පෙන්වූ,
අතිගරු ජනාධිපති ගෝඨාභය රාජපක්ෂ මැතිතුමා
ගරු අග්‍රාමාත්‍ය මහින්ද රාජපක්ෂ මැතිතුමා
හාමිකරු අමාත්‍ය ගරු නිමල් සිරිපායද සිල්වා මැතිතුමා
විදේශ රැකියා ප්‍රවර්ධන හා
වෙළඳපල විවිධාංගීකරණ රාජ්‍ය අමාත්‍ය
ගරු පියංකර ජයරත්න මැතිතුමා
අමාත්‍යාංශයේ ශ්‍රේෂ්ඨ, ඇතුළු කාර්ය මණ්ඩලයට හා
ශ්‍රී ලංකාවට විදේශ රැකියා ලබාගන්නට වෙහෙස වී කටයුතු කරන
ඕලපත්‍රලාභී විදේශ රැකියා නියෝජිතායතනයන්ට,
විදේශ රටවල රැකියා නියෝජිතායතනයන්ට, සේව්‍යයන්ට
එම මෙහෙවරට සහය ලබාදෙන ශ්‍රී ලංකා දූත මණ්ඩලවලට හා
ශ්‍රී ලංකා විදේශ සේවා නියුක්ති කාර්යාංශයේ අධ්‍යක්ෂ මණ්ඩලය
ඇතුළු සමස්ත කාර්ය මණ්ඩලයට ගෞරවය පුදකරමි.

මේජර ජෙනරාල් මහින්ද හතුරුසිංහ - සභාපති
ශ්‍රී ලංකා විදේශ සේවා නියුක්ති කාර්යාංශය



Assistance to Returnees

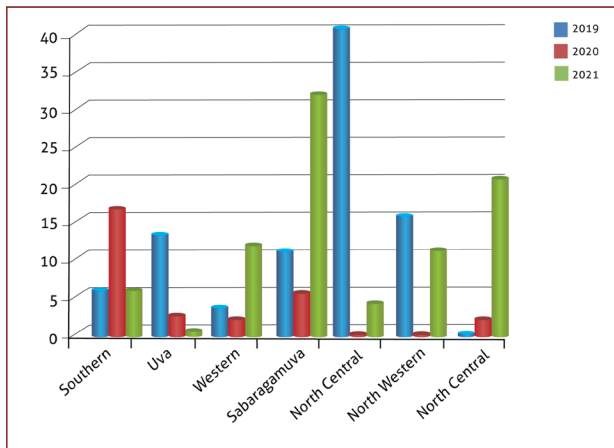
With the launch of the National Labour Migration Policy in 2008, a Sub Policy & National Plan of Action on Return and Reintegration of Migrant Workers came into effect in December 2015, adding value to the foreign employment industry. According to the National Plan of Action, the SLBFE has established a special unit (Reintegration Division) to support migrant workers for a safe and dignified return and reintegration after their employment overseas. With the scope of assisting migrant workers in their social and economic reintegration, to promote their skills, re-employment and re-entry to the labour force, the Reintegration Division of the SLBFE conducted many activities at district level, coordinating with other relevant licensed Foreign Employment Agencies.





School equipment for children of migrant workers: 2019-2021

Provincial	2019		2020		2021	
	No. of Students	Cost (Rs)	No. of Students	Cost (Rs)	No. of Students	Cost (Rs)
Southern	05	24,999.00	17	84,907.20	05	24,960.54
Uva	13	62,534.00	02	9,444.00		
Western	03	14,987.00	02	10,000.00	12	57,330.00
Sabaragamuwa	10	49,851.87	05	24,988.25	32	152,139.00
North Central	40	199,800.00	-	0.00	03	14,978.54
North Western	15	75,000.00	-	0.00	11	54,945.00
Central	-	0.00	02	9,328.00	20	97,553.00
	86	427,171.87	28	138,667.45	83	401,906.08



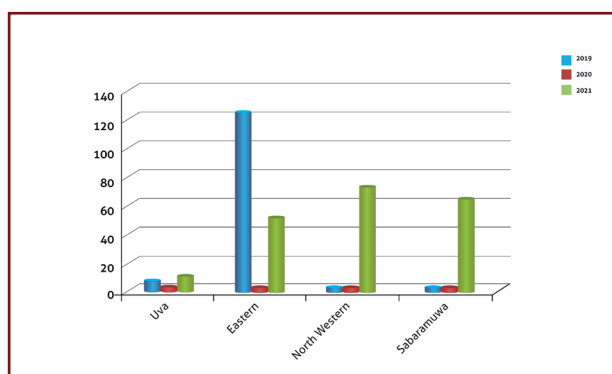
Provincial	No. of Students		
	2019	2020	2021
Southern	5	17	5
Uva	13	2	0
Western	3	2	12
Sabaragamuwa	10	5	32
North Central	40	0	3
North Western	15	0	11
Central	0	2	20
	86	28	83





Self-employment

Provincial	No. of Beneficiaries		
	2019	2020	2021
Uva	6	0	10
Eastern	128	0	54
North Western	0	0	71
Sabaragamuwa	0	0	67
	134	0	83



Provincial	2019		2020		2021	
	No. of Beneficiaries	Cost (Rs)	No. of Beneficiaries	Cost (Rs.)	No. of Beneficiaries	Cost (Rs)
Uva	06	143,940.00	0		10	241,949.00
Eastern	128	2,953,074.00	0		54	1,188,715.00
North Western			0		71	1,687,482.00
Sabaragamuwa			0		67	1,642,653.00
	134	427,171.87			83	4,760,799.00





Promote and develop employment opportunities for Sri Lankans outside Sri Lanka

Training



The SLBFE has established two divisions to provide pre-departure training for job seekers to gain opportunities in overseas employment markets, to develop their skills and assist them to achieve the required competency level to fulfill the requirements as competent applicants from among other nationalities.

Training Division (Domestic) and **Training Division (Non-domestic)** offer training programmes for job seekers to enable them to obtain Level III National Vocational Qualification (NVQ) and pre-departure orientation programmes for job seekers who seek semi-skilled and unskilled jobs.





Training programmes offered by the Training Division (Domestic Sector) - 2021

#	Training Programme	No. of classes	No. of trainees
1	Domestic House Keeping Assistant – Middle East Sector (21 days) with the Assessment NVQ Level III	144	4,678
2	Domestic House Keeping Assistant – Europe and East Asia (21 days) with the Assessment NVQ Level III	29	616
3	Training Programme on Caregiving (45 days) with the Assessment NVQ Level III	63	2,557
4	Training Programme on Caregiving (7 days)	26	138
5	IFE Training Programme (7 days)	48	582
6	Basic English Language Training Programme	5	20



**Training programmes offered by the Training Division (Non-domestic Sector) – 2021**

Conduct pre-departure orientation training programme for male/female foreign job seekers	
No. of programmes	1706
No. of persons	18166
Conduct TOT programmes for instructors	
No. of programmes	04
No. of persons	158
Conduct pre-departure training for Korea- bound job seekers	
No. of programmes	18
No. of persons	411
Conduct physical fitness training for foreign job seekers (Korea)	
No. of programmes	18
No. of persons	411
Conduct physical fitness training for foreign job seekers (Japan)-TITP	
No. of programmes	15
No. of persons	138
Conduct Japanese language training programmes for job seekers	
No. of programmes	170
No. of Persons	2932





Recruitment

The SLBFE facilitates the recruitment of Sri Lankans for foreign employment under two divisions namely, the **Marketing and Recruitment Division (General)** and **Recruitment Division (Korea)**. These two divisions are being operated to recruit Sri Lankans to South Korea, Japan, Israel and America.

The following activities are carried out by the Marketing and Recruitment Division (General):

- Recruiting job seekers and placing them in foreign employment as per the MOU (Memorandum of Understanding) and bilateral agreements.
 - i.e. IM Japan Programme
- Awareness Programmes
- Maintaining the job bank

Departures to Japan

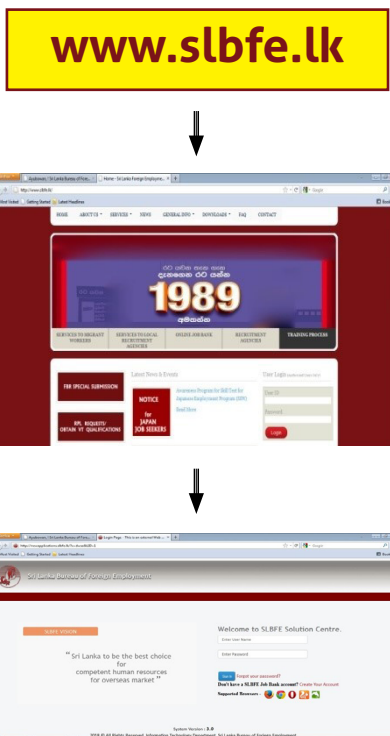
Month	No. of Female Departures	No. of Male Departures	Total Departures
January	10	06	16
Feb	 No. departures due to the pandemic situation		
Mar			
Apr			
May			
Jun			
July			
Aug			
Sep			
Oct			
Nov			
Dec			



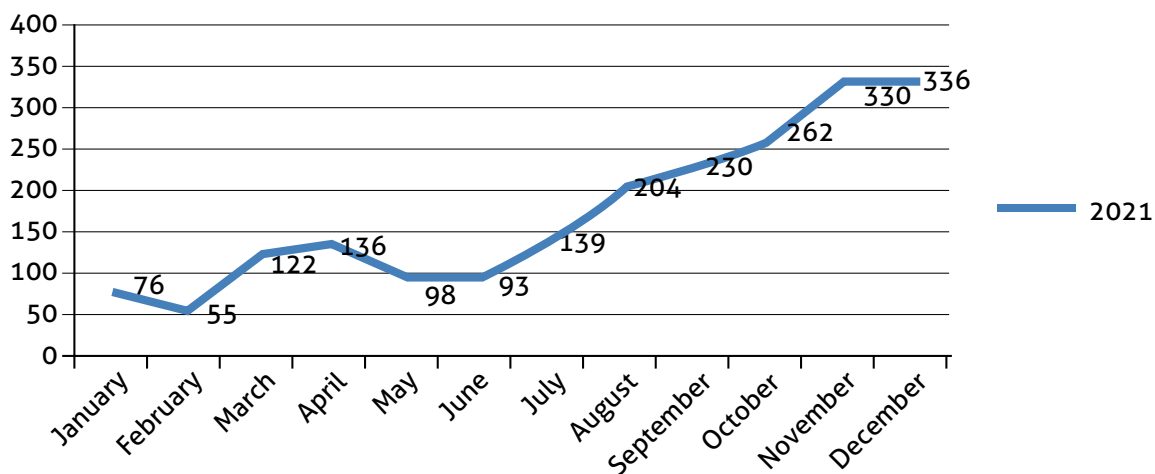


Online Job Bank

The SLBFE facilitates job seekers to register and find foreign Employment opportunities. They can register online for a job category or send an application to the SLBFE Head Office or any Branch Office islandwide. Licensed Foreign Employment Agencies and Employers are also facilitated to find suitable applicants for the vacancies available with them.



No. of job seekers recruited through Online Job Bank 2021





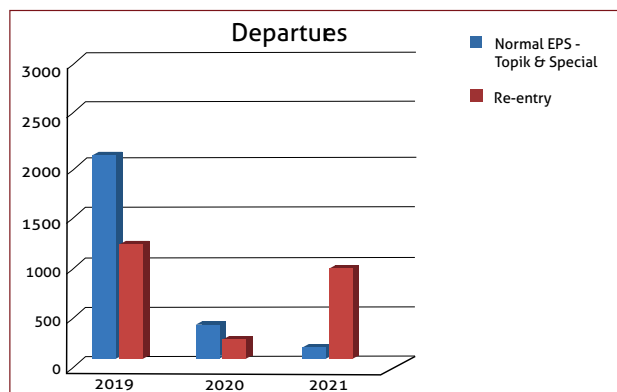
The Recruitment Division (Korea) facilitates recruitment of Sri Lankan workers to the Republic of South Korea under the Employment Permit System (EPS) in accordance with the MOU signed between the two governments in 2004.

The following activities are carried out by the Recruitment Division (Korea) under EPS:

- Issuing applications for the Special EPS-TOPIK Examinations and Normal EPS-TOPIK through Online system
- Conduction Special EPS-TOPIK Exam and Normal EPS-TOPIK at Pannipitiya CBT Centre
- Signing of employment contracts
- Referring candidates for pre-departure training programmes
- Deploying job seekers to South Korea
- Handling complaints

Departures to South Korea: 2019 - 2021

Year/Sector	2019	2020	2021	Total
Normal ESP-TOPIK & special	2,683	284	154	3,121
Re-entry	897	216	954	2,067
Total	3,580	500	1,108	5,188



Employment Promotions

The SLBFE implements various programmes to promote foreign employment of Sri Lankans. These programmes provide career guidance to job seekers. Mobile services, job fairs and awareness programmes etc, are conducted with the coordination of SLBFE Regional Centres, Government and Non-government Organisations locally and at the Labour Sections in Sri Lanka Diplomatic Missions overseas.



ඔබ දන්නවාද ?

විදේශ රැකියාවල නිරත ශ්‍රමිකයන්ගේ
ප්‍රේෂණවලට අමතර වාසියක්
සෑම වාණිජ බැංකුවකින්ම...

2020 අංක 10 දරණ දේශීය ආදායම් සංශෝධන පණත යටතේ විදේශයකදී උපයන ආදායම් මෙරට වාණිජ බැංකුවක් මගින් ප්‍රේෂණය කිරීමේ දී එම මුදල් ආදායම් බදුවලින් නිදහස් කර තිබේ.

ඔබ විදේශයක දී උපයන මුදල් මෙරට වාණිජ බැංකුවක විශේෂ තැන්පතු ගිණුමක් ලෙස (SDA) පවත්වාගෙන යාමේ දී මාස 06ක හෝ මාස 12ක ස්ථාවර තැන්පතු සඳහා සාමාන්‍ය පොළී අනුපාතයට වඩා වැඩි පොළියක් තිබේ.

2021 අයවැය යෝජනාවලට අනුව විදේශ රැකියාවල යෙදී සිටින ශ්‍රී ලාංකික ශ්‍රමිකයන් විසින් මෙරටට ප්‍රේෂණය කරනු ලබන සෑම ඇමරිකානු ඩොලරයකටම, රුපියල් 2ක අමතර මුදලක් ගෙවීම

2020 දෙසැම්බර් 28 දින සිට ආරම්භ කොට තිබේ.
ඒ සඳහා ශ්‍රී ලංකා මහ බැංකුව විසින් අදාළ වාණිජ බැංකු වෙත උපදෙස් ලබා දී ඇත.

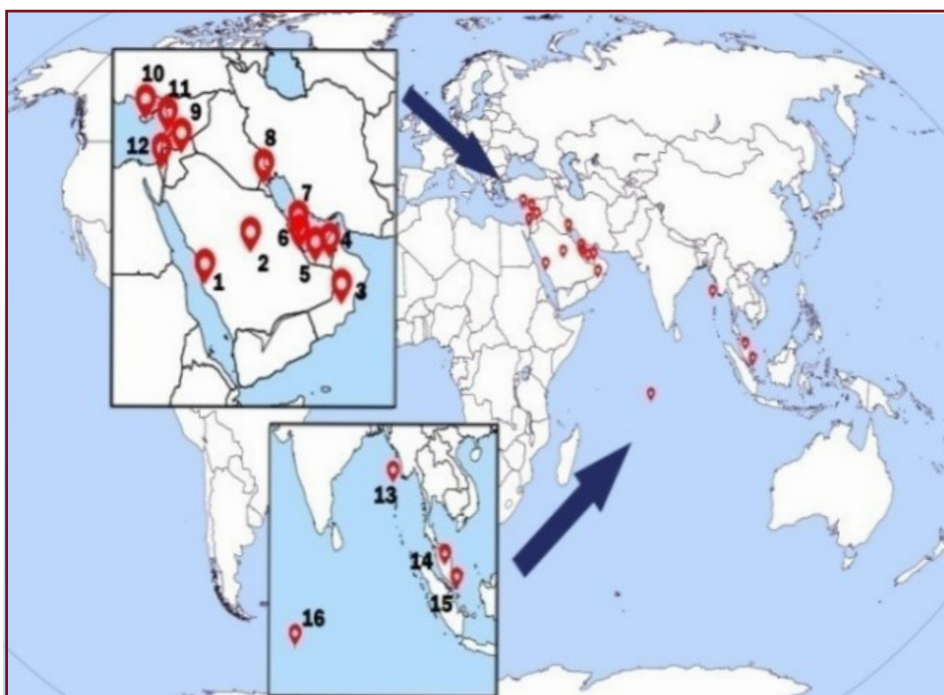
සිබි
විදේශ රැකියාවේ නිරතව උපයන මුදල්
මෙරට වාණිජ බැංකුවක් මගින් ප්‍රේෂණයකර
මෙම අමතර මුදල වාසිය ලබා ගන්න.

ශ්‍රී ලංකා විදේශ සේවා නියුක්ති කාර්යාංශය
විදේශ රැකියා ප්‍රවර්ධන හා වෙළඳපල විවිධාංගීකරණ රාජ්‍ය අමාත්‍යාංශය



Employment & Welfare Sections (Labour Sections) in Sri Lanka Diplomatic Missions Overseas

The Overseas Administration & Foreign Relations Division of the SLBFE coordinates the operations of 16 Employment & Welfare (E&W) Sections which have been established at Sri Lanka Diplomatic Missions in 14 locations: Abu Dhabi, Bahrain, Cyprus, Dubai, Israel, Jordan, Jeddah, Kuwait, Lebanon, Malaysia, Maldives, Oman, Qatar, Riyadh, South Korea and Singapore, through the heads of the relevant missions and provides services to migrant workers.



The Colombo Process 5th Meeting of the Thematic Area Working Group (TAWG) on 30th June 2021



Activities carried out by the Foreign Relations Division in 2021

Key Activity	Description of the Activity	Beneficiaries List	
1. Implement regulatory procedures on recruitments for foreign employment	Register/Renew Foreign Agencies/ Companies	• No. of Foreign Agencies/Companies Registered	824
		• No. of Foreign Agencies/Companies Renewed	1240
	Register/Renew MWs through SL Missions/Posts	• No. of Migrant Workers Registered	2481
		• No. of Migrant Workers Renewed	7846
2. Strengthen bilateral relationship with labour receiving countries	Facilitate to sign MOUs/ attend JCMs conducted by the Ministry with Labour receiving countries	• No. of MOUs Signed	0
		• No. of JCMs Conducted	3
	Receive Delegations	• No. of Delegations Received	2
		• No. of Delegates Attended	13
	Sent Delegations	• No. of Delegations Sent	27
		• No. of Delegates Attended	56
3. Organise international conferences/ seminars/workshops locally	Facilitate/arrange conferences/ meetings with stakeholders	• No. of conferences/ seminars/workshops conducted	0
		• No. of conferences /seminars/workshops facilitated	0
Key Activity	Description of the Activity	Beneficiaries List	
4. Repatriation of stranded Sri Lankan workers	Repatriation of stranded Sri Lankan workers through SL Missions/Posts	• No. of persons • repatriated	706
	Contingency provision for repatriation of MWs	• No. of persons assisted	0

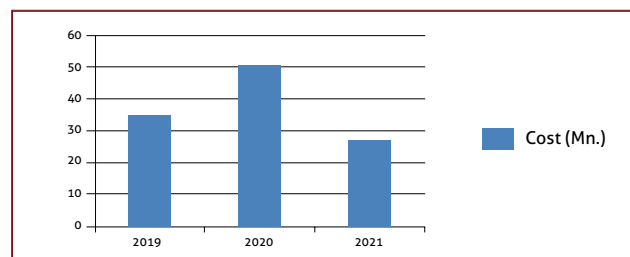


5. Provide assistance in the event of death of MWs	Assist repatriation of human remains under WWF	• No. of human remains repatriated	3
	Award funeral expenses	• No. of persons benefitted	171
6. Attend jail and hospital cases/complaints of MWs	Receive complaints	• No. of received complaints	166
	Receive complaints	• No. of resolved complaints	193
	Attend to complaints referred by the Conciliation Division	• No. of complaints Resolved	29
	Attend Human Trafficking victim cases referred by the Human Trafficking units	• No. of cases Attended	0
7. Provide services and facilities for MWs through Sri Lanka Missions/Posts	Provide services and facilities for MWs through Diplomatic Missions/Posts	• No. of MWs benefitted	Revenue Rs. 692.97 Mn Expenditure Rs. 441.14 Mn
	Contribution for annual festivals through the SL Missions/Posts	• No. of programmes conducted	0
8. Conducted WWF committee Meetings	Conduct WWF committee meetings	• No. of meetings conducted	2
9. Administration & human resource management/development and related activities	Conduct training programmes for staff of the labour sections of the SL Missions/Posts	• No. of Training programmes conducted	1

The SLBFE maintains safe houses attached to Sri Lanka Diplomatic Missions in Riyadh, Jeddah, Abu Dhabi, Dubai, Oman, Qatar, Jordan, Lebanon, Kuwait, Malaysia and Cyprus. The SLBFE provides food, medical facilities, cost of airline tickets, transport facilities, legal assistance and other essential items/assistance to safe house inmates. The total cost of services offered to distressed workers and maintenance of safe houses are borne under the Workers Welfare Fund (WWF) of the SLBFE.

Safe House Expenditure (Food & Medical)

Year	Cost (Rs. Mn.)
2019	35.04
2020	50.74
2021	27.28





Administration, Finance and Infrastructure

The SLBFE manages its operations with effective use of human and other resources and information technology under the principles of good governance and accountability with the prime intention of providing an efficient and effective service to its stakeholders. Administration and Human Resources, Procurement, Maintenance, Transport, Information Technology, Internal Audit and Research Divisions of the SLBFE are operated as support services to achieve organisational targets.

The Wide Area Network (WAN) which connects the Head Office, Local & Foreign branch offices, including the Labour Sections of Sri Lanka Diplomatic Missions abroad, the LFEAs and foreign recruitment agencies, 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.

Financial Overview

Financial Performance of the SLBFE (Rs.Mn.)

	2021	2020	2019
Income & Expenditure			
Total Income	3,053	1,780	4,219
Total Expenditure	2,421	-2,411	-3,168
Profit Before Tax	632	-736	1,051
Assets & Laibilities			
Non-current Assets	1,905	2,087	2,244
Current Assets	15,651	14,440	14,554
Total Assets	17,556	16,527	16,798
Non-current Liabilities	4,257	4,071	3,692
Current Liabilities	1,756	1,817	1,715
Total Liabilities	6,013	5,834	5,407
Non Assets	11,543	10,693	11,391



As shown in the table, the total income for the year under review amounted to Rs. 3, 053 million compared to the actual income of Rs. 1, 780 million for the year 2020.

There was a significant improvement in registrations for foreign employment during the latter part of 2021, which resulted in an increase of the operational income of the SLBFE. However, there was a decrease in Interest income on investments due to low interest rates offered by banks for fixed deposits compared to the year 2020. There is a considerable increase in cess income due to the change in the formula applied for the computation. Further, overseas missions' income has given favourable contribution to this achievement

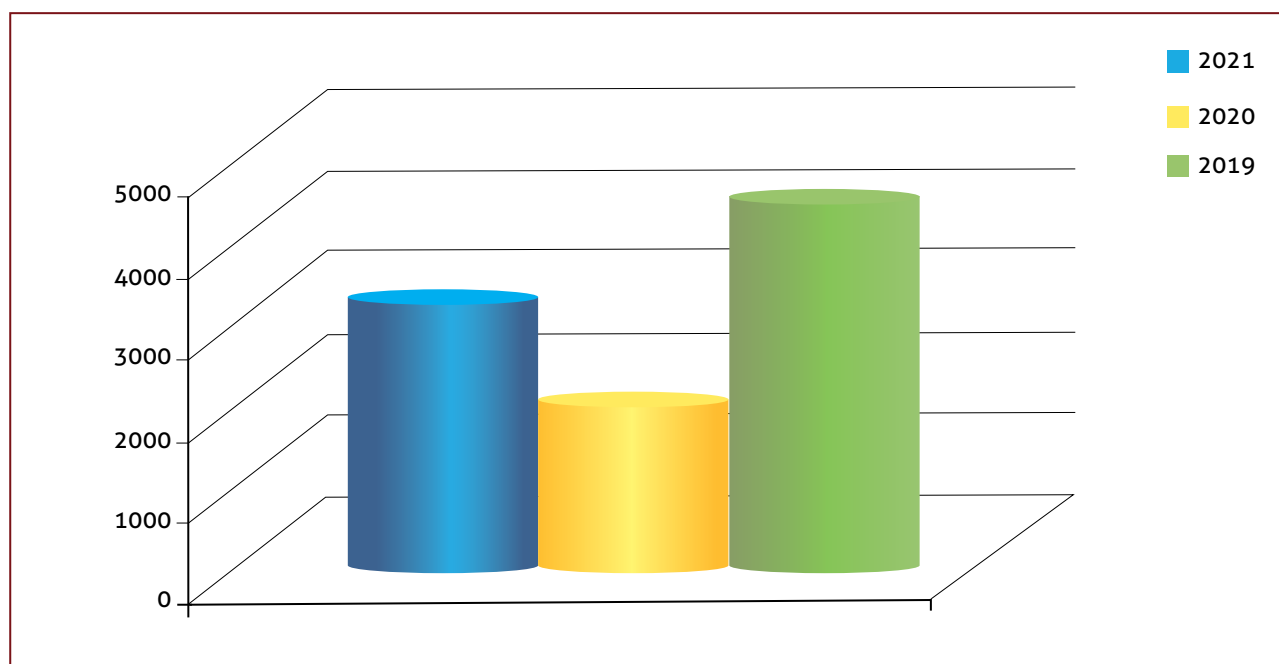
The total expenditure for the year was Rs. 2,421 million is in line with the budgeted overall expenditure. Further, SLBFE managed to keep expenditure for the year 2021 at the same level of year 2020 with a tight control over expenditure.

Welfare expenditure to migrant workers and their family members has increased compared to 2020 due to re-implementation of many welfare related programmes.

Profit before tax for the year 2021 is Rs. 632 million, as against the budgeted profit of Rs. 47 million and compared to the actual loss of Rs. 630 million for the year 2020.

The total asset base of the SLBFE has increased up to Rs. 17,556 million from Rs. 16,527 million compared to 2020.

Revenue Comparison 2019-2021

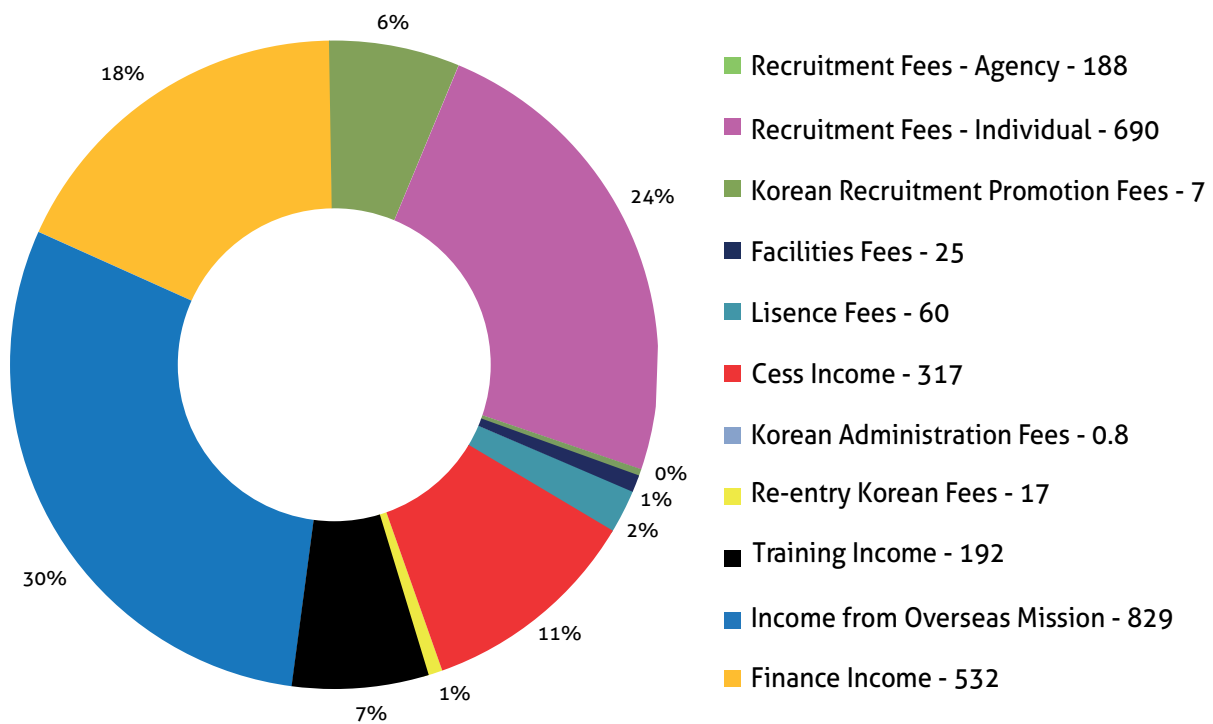




Main Sources of Income of the SLBFE - (Rs. Mn)

	2021	2020	2019
Recruitment fees - Agency	188	83	311
Recruitment fees - Individual	690	276	1,018
Korean recruitment promotion fees	7	48	120
Facilities fees	25	11	41
License fees	60	42	62
Cess income	317	55	198
Korean administration fees	0.8	5	14
Re-entry Korean fees	17	7	14
Training income	192	25	68
Income from overseas mission	869	274	1,080
Finance income	532	765	994

Analysis of SLBFE's Income -2021 (Rs. Mn.)

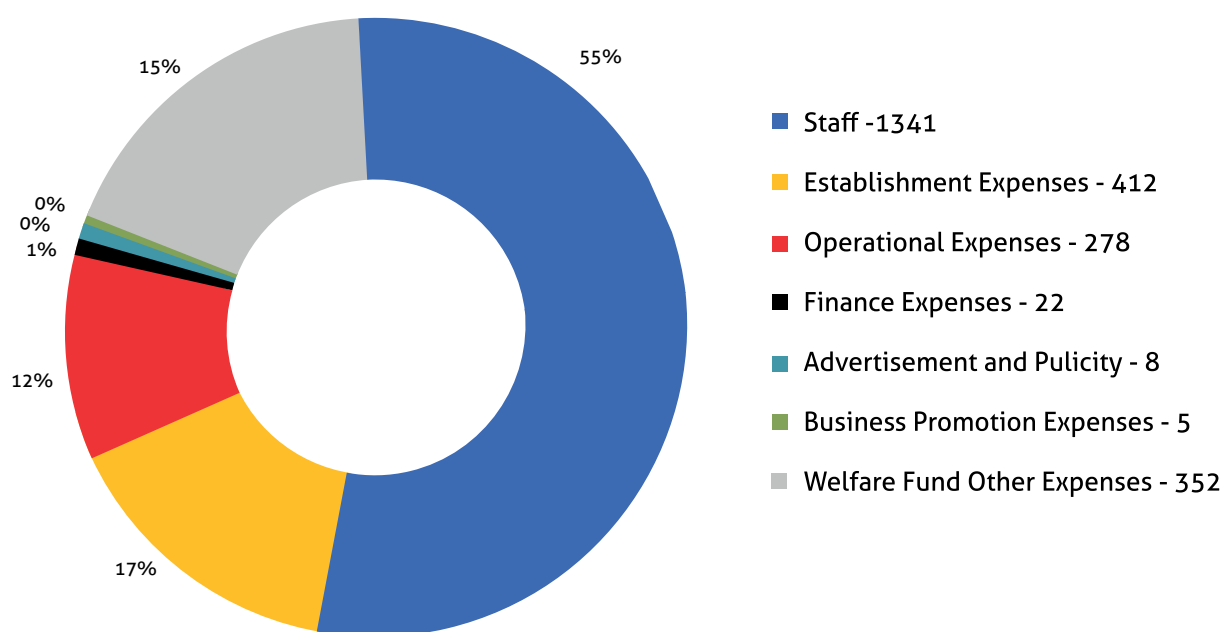




Main Operating Expenditure of the SLBFE - 2021 (Rs. Mn)

	2021	2020	2019
Staff cost	1,341	1,467	1,743
Establishment expenses	412	391	525
Operational expenses	278	298	326
Finance expenses	22	33	9
Advertising and publicity	8	6	13
Business promotion expenses	5	9	68
Welfare other expenses	352	204	481

Main Operating Expenditure of the SLBFE - 2021 Rs. Mn.



Our Bankers





OUR KEY STAKEHOLDERS





SRI LANKA FOREIGN EMPLOYMENT AGENCY (SLFEA)

Subsidiary of the SLBFE



The Sri Lanka Foreign Employment Agency (SLFEA) is the only state-owned recruitment agency incorporated in 1996, as a subsidiary of the SLBFE, the national regulator of the foreign employment sector of Sri Lanka. The SLFEA was awarded ISO 9001:2008 quality certification in 2013.

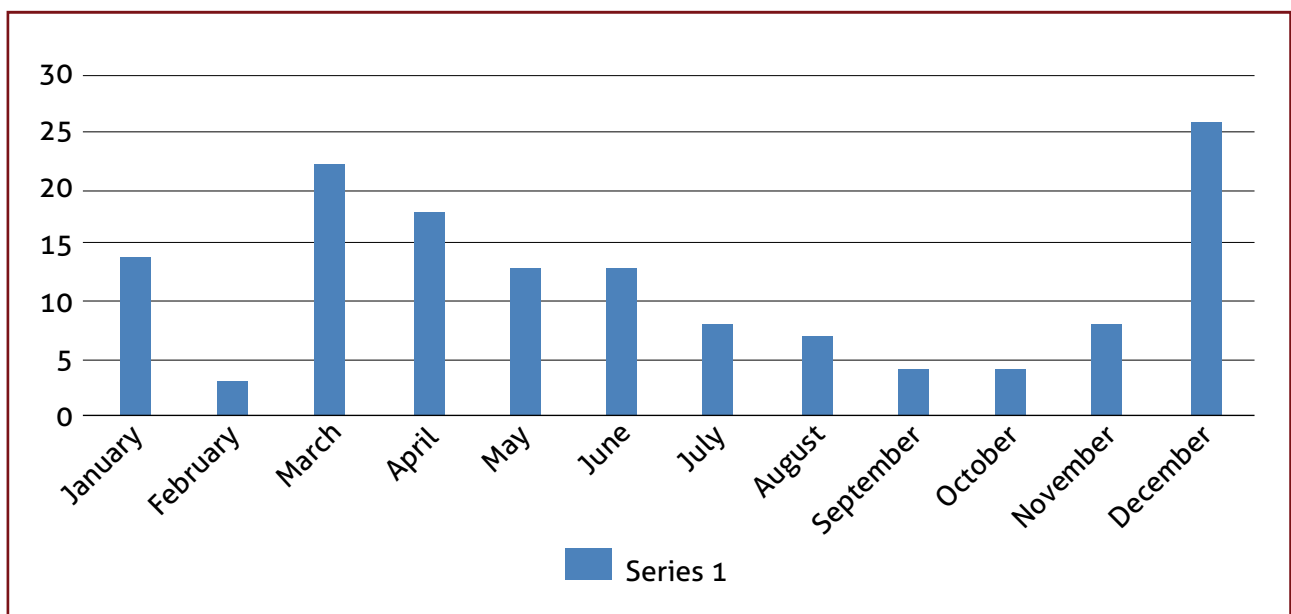
Objectives of the SLFEA

- To carry on the business of a Foreign Employment Agency as envisaged by the Sri Lanka Bureau of Foreign Employment Act. No. 21 of 1985 or in any other statute or legislation that may be in force for the time being or from time-to-time.
- To offer, provide or procure employment in Sri Lanka and other countries to Professionals, Administrators, Technical and Mechanical Personnel Skilled, Semiskilled and Unskilled Workers, Domestic and Hotel Employees, Teachers, Service men and all other categories.
- To Act as Agents, Brokers, Advisors, Representatives and Consultants to individuals, Institutions and Organisations engaged in Manpower Supply, Trade, Insurance, Commerce or Industry and to enter into agreements, contracts and memorandums of understanding (MOUs) for the procurement and supply of such services.
- To undertake orientation and training to upgrade the skills of available personnel to satisfy employment demands.



Departure Details of the SLFEA for the year 2021

Month	Cyprus	Japan	Rwanda	Romania	KSA	Total
January	13	01	-	-	-	14
February	03	-	-	-	-	03
March	22	-	-	-	-	22
April	18	-	-	-	-	18
May	09	-	04	-	-	13
June	13	-	-	-	-	13
July	06	-	-	-	02	08
August	07	-	-	-	-	07
September	04	-	-	-	-	04
October	04	-	-	-	-	04
November	08	-	-	-	-	08
December	09	-	-	17	-	26
Total	116	01	04	17	02	140





CORPORATE GOVERNANCE

Overview

The adoption of good governance practices has become an essential requirement in today's corporate world. Corporate Governance is the system by which businesses are directed and controlled. Good corporate governance is a key factor underpinning the integrity and efficiency of the institution.

The corporate governance framework of the SLBFE is built on the core values of: Integrity and Impartiality, Courtesy and Compassion, Credibility, Trustworthiness among all stakeholders, especially migrant employees and licensed foreign employment agents, Dependability, Accountability to improve the efficiency and effectiveness of the overall activities of the SLBFE and minimise malpractices in the foreign employment industry through strengthened regulatory mechanism and improved professionalism of the stakeholders.

It is based on our employees being familiar with best practices and working together to achieve common goals.

Good corporate governance, risk management and internal controls are key elements of a successful business and a prerequisite to maintain the trust of migrant workers, government, employees, authorities and other stakeholders of the SLBFE.

The SLBFE defines corporate governance as the relationship between Board of Directors, Executive Management, employees, migrant workers and other stakeholders.

In a broader sense, it also encompasses;

- How the Vision, Mission and Strategy are designed and communicated
- How well the values are complied with
- How goals are set and followed up on
- How risks are managed between nations
- How migrant workers are encouraged and developed
- How migrant worker families' are empowered

The Board

In carrying out its responsibilities, the Board promotes a culture of openness, productive dialogue and constructive dissent, ensuring an environment which facilitates employee empowerment and engagement and creates value to all stakeholders. The Board encourages and sets the tone at the top by promoting professional standards and corporate values that cascade down to Senior Management and other employees of the SLBFE.

Our Approach and Commitment

The **Sri Lanka Bureau of Foreign Employment (SLBFE)** is the one and only migrant worker centric state organisation in Sri Lanka. It has been established under Act No. 21 of 1985 as amended by Act No. 04 of 1994 and Act No. 56 of 2009. The SLBFE is responsible for the **governance and regulation of the foreign employment industry, protection and welfare of migrant workers and their family members,**



and promotion and development of employment opportunities for Sri Lankans outside Sri Lanka.

The key objectives of the SLBFE are;

- To promote and develop employment opportunities for Sri Lankans outside Sri Lanka.
- To regulate and facilitate the industry of foreign employment.
- To undertake the protection and welfare of Sri Lankans employed outside Sri Lanka and their family members.

The Board is responsible for taking appropriate business decisions within a framework of effective accountability and transparency in the process of meeting our core objective of maximising value for our stakeholders.

The role of the Audit and Management Committee (AMC) in Corporate Governance Aspects

a) Audit and Management Committee (AMC) of SLBFE

The Audit and Management Committee of the SLBFE plays an important role in facilitating the oversight function and provides assistance to the Board of Directors in fulfilling its responsibility for:

- Compliance with financial reporting requirements, presentation and adequacy of disclosures in the Financial Statements in accordance with the Sri Lanka Accounting Standards; information requirements of the Establishment Code and other relevant financial reporting related regulations and requirements;

- Processes to ensure that the SLBFE internal controls and risk management procedures are adequate to meet the requirements of the Sri Lanka Auditing Standards.
- Ensure performance of the SLBFE internal audit function relative to its annual audit plan
- Report on related party transactions of Board members and key management personnel.

The Audit and Management committee of the SLBFE consists of three (03) non-executive directors or 1/3rd of non-executive directors of the Board, whichever is higher, with at least one (01) member possessing knowledge and qualifications in financial management with such member being appointed as Chairman of the Audit & Management Committee.

A representative of the National Audit Office and the Chief Internal Auditor of the Line Ministry serve as observers. The committee has an understanding of all matters that are integral to the SLBFE Annual Report.

The committee will meet at least quarterly, with authority to convene additional meetings, as circumstances require. The meeting agenda will be prepared and provided in advance to members, along with appropriate briefing materials.

b) The Internal Audit Division

The Internal Audit Division of the SLBFE is an independent and objective appraisal within the organisation and has unrestricted access to all information required to investigate any issue within the scope of the audit.



The Internal Audit Division provides key findings and information accurately in a timely manner to the Chairman of the SLBFE. Accordingly, this division continues to provide an independent and objective consultancy service to the management to improve the organisation's controls, governance and risk management through its audit findings and recommendations.

The Internal Audit activity evaluates risk exposures related to SLBFE's governance, operations and information's systems including:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and programmes
- Compliance with laws, regulations, policies, procedures and contracts

The Internal Auditor always works with the Audit & Management Committee to set priorities and develop an Annual Audit Plan.

The scope of the Internal Audit Division of the SLBFE is as follows,

- a) Establish and monitor the achievement of the organisation's objectives.
- b) Ensure the economical, effective and efficient use of resources.
- c) Ensure compliance with established policies, procedures, laws and regulations.
- d) Safeguard the organisation's assets and interests from losses of all kinds including those arising from fraud, irregularity of corruption.

- e) Ensure the integrity and reliability of information, accounts and data, including accountability processes.

Accountability to the Government as the key shareholder of SLBFE

As a state organisation, accountability to the Government is exercised through the line Ministry by the SLBFE using the following mechanism:

a) The Parliament

Annual Reports of the SLBFE should be tabled in the Parliament within 150 days from the end of the financial year as per Treasury Circular PED/05 dated 20th March 2003 for review.

b) The Committee On Public Enterprises (COPE)

The Parliamentary Committee On Public Enterprises (COPE) is empowered to review the performance of the SLBFE and to assess the extent to which the SLBFE achieves performance targets and fulfils social responsibilities.

When summoned by the COPE, the Chairman, Directors and Senior Management together with the Secretary to the State Ministry of Foreign Employment Promotion and Market Diversification should be present at the reviews, to respond to the queries and matters of concern regarding the activities of the SLBFE.

c) Minister of Finance / General Treasury

The Minister of Finance or the General Treasury on his behalf is responsible for financial discipline in the public sector, including public enterprises.



A Treasury representative is appointed to the Board to monitor performance, ensure compliance with statutes, rules and regulations and to report on any matters of concern to the Minister.

d) The State Ministry of Foreign Employment Promotion and Market Diversification

The Secretary of the State Ministry of Foreign Employment and Market Diversification is accountable to the Government for the financial administration and management of the Company and in this capacity regularly reviews the following matters with the Board.

- i. Corporate Strategic Plan
- ii. Annual Action Plan and the Budget
- iii. Physical and Financial Performance of the key activities and sub activities undertaken in the current year
- iv. Financial Performance of the year
- v. Matters arising from meetings of the COPE or any other Statutory/ Regulatory institution

Recognise the Legitimate Interests of Stakeholders

Stakeholders are individuals and organisations those who have a significant interest on the entity's key activities, products and services and may be simply affected by them. It should be noted that their activities could be expected to affect the entity's ability to successfully implementing strategies and achieving overall objectives.

The performances of the SLBFE operations directly influence the lives and living patterns of the migrant workers and their families in different perspectives. Each and every stakeholder group of the SLBFE has their own interest on SLBFE's activities which sometimes conflict with one another.

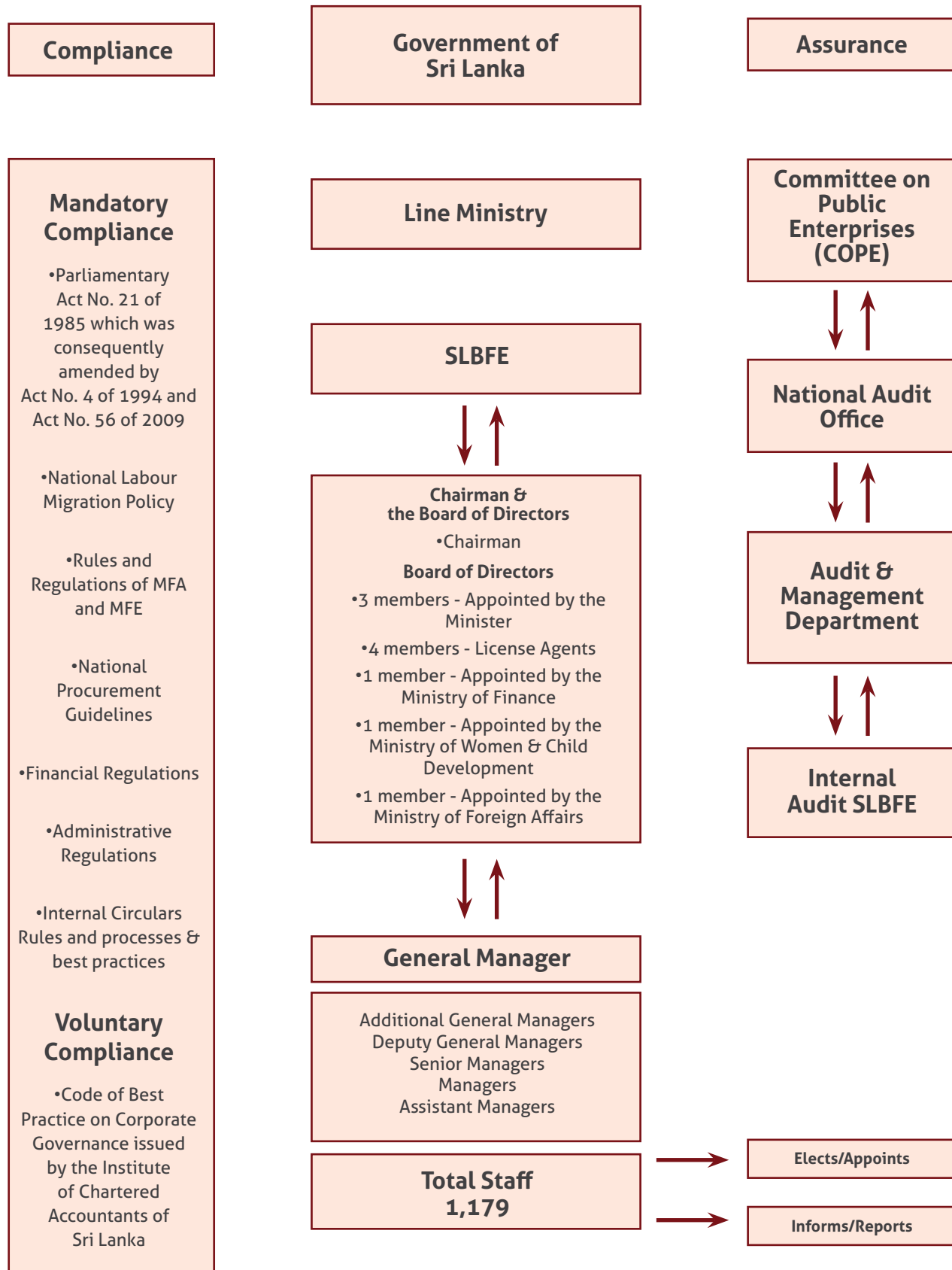
Therefore, the stakeholder identification process is essential for the SLBFE to meet its short-term and long-term objectives and goals. Each separate division of SLBFE is trying to analyse the relevant stakeholder groups and their best interests whilst shaping their strategies and procedures in accordance with the interest of the specific stakeholder group and respond to their best concerns.

7. Timely and Balanced Disclosures

We, as a state organisation, should provide timely, accurate, balanced information with required coverage of depth for prudent decision making in the crust of our information disclosures internally as well as externally.



Internal Governance Structure





Director's Report

The Board of Directors of the Sri Lanka Bureau of Foreign Employment (SLBFE) has pleasure in presenting the Annual Report together with the Audited Financial Statements for the financial year ended 31st December 2021.

General

SLBFE is a State Owned Enterprise incorporated under the SLBFE Act No. 21 of 1985 as amended by Act No. 04 of 1994 & Act No. 56 of 2009.

The Board of Directors of SLBFE is composed of 11 members. Three members appointed by the Minister in charge of the subject of Finance, Foreign Affairs and Women's Affairs, while eight other members appointed by the Minister of whom four shall be representatives of foreign employment agencies licensed under the SLBFE Act. The Chairman of the Board is appointed by the Minister from among the Directors.

Vision, Mission and Corporate Conduct

Vision, Mission and Quality Policy of the SLBFE are given in Page 05 of the Annual Report. The business activities of SLBFE are conducted in utmost efficacy through its operational divisions in achieving its Vision and Mission.

Principal Activities

Principal activities of the SLBFE is bound with its Key Objectives to regulate and facilitate the industry of foreign employment, secure welfare and protection of Sri Lankans employed outside Sri Lanka

and their family members in Sri Lanka and promote and develop employment opportunities for Sri Lankans outside Sri Lanka.

Review of Operations

Operational performances of the SLBFE are contained on pages from 14 to 45 of the Annual Report 2021 where the Chairman's message is given on page 10 with the future targets.

Future Developments

Giving reference to the Chairman's message on page 10, the SLBFE is currently heading towards the target of securing 300,000 opportunities for Sri Lankans on the experience and the strong structural reforms made in 2021.

Subsidiary Company

The fully-owned subsidiary of SLBFE; Sri Lanka Foreign Employment Agency (SLFEA) review is given on pages 47 & 48.

Financial Statements

The Financial Statements of the SLBFE have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS), Public Enterprise Guidelines, Finance Act No. 28 of 1971, and other applicable statutory and regulatory requirements. Financial Statements were approved by the Board of Directors on 04.05.2022.

Director's Responsibility for Financial Reporting

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the SLBFE and its Group.



Significant Accounting Policies and Changes During the Year

Significant Accounting Policies applied by the SLBFE are disclosed in notes to the Financial Statements on pages 66 to 83 of the Annual Report 2021.

Auditors' Report

The Auditors' Report on the financial statements is set out on page 109 to 117

Directors

The following Directors held office as at the Statement of Financial Position at date:

Name of the Directors

- **Major General Mahinda Hathurusinghe**
Chairman
- **Mrs. K. M. S. D. Jayasekara**
Director
- **Mr. W. A. Samantha Upananda**
Director
- **Mr. Suranga Alegawatta**
Director
- **Mr. N. P. Thibbotumunuwa**
Director
- **Mr. Sudhammika Keminda Attygalle**
Director
- **Mr. P. B. Kulathunga**
Director
- **Mr. Buddhi Pradeep Niyadandupola**
Director
- **Mr. W. S. Hemantha Sapumohotti**
Director
- **Mr. Madarange Lanka Vijitha Kumara**
Director
- **Mr. Abdul Razik Mohamed Ghouse**
Director

Directors' Remuneration

Directors' emoluments paid during the year are as follows:

Risk Management and System of Internal Controls

Corporate Governance

A separate report on Corporate Governance is given on page 49 in the Annual Report.

Financial Outcome

Total income of SLBFE in 2021 is Rs. 3,053 million and Rs. 533 million out of which is generated from the investments. Asset base of the SLBFE has increased by 6% from Rs. 16.5 billion to Rs. 17.5 billion.

Profits

The Profit before tax for the year 2021 is Rs. 632 million as against the budgeted profit of Rs. 47 million and compared to the actual loss of Rs. 630 million for the year 2020.

Taxation

Rs. 252 million has been allocated as the tax expenses of the SLBFE.

Human Resources

Human resources are a vital part of the SLBFE as a service provider in the foreign employment sector and the employees of SLBFE create value to the institution to reach its vision and mission into reality.

Outstanding Litigations

This is disclosed in note 3.10.1.2 of the Financial Statements.

Statutory Payments

The Board of Directors to the best of their knowledge are satisfied that all statutory payments due to all relevant regulatory and statutory authorities have been made on time with the available financial capabilities.

Events after the Reporting Date

Going Concern

The Board of Directors is satisfied that the SLBFE has sufficient resources to continue its operations in the future. Accordingly, the Financial Statements are prepared and presented based on the "going-concern" basis.

Acknowledgement of the contents of the Report

For and on behalf of the Board of Directors

Chairman

Director



FINANCIAL STATEMENTS







SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

CONSOLIDATED INCOME STATEMENT

	Notes	GROUP 2021 Rs.	GROUP 2020 Rs.	SLBFE 2021 Rs.	SLBFE 2020 Rs.
Revenue	4	2,375,903,530	876,485,748	2,368,908,903	868,962,553
Other Income	5	155,047,736	148,219,968	152,295,251	146,145,874
		2,530,951,266	1,024,705,716	2,521,204,154	1,015,108,427
Expenses					
Staff Cost	6	1,358,402,799	1,482,421,649	1,341,022,288	1,467,494,641
Establishment Expenses	6	416,604,417	395,050,377	412,550,502	391,063,027
Operational Expenses	6	286,853,415	304,649,948	278,321,573	298,846,378
Finance Expenses	6	23,163,121	33,806,973	22,990,261	33,725,912
Advertisement and Publicity	6	8,485,017	6,920,736	8,485,017	6,869,123
Business Promotion Expenses	6	6,411,834	9,401,832	5,666,615	9,172,186
Welfare Other Expenses	6	352,023,282	204,269,330	352,023,282	204,269,330
		2,451,943,885	2,436,520,844	2,421,059,538	2,411,440,597
Finance Income	7	538,457,542	774,258,004	532,647,224	765,577,719
		538,457,542	774,258,004	532,647,224	765,577,719
Profit/(Loss) Before Tax		617,464,922	(637,557,124)	632,791,840	(630,754,450)
Tax Expenses	8	262,689,290	(106,206,904)	262,689,289	(106,206,904)
Profit After Tax		880,154,212	(743,764,028)	895,481,128	(736,961,354)



SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	GROUP 2021 Rs.	GROUP 2020 Rs.	SLBFE 2021 Rs.	SLBFE 2020 Rs.
Profit after tax	880,154,212	(743,764,028)	895,481,128	(736,961,354)
Other comprehensive income				
Actuarial (Loss)/Gain on post employment benefits	9,629,293	(50,158,579)	9,773,412	(49,977,107)
Deferred Tax on Actuarial (loss)/Gain	(2,345,619)	-	(2,345,619)	-
Total Other comprehensive income for the year, net of taxes	7,283,674	(50,158,579)	7,427,793	(49,977,107)
Total comprehensive income for the year	887,437,886	(793,922,607)	902,908,921	(786,938,461)


SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	GROUP 2021 Rs.	GROUP 2020 Rs.	SLBFE 2021 Rs.	Restated SLBFE 2020 Rs.
ASSETS					
Non-current assets					
Intangible Assets	9	1,000	1,000	1,000	1,000
Right-of use assets	10.1	211,904,659	263,334,184	211,904,658	263,334,184
Property, plant and equipment	10.2	1,397,863,567	1,552,817,539	1,319,100,423	1,469,103,398
Investment in Subsidiary	11	-	-	5,000,000	5,000,000
Staff Loans	12.1	233,155,099	255,265,156	231,555,371	255,265,156
Pre-paid Staff Loan	12.2	79,784,849	88,259,166	79,784,849	88,259,166
Non Current Financial Assets	13	-	2,282,516	-	2,282,516
Taxation	18.2	39,830,516	-	37,864,104	-
Deferred Tax Assets	18.1	16,081,210	-	15,816,556	-
Work In Progress-Buildings	10.3	4,621,324	4,621,324	4,621,324	4,621,324
		1,983,242,224	2,166,580,885	1,905,648,285	2,087,866,744
Current Assets					
Inventory	14	9,313,467	13,706,045	9,041,052	13,433,630
Current Financial Assets	13	10,692,902,315	9,661,072,818	10,586,492,671	9,555,703,132
Staff Loans	12.1	90,386,524	100,273,374	90,335,524	97,160,884
Prepayments & Other Receivables	15	1,292,415,113	1,184,243,308	1,284,306,881	1,175,967,465
Sundry Advances		32,407,031	31,867,596	32,407,031	31,843,456
Cash and Cash Equivalent	16	3,650,718,901	3,572,271,777	3,648,417,601	3,566,510,654
		15,768,143,351	14,563,434,918	15,651,000,760	14,440,619,221
TOTAL ASSETS		17,751,385,575	16,730,015,803	17,556,649,045	16,528,485,965
EQUITY AND LIABILITIES					
EQUITY					
Capital		691,161,789	691,161,789	691,161,789	691,161,789
Accumulated Fund		10,914,681,441	10,029,082,225	10,809,578,243	9,906,669,322
Revaluation Reserve		66,167,346	66,167,346	41,713,346	41,713,346
Grant		44,760	58,760	44,760	58,760
Total Equity		11,672,055,335	10,786,470,120	11,542,498,138	10,639,603,217
Non Current Liabilities					
Retirement Benefit Obligation	3.11	234,884,597	230,658,845	230,309,332	226,794,082
Kuwait compensation-reserve	20	3,917,196,853	3,513,238,064	3,917,196,853	3,513,238,064
Deferred Tax Liability		-	172,078,752	-	172,343,405
Lease Liabilities		110,144,618	159,146,659	110,144,618	159,146,659
Interest Bearing Borrowing		-	1,650,000	-	-
		4,262,226,068	4,076,772,320	4,257,650,803	4,071,522,210
Current Liabilities					
Taxation	18.2	-	169,530,386	-	171,496,799
Agency Creditors		249,339,563	280,500,876	250,487,782	281,344,569
Accrued Expenses		85,191,927	104,985,640	80,910,193	101,369,054
Sundry Creditors & Borrowings	19	1,422,618,819	1,257,811,782	1,366,814,325	1,211,021,496
Lease Liabilities		49,002,041	43,389,086	49,002,041	43,389,086
Migrant Workers' Contributions		9,285,763	8,739,534	9,285,763	8,739,534
Short Term Borrowing		1,650,000	1,800,000	-	-
Dividend Tax payable		16,059	16,059	-	-
		1,817,104,172	1,866,773,363	1,756,500,104	1,817,360,538
TOTAL EQUITY AND LIABILITIES		17,751,385,575	16,730,015,803	17,556,649,045	16,528,485,965

The Accounting policies and Notes on pages 07 To 52 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 05.04.2022 and signed on their behalf.

D.G.M. Finance

Chairman

Director

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

Restated

	GROUP 2021 Rs.	GROUP 2020 Rs.	SLBFE 2021 Rs.	SLBFE 2020 Rs.
Cash Flow From Operating Activities				
Net Profit Before Tax	617,464,922	(637,557,124)	632,791,840	(630,754,450)
Adjustment For;				
Depreciation	215,559,553	227,546,527	210,368,107	224,728,168
Amortization of Intangible Assets	-	4,824,000	-	4,824,000
Interest Income	(538,457,542)	(774,130,758)	(532,647,224)	(765,577,719)
Finance Expense	23,163,121	33,806,973	22,990,261	33,725,912
Provision for Bad Debts		305,940		305,940
Lease Rental Expenses	16,108,533	447,671	16,108,533	447,671
Revaluation Reserve	-	16,645,000	-	-
Profit/Loss on Disposal of PPE	(15,788,207)	188,069	(15,788,207)	233,069
Exchange Gain	(83,302,845)	(120,329,631)	(83,374,284)	(120,162,801)
Interest on SLFEA Loan	-	(12,500)	-	(12,500)
Grants Income	(14,000)	(11,240)	(14,000)	(11,240)
Adjustments For the Year	(1,838,670)	(154)	-	-
Under Provision of Disposal assets Depreciation	-	(83,403)	-	(83,403)
Gratuity Provision	31,820,866	30,742,390	31,081,007	30,223,510
	264,715,731	(1,217,618,242)	281,516,032	(1,222,113,845)
Tax Paid	(171,496,799)	(52,514,615)	(171,496,799)	(52,514,615)
Gratuity Paid	(17,792,345)	(11,485,605)	(17,792,345)	(11,485,605)
	(189,289,144)	(64,000,220)	(189,289,144)	(64,000,220)
Net Cash Inflow/Outflow from Operating Activities Before Working Capital Changes	75,426,587	(1,281,618,462)	92,226,888	(1,286,114,065)
Working Capital Changes				
Increase/Decrease in Receivables i	(104,318,662)	(76,050,191)	(104,510,413)	(75,774,690)
Provisions for the year (kuwait Fund)	34,319,606	51,802,119	34,319,606	51,802,119
Increase/Decrease in Creditors ii	508,760,139	306,485,981	499,456,748	308,775,958
Increase/Decrease in Provisions				
	438,761,083	282,237,909	429,265,941	284,803,387
Net Cash Inflow/Outflow from Operating Activities	514,187,670	(999,380,552)	521,492,829	(1,001,310,678)
Cash Flow From Investing Activities				
Acquisition of Property, Plant & Equipment	(7,947,008)	(25,241,066)	(7,723,179)	(8,553,530)
Proceeds from Disposal of PPE	16,046,145	255,000	16,046,145	209,850
Interest Income	723,416,475	317,064,532	718,342,481	308,511,493
Investment in Financial Assets iii	(1,094,306,127)	854,165,704	(1,094,727,932)	858,014,818
	(362,790,515)	1,146,244,170	(368,062,485)	1,158,182,631
Net Cash Inflow/Outflow from Investing Activities	(362,790,515)	1,146,244,170	(368,062,485)	1,158,182,631
Cash Flow From Financing Activities				
Finance Expense	(25,310,944)	(33,806,973)	(25,684,313)	(33,725,912)
Right-of use assets	(45,839,086)	(46,836,951)	(45,839,086)	(46,836,951)
Proceeds from loan borrowings	(1,800,000)	3,450,000	-	-
Net Cash Inflow/Outflow from Finance Activities	(72,950,030)	(77,193,925)	(71,523,398)	(80,562,863)
Net Change in Cash & Cash Equivalent	78,447,125	69,669,693	81,906,947	76,309,089
Cash & Cash Equivalent at the beginning of the year	3,572,271,776	3,502,602,083	3,566,510,654	3,490,201,565
Cash & Cash Equivalent at the end of the year	3,650,718,901	3,572,271,776	3,648,417,601	3,566,510,654

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2021

	Group	Bureau
Note i		
Increase/Decrease in Receivables		
Increase/Decrease in Consumable items	4,392,577	4,392,577
Increase/Decrease in Payments and Other Receivables	(108,171,804)	(108,339,416)
Increase/Decrease in Sundry Advance	(539,435)	(563,575)
	(104,318,662)	(104,510,413)
Note ii		
Increase/Decrease in Creditors		
Increase/Decrease in Agency Creditors	(31,161,313)	(30,856,787)
Increase/Decrease in Accrued Expenses	(19,793,714)	(20,458,862)
Increase/Decrease in Migrant worker s Contribution	546,229	546,229
Kuwait compensation Reserve	403,958,788	403,958,788
Increase/Decrease in Other Creditors	155,210,149	146,267,380
	508,760,139	499,456,748
Note iii		
Investment in Financial Assets		
Increase/Decrease in staff Loan	40,471,225	39,009,463
Increase/Decrease in Fixed Deposit	(1,134,777,352)	(1,133,737,394)
	(1,094,306,127)	(1,094,727,932)

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	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 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	-	(743,764,028)	-	(743,764,028)	-	(262,503,883)	(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 Revaluation	-	-	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	-	(758,874,823)	16,645,000	(742,229,823)	-	(329,235,171)	(422,655,352)	(751,890,523)	-	(751,890,523)
Balance as at 31 December 2020	691,161,789	10,029,082,225	66,167,346	10,786,411,360	691,161,789	5,264,264,844	4,642,404,478	9,906,669,322	41,713,346	10,639,544,457
Balance as at 01 January 2021	691,161,789	10,029,082,225	66,167,346	10,786,411,360	691,161,789	5,264,264,844	4,642,404,478	9,906,669,322	41,713,346	10,639,544,457
Profit for the year	-	880,154,212	-	880,154,212	-	558,657,550	336,823,579	895,481,128	-	895,481,128
Other comprehensive income	-	7,283,674	-	7,283,674	-	7,427,793	-	7,427,793	-	7,427,793
Adjustment for the year	-	(1,838,670)	-	(1,838,670)	-	-	-	-	-	-
Total	-	885,599,216	-	885,599,216	-	566,085,343	336,823,579	902,908,921	-	902,908,921
Balance as at 31 December 2021	691,161,789	10,914,681,441	66,167,346	11,672,010,576	691,161,789	5,830,350,187	4,979,228,057	10,809,578,243	41,713,346	11,542,453,378



SRI LANKA BUREAU OF FOREIGN EMPLOYMENT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

Description	2021			2020
	Bureau Rs.	WWF Rs.	Total Rs.	Rs.
Revenue				
Recruitment Fees - Agency	125,544,830	62,514,387	188,059,217	83,543,389
Recruitment Fees - Individual	620,070,756	70,032,696	690,103,452	276,346,805
Korean Recruitment promotion Fees	-	7,621,757	7,621,757	47,651,524
Facility Fees	25,601,643	-	25,601,643	11,113,600
License Fees	60,263,259	-	60,263,259	41,900,400
Cess Income	317,219,004	-	317,219,004	55,016,717
Korean Administration Fees	821,756	-	821,756	5,518,719
Re-entry Korean Fee	17,260,380	-	17,260,380	6,953,501
Korean Training Fees	-	15,618,785	15,618,785	24,798,871
Training Income	-	177,280,879	177,280,879	41,611,779
Income from overseas mission (Note 04.1)	68,424,188	800,634,584	869,058,772	274,507,248
	1,235,205,816	1,133,703,087	2,368,908,903	868,962,553
Other Operating Income				
Commission received to Air ticketing Unit	-	-	-	194
Commission from Insurance(Local & Foreign)	-	18,158,740	18,158,740	(350,147)
Foreign Exchange Gain	113,399,384	(30,025,100)	83,374,284	120,162,801
Sundry Income(Sub Note-05.1)	36,881,997	13,880,230	50,762,226	26,333,025
	150,281,380	2,013,870	152,295,251	146,145,874
Less:				
Staff Cost	1,077,582,183	263,440,105	1,341,022,288	1,467,494,641
Establishment Expenses	194,767,772	217,782,730	412,550,502	391,063,027
Operational Expenses	218,260,770	60,060,803	278,321,573	298,846,378
Finance Expenses	19,230,445	3,759,815	22,990,261	33,725,912
Advertisement and Publicity	7,797,652	687,365	8,485,017	6,869,123
Business Promotion Expenses	5,435,674	230,940	5,666,615	9,172,186
Welfare Other Expenses	-	352,023,282	352,023,282	204,269,330
	1,523,074,498	897,985,040	2,421,059,538	2,411,440,597
Finance Income Note-7	532,362,721	284,502	532,647,224	765,577,719
	532,362,721	284,502	532,647,224	765,577,719
Profit/(Loss) before tax	394,775,420	238,016,420	632,791,840	(630,754,450)
Less: Income Tax *	163,882,130	98,807,159	262,689,289	(106,206,904)
Profit after Tax	558,657,550	336,823,579	895,481,128	(736,961,354)
Other Comprehensive Income				
Actuarial (loss)/Gain on post employment benefits	9,773,412	-	9,773,412	(49,977,107)
Deferred Tax on Actuarial (loss)/Gain	(2,345,619)		(2,345,619)	
Total Other comprehensive income	7,427,793		7,427,793	(49,977,107)
Total Comprehensive Income	566,085,343	336,823,579	902,908,921	(786,938,461)

* Total income tax expense will be borned by Bureau



SRI LANKA BUREAU OF FOREIGN EMPLOYMENT NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

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, 2021 and December 31, 2020 are as follows.

Subsidiary	Principal Activities	Type of Investment	31 December	
			2021	2020
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 2021 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 2021 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).

The Board of Directors acknowledges this responsibility as set out in the Statement of "Directors' Responsibility for Financial Statements" (refer pg. 61), "Annual Report of the Board of Directors" (refer pg. 11) and in the statement appearing with the Statement of Financial Position (refer page 61) of the Financial Statements.

The Financial Statements for the year ended 31 December 2021, were approved and authorized for issue by the Board of Directors on 04.05.2022

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.

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 2021 is included in the following Notes:

- Revaluation of property, plant and equipment (Note 3.1)
- Income Tax (current tax and deferred tax) (Note 3.6)
- Impairment of financial assets: key assumption underlying recoverable amount (Note 3.7.5)
- Recognition and measurement of provisions and contingencies: key assumption about the likelihood and magnitude of an outflow of resources (Note 3.10.1.2)
- Measurement of defined benefit obligation: key actuarial assumptions (Note 3.11)

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 these financial statements unless otherwise indicated.

Current vs. 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 realised or intended to sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised 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

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 recognised at cost and subsequently stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Day-to-day repair and maintenance costs are recognised in the income statement as incurred.

An item of Property Plant and Equipment and any significant part initially recognised is derecognised 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 derecognised.

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 recognised 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 recognised in the income statement. A revaluation deficit is recognised 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.

3.1.3 Cost of the fully depreciated assets

The following Property, plant and equipment have been fully depreciated and continue to be in use by the Group.

For the year ended	31 Dec 2021	31 Dec 2020
	Rs. Mn.	Rs. Mn.
Cost of the fully depreciated assets	1,856	1,170



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

Leases are recognised 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 recognised 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 amortisation and accumulated impairment losses.



3.3.3 Useful Economic Lives and Amortisation

Amortisation 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 & Programme - 5 Years

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).

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 recognised 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 recognised 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 amortised cost using the Effective Interest Rate method (EIR), less impairment. Amortised 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 amortisation 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 amortised cost using the effective interest method, less impairment. Amortised 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 amortisation is included in finance income in the income statement. The losses arising from impairment are recognised 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 derecognised 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 reorganisation 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 Amortised Cost

For financial assets carried at amortised 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 asset'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 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 realisable 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 recognised at fair value net of transaction costs and subsequently carried at amortised 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 amortised 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. Amortised 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 amortisation 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 recognised 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 recognised as a finance cost.

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. 42,160,740.00.

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	671,990/-
A/55/2018	671,990/-
අඞ/25/20	-
අඞ/27/20	-
CA/PHC/APN/62/2001	-
SC/SPL/LA/61/20	-
DMR/2165/2011	-

SLFEA

There are 3 pending cases against to the SLFEA, Due to the current situation on any provisions are provided for below cases.

- Ms. Sriyani Madampage - Management Asst. - Labour Department - CW/Com/02L/201805/328
- Mr. L. K. Najith Darshana - (Former Manager-Business Promotion) - High Court - HCALT79/19
- M/S Insilab Medical Centre Building - District Court CMB - DRE/45/2019



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. Our tax consultant Ms. Nexia Business Advisory Services (Pvt) Ltd. has confirmed that there will be a final tax liability of Rs. 91,164,396.00 as follows, since above appeals are in the final stage.

	Amount (Rs.)
Income Tax 2012-2014	No Liability
Income Tax 2015	3,383,653
Income Tax 2016	29,007,314
Income Tax 2017	58,773,428
Total Tax Liabilities	91,164,396

Accordingly required provisions were made in the financial statements for the year 2021

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". Re-measurements, comprising of actuarial gains and losses, are recognised 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

re-measurements are not reclassified to profit or loss in subsequent periods.

The Group recognises 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 2021 LKR	Group 2020 LKR	SLBFE 2021 LKR	SLBFE 2020 LKR
Balance at the beginning of the year	230,132,652	160,717,288	226,794,082	158,079,070
Current service cost	13,236,778	13,076,680	12,937,480	12,834,813
Interest cost	18,410,613	17,665,711	18,143,527	17,388,698
Actuarial (Gains)/Losses	(9,629,293)	50,158,579	(9,773,412)	49,977,107
	252,150,750	241,618,258	248,101,677	238,279,688

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

As at 31 December	Group 2021 LKR	Group 2020 LKR	SLBFE 2021 LKR	SLBFE 2020 LKR
Current service cost	13,236,778	13,076,680	12,937,480	12,834,813
Interest cost	18,410,613	17,665,711	18,143,527	17,388,698
Expected return on Plan Assets				
Actuarial (gains)/losses recognized in other comprehensive income	(9,629,293)	50,158,579	(9,773,412)	49,977,107
Expenses recognized in the Income Statement	22,018,098	80,900,970	21,307,595	80,200,617

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 2021 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	2021	2020
Discount rate (%)	11.50 p.a	8 p.a
Expected annual average salary increment rate (%)	5	1.84
Staff turnover factor (%)	1	1
Retirement age (Years)	62	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 2021 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:

Description	2021	2020
Discount rate (%)	11.5	8
Staff turnover factor (%)	8	8
Retirement age (Years)	62	60



03.11.4.3 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	
	2021 (LKR)	2020 (LKR)
Increase by one percentage point in discount rate	211,678,319	210,863,230
Decrease by one percentage point in discount rate	251,551,486	244,818,689

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 recognised 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, Kataragama and Ratnapura 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 recognise 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.



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 amortised 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 Of 1994.
- Training Fees
- Investment income and other



Expenses

- Implementation of rehabilitation programmes for Sri Lankans who return to Sri Lanka after employed outside Sri Lanka.
- Provision of guidance and information to the families of Sri Lankans employed outside Sri Lanka.
- Training and orientation of Sri Lankans recruited for employment outside Sri Lanka.
- Provision of assistance to Sri Lankans employed outside Sri Lanka and their families.
- 5% of the expenses incurred by the SLBFE and which cannot be directly identifiable for WF such as salaries and wages, printing and stationery, maintenance cost, utility charges etc. as recommended by the Department of Public Enterprises.
- Fixed Assets depreciation

3.16 BUREAU FUND

This fund was established under the provisions of the Sri Lanka Bureau of Foreign Employment Act No. 21 of 1985 as amended by Act No. 4 of 1994 and Act No. 56 of 2009. The movement and composition of the "Fund" presented under the Statement of Changes in Equity

consists of the following and are in aligning to the Requirements of the said act.

There shall be paid into the Fund

- Any funds provided to the Bureau by the Government by way of grant, loan or otherwise;
- The proceeds of any cess levied and collected under this Act;
- All sums received by the Bureau by way of fees and charges;
- All sums received by the Bureau as income from any investments made by the Bureau;
- All sums received by the Bureau in the exercise, performance and discharge of its powers, duties and functions.

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.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4 REVENUE

Description	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Recruitment Fees - Agency	188,059,217	83,543,389	188,059,217	83,543,389
Recruitment Fees - Individual	690,103,452	276,346,805	690,103,452	276,346,805
Korean Recruitment promotion Fees	7,621,757	47,651,524	7,621,757	47,651,524
Facilities Fees	25,601,643	11,113,600	25,601,643	11,113,600
License Fees	60,213,259	41,850,400	60,263,259	41,900,400
Cess Income	317,219,004	55,016,717	317,219,004	55,016,717
Korean Administration Fees	821,756	5,518,719	821,756	5,518,719
Re-Entry Korean Fees	17,260,380	6,953,501	17,260,380	6,953,501
Korean Training Fees	15,618,785	24,798,871	15,618,785	24,798,871
Training Income	177,280,879	41,611,779	177,280,879	41,611,779
Income from Overseas Mission (Sub Not 04.1)	869,058,772	274,507,248	869,058,772	274,507,248
Recruiting Income	5,428,006	5,411,695	-	-
Agency claim	1,470,000	1,186,500	-	-
Compensation of Israel	-	875,000	-	-
Registration Fees	146,620	100,000	-	-
	2,375,903,530	876,485,748	2,368,908,903	868,962,553

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	2021 Group Rs.	2021			2020
		Bureau	WWF	Total	Total
		Rs.	Rs.	Rs.	Rs.
Credibility Assessment	8,138,314	-	8,138,314	8,138,314	2,641,903
Job Order Approvals	70,143,694	-	70,143,694	70,143,694	21,959,819
Verification/Registration of Employment	245,618,242	-	245,618,242	245,618,242	104,097,291
Non Refundable Deposit	285,979,362	-	285,979,362	285,979,362	43,136,927
Renewal of SLBFE registration fee	76,363,670	68,424,188	7,939,482	76,363,670	27,511,584
Foreign Agency Renewal Fee	3,007,362	-	3,007,362	3,007,362	594,792
Sundry Income	764,602	-	764,602	764,602	1,981,337
Contract Registration fee	179,043,526	-	179,043,526	179,043,526	72,583,596
	869,058,772	68,424,188	800,634,584	869,058,772	274,507,248



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5 OTHER OPERATING INCOME

Description	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Commission received to Air ticketing Unit	-	194	-	194
Commission from Insurance(Local & Foreign)	18,158,740	(350,147)	18,158,740	(350,147)
Foreign Exchange Gain	83,302,845	120,329,631	83,374,284	120,162,801
Sundry Income (Sub Not 05.1)	53,586,150	28,240,290	50,762,226	26,333,025
	155,047,736	148,219,968	152,295,251	146,145,874

5.1 Sundry Income

Description	2021 Group Rs.	2021			2020
		Bureau	W.W.Fund .	Total	Total
		Rs.	Rs.	Rs.	Rs.
Registration of Suppliers	-	-	-	-	477,815
Disposal of Fixed Assets	15,800,999	15,672,050	128,949	15,800,999	13,949
Non Refundable Deposit from Suppliers (Tender)	548,669	548,669	-	548,669	359,722
Sale of Korean Books	4,530	4,530	-	4,530	7,500
75% of Court Deposit Under 69(B) 1 of Act No.56 of 2009	1,070,375	-	1,070,375	1,070,375	1,903,152
Korean Examination Fees Income	1,875,898	1,875,898	-	1,875,898	1,649,387
Collection From Nanasala	756,420	756,420	-	756,420	528,757
NVQ Charges	8,373,095	-	8,373,095	8,373,095	4,654,250
Blacklisting of Housemaid & Lifting Blacklisting	440,850	-	440,850	440,850	-
Korean Trainee Uniforms	859,465	-	859,465	859,465	607,380
Labour Receiving Commission of Japan	3,007,496	-	3,007,496	3,007,496	9,818,812
Donation to Welfare Fund	-	-	-	-	500,000
Vehical Rent Income	90,000	-	-	-	-
Rent Income - SLBFE Auditorium	60,000	60,000	-	60,000	20,000
Grants Income	14,000	14,000	-	14,000	11,240
Alternative awareness progamme-Covid	2,520,208	2,520,208	-	2,520,208	15,408
Reservation Charges-Kataragama	642,482	642,482	-	642,482	30,240
Korean Board Withdrawal	5,733,393	5,733,393	-	5,733,393	3,458,598
Air Ticket Income	2,511,424	-	-	-	-
Other Sundry Income	9,276,848	9,054,348	-	9,054,348	2,276,815
Sundry Income Total	53,586,150	36,881,997	13,880,230	50,762,226	26,333,025

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6 EXPENSES

STAFF COST

Description	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Salaries and Wages	893,129,798	1,027,323,470	878,849,567	1,014,848,550
Staff Welfare	84,512,598	96,089,386	84,487,053	95,998,532
EPF & ETF	118,035,791	118,126,468	116,100,456	116,449,634
Reim.of Interest on Housing Loans	9,377,095	9,281,817	9,377,095	9,281,817
Bonus	124,433,114	25,920,491	124,433,114	25,920,491
Overtime	65,653,651	104,420,205	65,306,836	104,261,761
Travelling	15,593,277	41,609,387	15,540,552	41,602,311
Gratuity	31,820,866	30,742,390	31,081,007	30,223,510
Staff Loan Expenses	14,695,622	27,931,388	14,695,622	27,931,388
Staff Training	1,150,987	976,647	1,150,987	976,647
	1,358,402,799	1,482,421,649	1,341,022,288	1,467,494,641

ESTABLISHMENT EXPENSES

Description	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Printing, Stationery and Consumables	31,244,277	19,585,491	30,707,003	19,251,629
Telephone & Postage	50,590,994	57,328,273	49,613,532	56,777,891
Rent	160,680,560	146,698,140	160,680,560	146,698,140
Maintenance of Premises	62,382,621	54,922,834	61,902,603	54,140,866
Audit Fees	2,990,800	4,548,827	2,798,800	4,343,027
Electricity Charges	43,046,194	43,521,516	42,554,781	43,008,776
Cost of piece rate works	245,330	308,900	245,330	308,900
Security Charges	42,487,218	44,318,286	41,648,499	43,490,744
Directors' Fees and Travelling	1,353,231	1,187,405	1,210,940	1,133,500
Water Charges	14,090,447	12,314,049	14,007,755	12,229,732
Consultancy and Legal Fees	7,492,744	10,316,654	7,180,699	9,679,820
	416,604,417	395,050,377	412,550,502	391,063,027



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OPERATIONAL EXPENSES

Description	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Depreciation of Fixed Assets	215,559,553	227,546,527	210,368,107	224,728,168
Amortization of Intangible Assets	-	4,824,000	-	4,824,000
Motor Vehicle Maintenance	44,125,992	49,402,684	42,623,179	48,038,930
Hiring of Vehicles	5,987,248	3,299,893	5,987,248	3,299,893
Computer Maintenance	9,181,176	4,869,961	9,030,840	4,737,661
Maintenance of Office Equipment	9,453,901	10,593,727	9,453,901	10,579,587
News papers and periodicals	629,505	1,039,612	616,625	1,029,312
Bad Debtors	-	305,940	-	305,940
Loss of Sale on Fixed Assets	12,793	247,018	12,793	247,018
Medical Insurance	1,361,602	1,584,817	-	-
Medical Expenses	-	81,150	-	-
Death Expenses	-	200,000	-	-
Miscellaneous Expenses	541,646	654,619	228,881	1,055,869
	286,853,415	304,649,948	278,321,573	298,846,378

Finance Expenses

Description	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Finance Charges	227,209	5,883,037	54,349	5,801,976
Interest Expenses on Leases	22,389,682	27,352,191	22,389,682	27,352,191
Interest on Migrant Workers' Contributions	546,229	571,745	546,229	571,745
	23,163,121	33,806,973	22,990,261	33,725,912

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ADVERTISEMENT & PUBLICITY

Description	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Advertisement Expenses	4,467,197	4,808,664	4,467,197	4,757,051
Cost of Radio Programmes	3,960,000	1,667,222	3,960,000	1,667,222
Awareness Programmes	57,820	444,850	57,820	444,850
	8,485,017	6,920,736	8,485,017	6,869,123

BUSINESS PROMOTION EXPENSES

Description	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Business Promotion	4,271,683	4,341,144	3,526,464	4,111,498
Receiving Delegation from Lab.Recr.Countries	-	1,119	-	1,119
Recruitment of Japan Programme	174,229	500,536	174,229	500,536
Ran Piyapath Programme	-	16,820	-	16,820
Expenses on Korean Projects and Recruitment	665,595	2,247,950	665,595	2,247,950
Seminars and Workshops	1,300,327	2,294,263	1,300,327	2,294,263
	6,411,834	9,401,832	5,666,615	9,172,186

WELFARE OTHER EXPENSES

Description	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Training Activities	42,747,308	56,243,696	42,747,308	56,243,696
Cost of Insurance of Migrant Workers	96,341,802	32,319,044	96,341,802	32,319,044
Scholarship to Childrens' of Migrant Employees	86,468,292	4,109,202	86,468,292	4,109,202
Distribution of School Books	544,455	836,144	544,455	836,144
Sending Delegation to Labour Receiving Countries	-	1,738,350	-	1,738,350
Food,Medical & Other Expenses Migrant workers	27,915,832	47,021,397	27,915,832	47,021,397
Welfare Centre - Seeduwa	5,095,478	2,491,471	5,095,478	2,491,471
Conciliation & Other welfare work local and abroad	83,050	131,293	83,050	131,293
Social Welfare Program for Migrant Workers	52,126,595	25,316,115	52,126,595	25,316,115
Housing Program for disabled Migrant Workers	600,000	326,030	600,000	326,030
Welfare Facilities to the Migrant Workers	8,055,522	6,060,139	8,055,522	6,060,139
Special Award of Funeral Expenses	9,820,000	4,970,000	9,820,000	4,970,000
Study Tours to Labour Receiving Countries	2,928,856	1,845,893	2,928,856	1,845,893
Medical Bill for Migrant Workers	11,796,171	16,284,911	11,796,171	16,284,911
Providing bus fair & Refreshment	1,105	189,603	1,105	189,603
Medical Camp to the Mig.Workers and their Families	-	445,766	-	445,766
Overseas Mission - other expenses	7,498,817	3,940,277	7,498,817	3,940,277
	352,023,282	204,269,330	352,023,282	204,269,330



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7 FINANCE INCOME

Description	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Staff Loan Interest	32,309,816	44,789,605	32,218,384	44,676,359
Interest on SLFEA Loan	-	-	12,500	12,500
Interest on Savings	1,520,136	1,261,513	1,492,604	1,127,346
Interest on Fixed Deposit	504,627,590	728,206,886	498,923,736	719,761,514
	538,457,542	774,258,004	532,647,224	765,577,719

8 INCOME TAX

Description	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Current tax on profit for the year	(72,183,709)	25,829,025	(72,183,709)	25,829,025
Deferred Tax on Actuarial (loss)/Gain	(2,345,619)	-	(2,345,619)	-
Deferred Income Tax (release)/charge	(188,159,962)	80,377,879	(188,159,962)	80,377,879
	(262,689,290)	106,206,904	(262,689,290)	106,206,904

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

Description	2021			2020
	Bureau Rs.	WWF Rs.	Total Rs.	
6 Staff Costs				
Salaries & Wages	658,741,499	220,108,068	878,849,567	1,014,848,550
Staff Welfare	72,954,116	11,532,937	84,487,053	95,998,532
E.P.F. & E.T.F.	110,295,433	5,805,023	116,100,456	116,449,634
Reim. of Interest on Housing Loans	8,908,240	468,855	9,377,095	9,281,817
Bonus	118,211,458	6,221,656	124,433,114	25,920,491
Overtime	59,976,133	5,330,703	65,306,836	104,261,761
Travelling	3,179,287	12,361,265	15,540,552	41,602,311
Gratuity	29,526,957	1,554,050	31,081,007	30,223,510
Staff Loan Expenses-SLFRS	14,695,622	-	14,695,622	27,931,388
Staff Training	1,093,438	57,549	1,150,987	976,647
	1,077,582,183	263,440,105	1,341,022,288	1,467,494,641
Establishment Expenses				
Printing ,Stationery & Consumable	25,521,668	5,185,335	30,707,003	19,251,629
Telephone & Postage	34,596,055	15,017,477	49,613,532	56,777,891
Rent	29,880,136	130,800,424	160,680,560	146,698,140
Maintenance of Premises	43,062,534	18,840,069	61,902,603	54,140,866
Audit Fees	2,658,860	139,940	2,798,800	4,343,027
Electricity	22,991,888	19,562,893	42,554,781	43,008,776
Cost of piece rate work	136,753	108,578	245,330	308,900
Security Charges	26,960,480	14,688,019	41,648,499	43,490,744
Directors Fees & Travelling	1,150,393	60,547	1,210,940	1,133,500
Water	1,813,954	12,193,801	14,007,755	12,229,732
Consultancy & Legal Fees	5,995,052	1,185,648	7,180,699	9,679,820
	194,767,772	217,782,730	412,550,502	391,063,027
Operational Costs				
Depreciation of Fixed Assets	175,967,340	34,400,766	210,368,107	224,728,168
Amotization of Intangible Assets	-	-	-	4,824,000
Motor Vehicle Running Expenses	26,526,609	16,096,570	42,623,179	48,038,930
Hiring of Vehicles	26,277	5,960,971	5,987,248	3,299,893
Computer Running Expenses	7,810,539	1,220,301	9,030,840	4,737,661
Maintenance of Office Equipment	7,359,481	2,094,420	9,453,901	10,579,587
Newspapers & Periodicals	330,918	285,707	616,625	1,029,312
Bad debtors	-	-	-	305,940
Loss on Sale of Fixed Assets	10,725	2,068	12,793	247,018
Miscellaneous Expenses	228,881	-	228,881	1,055,869
	218,260,770	60,060,803	278,321,573	298,846,378
Finance Expenses				
Finance Charges	(2,039,753)	2,094,102	54,349	5,801,976
Interest Expenses on Leases	21,270,198	1,119,484	22,389,682	27,352,191
Interest on Migrant Workers' Contributions	-	546,228.84	546,229	571,745
	19,230,445	3,759,815	22,990,261	33,725,912



Description	2021			2020 Rs.
	Bureau Rs.	WWF Rs.	Total Rs.	
6 Advertisement & Publicity				
Advertisements	4,208,723	258,474	4,467,197	4,757,051
Cost of Radio Programmes	3,534,000	426,000	3,960,000	1,667,222
Awareness Programmes	54,929	2,891	57,820	444,850
	7,797,652	687,365	8,485,017	6,869,123
Business Promotion Expenses				
Business Promotion Mission	3,295,523	230,940	3,526,464	4,111,498
Recruitment of Japan Programme	174,229	-	174,229	500,536
Publicity Programme	-	-	-	16,820
Receiving Delegation From Lab.Recr.Countries	-	-	-	1,119
Expenses of Korean project and Recruitment Expenses	665,595	-	665,595	2,247,950
Seminars & Workshops	1,300,327	-	1,300,327	2,294,263
	5,435,674	230,940	5,666,615	9,172,186

Welfare Other Expenses	2021		2020 Rs.
	WWF	Total	
Training Activities	42,747,308	42,747,308	56,243,696
Cost of Insurance of Migrant Workers	96,341,802	96,341,802	32,319,044
Scholarship to Children's of Migrant Employees	86,468,292	86,468,292	4,109,202
Distribution of School Books	544,455	544,455	836,144
Sending Delegation to Labour Receiving Countries	-	-	1,738,350
Housing Project for Migrant Workers	-	-	-
Food,Medical & Other Expenses Migrant workers	27,915,832	27,915,832	47,021,397
Welfare Centre - Seeduwa	5,095,478	5,095,478	2,491,471
Conciliation & Other welfare work local and abroad	83,050	83,050	131,293
Social Welfare Program for Migrant Workers	52,126,595	52,126,595	25,316,115
Housing Program for disabled Migrant Workers	600,000	600,000	326,030
Welfare Facilities to the Migrant Workers	8,055,522	8,055,522	6,060,139
Special Award Scheme of Funeral Expenses	9,820,000	9,820,000	4,970,000
Study Tours to Labour Receiving Countries	2,928,856	2,928,856	1,845,893
Medical Bill for Migrant Workers	11,796,171	11,796,171	16,284,911
Providing bus fair & Refreshment	1,105	1,105	189,603
Medical Camp to the Mig.Workers and Their Families	-	-	445,766
Overseas mission - other expenses	7,498,817	7,498,817	3,940,277
	352,023,282	352,023,282	204,269,330



Expenditure

The expenses incurred by the Bureau on the Workers' Welfare which cannot 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%
Travelling & 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 31.12.2020	As at 01.01.2021	Additions/ Revaluations during the	Amotization during the year	As at 31.12.2021
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	24,237,220	24,237,220	-	-	24,237,220
	27,438,246	27,438,246	-	-	27,438,246
Written down value	1,000	1,000	-	-	1,000

9 Intangible Asset **SLBFE**
COST

Description	As at 31.12.2020	As at 01.01.2021	Additions/ Revaluations during the	Amotization during the year	As at 31.12.2021
Software License & Software-SLBFE	24,125,000	24,125,000	-	-	24,125,000
	24,125,000	24,125,000	-		24,125,000
Amotization					
	24,124,000	24,124,000		-	24,124,000
	-	-	-	-	24,124,000
Written down value	1,000	1,000	-	-	1,000



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10.1 RIGHT -OF-USE ASSETS

(a) Amounts recognised in the statement of financial position

Restated

GROUP

Description	As at 01.01.2021	Additions/ Revaluations during the year	Disposal	As at 31.12.2021
Land	66,569,096	22,656,437		89,225,533
Motor Vehicles	251,029,200	-	-	251,029,200
Total	317,598,296	22,656,437	-	340,254,733
Accumulated Depreciation				
Land		23,880,123		23,880,123
Motor Vehicles	54,264,112	50,205,839	-	104,469,951
Total	54,264,112	74,085,963	-	128,350,075
As at 31.12.2021				211,904,659

SLBFE

Description	As at 01.01.2021	Additions/ Revaluations during the year	Disposal	As at 31.12.2021
Land	66,569,096	22,656,437	-	89,225,533
Motor Vehicles	251,029,200	-	-	251,029,200
Total	317,598,296	22,656,437	-	340,254,733
Accumulated Depreciation				
Land	-	23,880,123	-	23,880,123
Motor Vehicles	54,264,112	50,205,839	-	104,469,951
Total	54,264,112	74,085,963	-	128,350,074
As at 31.12.2021				211,904,658

Following Least Hold Land previously recognized under PPE has been presented as Right of use assets from the year 2021 as per SLFRS 16

Year	Value	Location
2000	15,211,000	Battaramulla
2010	7,172,000	Ratnapura
2010	64,391,961	Homagama



10.2 PROPERTY, PLANT AND EQUIPMENT - GROUP					
Description	As at 31.12.2020	As at 01.01.2021	Additions/ Revaluations during the year	Disposals /Transfer of Depreciation during the year	As at 31.12.2021
At Cost / valuation					
Free Hold Land	295,206,276	295,206,276	-	-	295,206,276
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	308,239,909	308,239,909	-	(16,791,255)	291,448,654
Furniture & Other Office Equipment	219,069,164	219,069,164	4,674,115	(3,426,071)	220,317,208
Wooden & Steel Furniture	196,705,105	196,705,105	-	(698,023)	196,007,082
Computers	301,162,922	301,162,922	3,268,689	(15,413,503)	289,018,108
Electrical Goods & Accessories	84,618,150	84,618,150	4,204	(392,813)	84,229,541
Sundry Equipment	2,356,509	2,356,509	-	-	2,356,509
Library Books	1,665,237	1,665,237	-	(300)	1,664,937
Training Equipments	70,179,239	70,179,239	-	(377,483)	69,801,756
Total	3,506,255,834	3,506,255,834	7,947,008	(37,099,448)	3,477,103,393
Accumulated Depreciation On Cost / Valuation					
Building	905,424,024	905,424,024	104,488,402	-	1,009,912,426
Partitioning Works	46,820,230	46,820,230	1,861,284	-	48,681,514
Motor Vehicle	263,100,822	263,100,822	16,216,527	(16,788,287)	262,529,062
Furniture & Other Office Equipment	184,464,853	184,464,853	12,374,515	(3,422,705)	193,416,664
Wooden & Steel Furniture	128,436,969	128,436,969	10,829,113	(565,113)	138,700,969
Computers	269,866,087	269,866,087	15,030,037	(15,295,029)	269,601,095
Electrical Goods & Accessories	82,378,435	82,378,435	1,322,206	(392,778)	83,307,863
Sundry Equipment	2,351,866	2,351,866	-	-	2,351,866
Library Books	1,626,338	1,626,338	37,429	(300)	1,663,467
Training Equipments	68,968,671	68,968,671	483,529	(377,298)	69,074,902
	1,953,438,295	1,953,438,295	162,643,041	(36,841,510)	2,079,239,827
Written Down Value	1,552,817,540	1,552,817,540			1,397,863,567

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10.2 PROPERTY, PLANT AND EQUIPMENT - SLBFE

Description	As at 31.12.2020	As at 01.01.2021	Additions/ Revaluations during the year	Disposals during the year	As at 31.12.2021
At Cost / valuation					
Free Hold Land	28,938,796	28,938,796	-	-	28,938,796
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	-	(12,371,042)	156,897,539
Furniture & Other Office Equipment	141,336,778	141,336,778	1,755,241	(2,593,306)	140,498,713
Wooden & Steel Furniture	94,048,182	94,048,182	-	(559,620)	93,488,562
Computers	252,556,019	252,556,019	3,206,560	(15,413,503)	240,349,076
Electrical Goods & Accessories	84,474,306	84,474,306	1,595	(392,813)	84,083,088
Sundry Equipments	2,356,509	2,356,509	-	-	2,356,509
Library Books	1,620,402	1,620,402	-	(300)	1,620,102
Total	2,626,690,819	2,626,690,819	4,963,396	(31,330,584)	2,600,323,631
Accumulated Depreciation					
On Cost / Valuation					
Building	873,115,446	873,115,446	90,657,089	-	963,772,534
Partitioning Works	38,102,854	38,102,854	1,346,991	-	39,449,845
Motor Vehicle	169,202,356	169,202,356	16,430	(12,368,124)	156,850,662
Furniture & Other Office Equipment	110,040,179	110,040,179	10,560,859	(2,592,858)	118,008,180
Wooden & Steel Furniture	56,776,631	56,776,631	4,675,621	(436,785)	61,015,467
Computers	222,063,653	222,063,653	14,479,628	(15,295,029)	221,248,253
Electrical Goods & Accessories	82,334,270	82,334,270	1,293,401	(392,778)	83,234,893
Sundry Equipments	2,351,866	2,351,866	-	-	2,351,866
Library Books	1,581,533	1,581,533	37,429	(300)	1,618,662
Total	1,555,568,787	1,555,568,787	123,067,449	(31,085,874)	1,647,550,362
Written Down Value	1,071,122,032	1,071,122,032			952,773,269



SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
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10.2 PROPERTY, PLANT AND EQUIPMENT - Welfare Fund (WF)

Description	As at 31.12.2020	As at 01.01.2021	Additions/ Revaluations during the year	Disposals during the year	As at 31.12.2021
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	-	(4,420,213)	117,810,440
Furniture & Other Office Equipments	64,809,782	64,809,782	2,695,045	(832,765)	66,672,062
Wooden & Steel Furniture	102,656,923	102,656,923	-	(138,403)	102,518,520
Computers	48,606,903	48,606,903	62,129	-	48,669,032
Electrical Goods & Accessories	143,844	143,844	2,609		146,453
Library Books	44,835	44,835	-	-	44,835
Training Equipment	70,179,239	70,179,239	-	(377,483)	69,801,756
Total	775,531,407	775,531,407	2,759,783	(5,768,864)	772,522,325
Accumulated Depreciation On Cost / Valuation					
Buildings	26,079,802	26,079,802	12,947,797	-	39,027,599
Partitioning Works	8,717,376	8,717,376	514,293	-	9,231,669
Motor Vehicles	92,164,612	92,164,612	12,038,846	(4,420,163)	99,783,296
Furniture & Other Office Equipments	62,067,838	62,067,838	1,683,597	(829,847)	62,921,588
Wooden & Steel Furniture	71,660,338	71,660,338	6,153,491	(128,328)	77,685,501
Computers	47,802,434	47,802,434	550,408	-	48,352,842
Electrical Goods & Accessories	44,165	44,165	28,805		72,970
Library Books	44,805	44,805	-	-	44,805
Training Equipment	68,968,671	68,968,671	483,529	(377,298)	69,074,901
Total	377,550,041	377,550,041	34,400,766	(5,755,635.61)	406,195,172
Written Down Value	397,981,366	397,981,366			366,327,154

10.3 Capital Work in Progress

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

Description	2021 SLBFE Rs.	2020 SLBFE Rs.
WIP - Mathugama	3,884,584	3,884,584
WIP - Homagama	736,740	736,740
Total	4,621,324	4,621,324



SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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11 INVESTMENT IN SUBSIDIARIES

	2021	2020	2021	2020
	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

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.

12.1 STAFF LOANS

	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Distress Loans	254,405,442	274,055,350	252,805,714	270,942,860
Vehicle Loans	67,982,251	80,306,460	67,982,251	80,306,460
Festival Advances	259,456	137,550	208,456	137,550
Instant Loan to Staff	865,875	720,570	865,875	720,570
Pilgrimage Loan	28,600	318,600	28,600	318,600
	323,541,623	355,538,531	321,890,895	352,426,041
Staff Loan- Long Term	233,155,099	255,265,156	231,555,371	255,265,156
Staff Loan-Short Term	90,386,524	100,273,374	90,335,524	97,160,884
	323,541,623	355,538,531	321,890,895	352,426,041

12.2 Pre paid Staff Loan

	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Pre paid Distress Loans	68,900,068	67,465,682	68,900,068	67,465,682
Pre paid Vehicle Loans	10,884,780	20,793,484	10,884,780	20,793,484
	79,784,849	88,259,166	79,784,849	88,259,166



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

	2021	2020	2021	2020
Financial Assets	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Fixed Deposits - (Bureau/wwf/kuwait)	13,350,065,480	13,095,552,953	13,243,655,836	12,990,183,267
Call Deposit	514,500,000		514,500,000	
	13,864,565,480	13,095,552,953	13,758,155,836	12,990,183,267
Less : Matured within 3 month	(3,171,663,165)	(3,432,197,619)	(3,171,663,165)	(3,432,197,619)
	10,692,902,315	9,663,355,334	10,586,492,671	9,557,985,648
Short Term -Fixed Deposits	13,864,565,480	13,093,270,437	13,758,155,836	12,987,900,751
Less : Matured within 3 month	(3,171,663,165)	(3,432,197,619)	(3,171,663,165)	(3,432,197,619)
	10,692,902,315	9,661,072,818	10,586,492,671	9,555,703,132
Long Term-Fixed Deposits	-	2,282,516	-	2,282,516
	10,692,902,315	9,663,355,334	10,586,492,671	9,557,985,648

14 INVENTORIES

	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Consumable Items	9,313,467	13,706,045	9,041,052	13,433,630
	9,313,467	13,706,045	9,041,052	13,433,630

Consumable items consist of stationery items, motor vehicle maintenance items, staff welfare items and printing accessories.etc.



SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
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As At 31 December 2021

Restated

15 PREPAYMENTS & OTHER RECEIVABLES

	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Bureau				
Cess Commission Receivables	192,500	192,500	192,500	192,500
Refundable Deposits	7,910,465	7,480,401	7,771,565	7,343,501
Other Receivables	107,965,714	109,744,834	102,784,210	104,303,475
Pre-payments	8,024,599	2,220,826	8,024,599	2,220,826
Salary Advances	40,971	10,371	40,971	10,371
Loan to SLFEA (Pvt) Ltd.	-	-	250,000	250,000
Receivable to Kuwait Fund	212,617,085	141,897,982	212,617,085	141,897,982
Advance Payment for Kahagolla land	20,034,475	20,034,475	20,034,475	20,034,475
Registration fee receivables	444,280	460,580	444,280	460,580
VAT recovery	2,459,015	2,459,015	-	-
Medical Insurance-staff	488,405	384,792	-	-
Advance Insurance	90,408	103,778	-	-
Sub Total	360,267,916	284,989,553	352,159,684	276,713,710
Welfare Fund Receivable	-			
Labour Contract Agreement 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	38,441,425	27,856,855	38,441,425	27,856,855
Amount Receivable from S/L Mission in Rome Italy	887,610	887,610	887,610	887,610
Commission Receivable SL Insur. Corporation	19,611,440	-	19,611,440	-
Rent Security Deposit-Mission	2,986,309	-	2,986,309	-
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	238,056	258,103	238,056	258,103
Fund Receivable from S/L Mission in Israel	914,167	1,182,997	914,167	1,182,997
Sub Total	934,340,064	901,446,624	934,340,064	901,446,624
Less: Specific Impairment Provision	(2,192,868)	(2,192,868)	(2,192,868)	(2,192,868)
	932,147,196	899,253,756	932,147,196	899,253,756
Total Prepayments & Other Receivables	1,292,415,113	1,184,243,309	1,284,306,881	1,175,967,465



SRI LANKA BUREAU OF FOREIGN EMPLOYMENT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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16 CASH & CASH EQUIVALENTS

Bureau

Current Accounts - LKR

BOC Corporate Branch - 1650
Peoples bank Battaramulla - 2081001151791068
Peoples Bank 119200163694176 (Narahenpita)
Peoples Bank 119100363694176 (Narahenpita)
Peoples Bank 119200253694176 (Narahenpita)
Peoples Bank A/C-100183694176
Peoples Bank A/C-100103694830(Narahenpita)
Peoples Bank Queens Branch-A/C-033402102466473
BOC A/C-9099724
BOC A/C-76882603

2021	2020	2021	2020
Group	Group	SLBFE	SLBFE
Rs.	Rs.	Rs.	Rs.
30,260,816	8,098,105	30,260,816	8,098,105
13,488,470	6,015,163	13,488,470	6,015,163
2,438	2,366	-	-
102,602	178,315	-	-
6,037	3,287,464	-	-
214,095	1,559,227	-	-
31,453	165,574	-	-
123,957	129,368	-	-
53,841	165,544	-	-
1,476,504	54,429	-	-
45,760,213	19,655,555	43,749,286	14,113,268

Savings Accounts - LKR

NSB - Battaramulla - 100800442461
Saving Account- Peoples Bank
NSB-02-40494

19,455,339	9,851,767	19,455,339	9,851,767
95,000	35,000	-	-
190,373	183,836	-	-
19,740,712	10,070,603	19,455,339	9,851,767

Cash in hand

8,233	28,280	3,233	28,280
8,233	28,280	3,233	28,280

Welfare Fund

Current Accounts - LKR

BOC Corporate Branch - 1672
Peoples Queens Branch - 033100161791068

19,266,615	854,112	19,266,615	854,112
-	1,852,003	-	1,852,003
19,266,615	2,706,115	19,266,615	2,706,115

Current Accounts - Foreign Currency

BOC offshore Banking Unit - 2305

168,273,566	13,797,674	168,273,566	13,797,674
168,273,566	13,797,674	168,273,566	13,797,674

Savings Account

Savings A/C 2620212743/0204200180097762 Siyatha
Savings A/C No.2620213079/0204200100097761 Videsh
A/C BOCA/C DFCA/USD/(73-394)-832

-	40,612,277	-	40,612,277
-	10,226,316	-	10,226,316
1,496,124	1,381,035	1,496,124	1,381,035
1,496,124	52,219,628	1,496,124	52,219,628

Cash in Hand WWF-Local
Cash in Hand WWF-Overseas

446,234	312,561	446,234	312,561
697,871	333,601	697,871	333,601
1,144,106	646,163	1,144,106	646,163

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As At 31 December 2021

	2021	2020	2021	2020
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Cash & Bank Balance Foreign Missions	223,366,166	40,950,140	223,366,166	40,950,140
	223,366,166	40,950,140	223,366,166	40,950,140
Total Cash & Bank Balance	479,055,736	140,074,158	476,754,436	134,313,035
Investments to be matured within 03 months	3,171,663,165	3,432,197,619	3,171,663,165	3,432,197,619
	3,650,718,901	3,572,271,777	3,648,417,601	3,566,510,654

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 reported in the Israel mission due to misuse of daily collection. NIS 19,500 equivalent to Rs.914,430.00 has recovered up to 31.12.2021

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 2021

NATURE OF THE ERROR	GROUP 2021-Rs.	BUREAU 2021 -Rs.	LINE ITEM AFFECTED
Over Time arrears-SLFEA	(1,838,670)		
Balance as at 31.12.2021	(1,838,670)	-	



SRI LANKA BUREAU OF FOREIGN EMPLOYMENT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As At 31 December 2021

18 TAX PROVISION

18.1 DEFERRED TAX PROVISION

Opening balance as at 1st January

Add: Provisions for the year

2021	2020	2021	2020
Group	Group	SLBFE	SLBFE
Rs.	Rs.	Rs.	Rs.
172,078,752	91,700,873	172,343,405	91,965,526
(188,159,962)	80,377,879	(188,159,962)	80,377,879
(16,081,210)	172,078,752	(15,816,556)	172,343,405
(16,081,210)	172,078,752	(15,816,556)	172,343,405

18.2 INCOME TAX PROVISION

Opening balance as at 1st January

Add: Provisions for the year (kuwait Fund)

Add: Provisions for the year

Less: Tax paid during the year

2021	2020	2021	2020
Group	Group	SLBFE	SLBFE
Rs.	Rs.	Rs.	Rs.
169,530,386	211,528,493	171,496,799	213,494,906
34,319,606	-	34,319,606	-
(72,183,709)	25,829,025	(72,183,709)	25,829,025
131,666,283	237,357,518	133,632,695	239,323,931
(171,496,799)	(67,827,132)	(171,496,799)	(67,827,132)
(39,830,516)	169,530,386	(37,864,104)	171,496,799

Restated

18.3

	Group		SLBFE	
	2021	2020	2021	2020
Profit before tax	617,464,922	(637,557,123)	632,791,840	(630,754,450)
Income not liable for income tax	(5,731,386)	(79,908,866)	-	(71,216,081)
Adjusted Profit	611,733,536	(717,465,989)	632,791,840	(701,970,531)
Amount considered as Investment income	(532,647,224)	(694,361,638)	(532,647,224)	(694,361,638)
Disallowable expenses	247,263,012	265,126,902	241,461,906	261,738,405
Capital Allowances	(131,638,012)	(133,652,617)	(131,136,599)	(133,173,007)
Gratuity payments	(17,792,345)	(11,485,605)	(17,792,345)	(11,485,605)
Accounting profit on disposal of Fixed Assets	(15,800,999)	(13,949)	(15,800,999)	(13,949)
Rent paid on Rented vehicles (Right of Used)	-	(5,190,250)	-	(5,190,250)
Assessable charges/Balancing allowance	15,978,003	209,850	15,978,003	209,850
Loss Climable	(192,707,967)	-	(192,854,583)	-
Assessable Income from Business	(15,611,996)	(1,296,833,296)	(0)	(1,284,246,725)
Interest Income	567,957,915	786,947,416	562,229,196	778,316,050
Loss Climable	(313,076,093)	786,947,416	(313,076,093)	(778,316,050)
Loss B/F	(5,303,239)	1,348,034	-	-
Investment Income	249,578,583	-	249,153,103	-
Taxable Income/Loss	249,578,583	(511,233,914)	249,153,103	(505,930,675)
B/F Income tax overpaid	-	-	-	-
Income Tax on Taxable Income	25,477,139	-	25,477,139	-
Income Tax on Taxable Income (Kuwait Fund)	34,319,606	-	34,319,606	-
	-	-	-	-

Deferred Tax Expenses/Income

	Group		SLBFE	
	2021	2020	2021	2020
Origination /(Reversal) of temporary differences				
Arising from Property, Plant and Equipment	1,064,621,410	1,203,434,755	1,064,621,410	1,203,434,755
Tax written down value	(900,214,395)	(1,019,805,068)	(900,214,395)	(1,019,805,068)
Provision for gratuity	(230,309,332)	(226,794,082)	(230,309,332)	(226,794,082)
Business Loss C/fas per Tax Computation	-	(505,930,676)	-	(505,930,676)
Net differences	(65,902,317)	(549,095,071)	(65,902,317)	(549,095,071)
Tax charged at standard rate at 24%	(15,816,556)	(131,782,817)	(15,816,556)	(131,782,817)
Provision for deferred tax	(15,816,556)	(131,782,817)	(15,816,556)	(131,782,817)

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
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19 ACCRUALS AND OTHER PAYABLES

	2021	2020	2021	2020
	Group	Group	Bureau	Bureau
	Rs.	Rs.	Rs.	Rs.
Bureau				
Deposit for salaries & Settlement of complaints	27,331,543	19,575,461	27,331,543	19,575,461
Retention Money Payable	43,262,281	43,188,086	43,262,281	43,188,086
Refundable Tender Deposit	1,942,185	1,450,505	1,942,185	1,450,505
Guarantee Money From Cashiers	25,000	25,000	25,000	25,000
Deposit for Korean Visa Fees	28,063,760	11,673,600	28,063,760	11,673,600
VAT	45,814,853	1,485,667	45,814,853	1,485,667
Sundry Creditors	18,530,135	39,376,480	6,953,197	33,087,113
Tender Creditors	90,992,317	131,201,632	90,992,317	131,201,632
Stamp Duty	115,150	92,350	115,150	92,350
Lease Liabilities Land	38,434,847	-	38,434,847	-
Amount Payable to Kuwait Fund	212,617,085	141,897,982	212,617,085	141,897,982
Re-entry Korean charges	3,204,125	3,256,875	3,204,125	3,256,875
Collection of Air Ticket	8,596,253	5,816,965	6,023,188	5,816,965
Incentive of japan Programme	6,309,661	-	6,309,661	-
Unpresented Cheque	83,310	83,310	-	-
Other Payable	3,275,070	1,812,456	-	-
Death claim payable	7,089,993	7,489,993	-	-
Korean Contracts	15,890,000	16,015,000	-	-
Israel deposit	15,100,000	15,100,000	-	-
Insurance payable	160	160	-	-
Advance Account	958	-	-	-
Unidentify Deposit	215,000	-	-	-
Sub Total	566,893,685	439,541,523	511,089,191	392,751,237

Welfare Fund

Insurance claim received & payable to claimants	55,788,863	51,239,587	55,788,863	51,239,587
Insurance Claim Payable (Union Insurance)	3,850,978	8,626,365	3,850,978	8,626,365
Refundable Deposit Female Domestic Wokers	705,423,013	668,986,984	705,423,013	668,986,984
Refundable Deposit Cyprus	10,200,000	10,700,000	10,200,000	10,700,000
Safe Accounts – Overseas	58,930,107	61,489,787	58,930,107	61,489,787
Deposit for Repatriation Cost	21,516,713	17,212,076	21,516,713	17,212,076
Deposit for Kuwait Insurance	15,460	15,460	15,460	15,460
Sub Total	855,725,134	818,270,259	855,725,134	818,270,259

Total Accruals and Other Payables

1,422,618,819	1,257,811,782	1,366,814,325	1,211,021,496
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SRI LANKA BUREAU OF FOREIGN EMPLOYMENT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As At 31 December 2021

20 KUWAIT COMPENSATION ACCOUNT

This amount represent the unsettled compensation claims along with accumulated 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 pension scheme 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 31.12.2021	As At 31.12.2020
	Rs	Rs
(i) Loan balance receivable from Sri Lanka Foreign Employment Agency (SLFEA)	250,000	250,000
(ii) 70% Agency commissions paid to SLFEA	1,165,500	1,407,000
(iii) The Licensees of the following Foreign Employment Agencies served as board members of the Sri Lanka Bureau of Foreign Employment in year 2021. The 70% portion of the recruitment fees which has been refunded to them were as follows.		

Name of the Director & Agency	Full Refund	70 % Refund	Cess	
			Recovery-2021	Recivable as at 13.21.2021
Mr.W.S.H.Sapumohotti - Emerald ISLE Manpower & Travel Service	482,853	10,134,786	50,196	41,608
Mr.A.M.Ghouse - Tee Gee Agency (pvt) Ltd	-	54,000	92,701	394,818
Mr.B.P.Niyadupola - Deshkthee Lanka Agency (Pvt)Ltd	119,091	4,181,054	105,164	2,296,847
Mr.M.L.Vijitha Kumara - Thisarani Travels & Tours	-	-	-	989,263

SLFEA

21.2 Transactions with Key Management Personnel

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



SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As At 31 December 2021

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 established 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 2021

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 guarantees for Housing loan schemes 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-001184	SMIB	18,146,331.88
SMIB-IFD-001187	SMIB	18,267,871.88
		327,333,770.07

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





AUDITOR GENERAL'S REPORT





Chairman

Sri Lanka Bureau of Foreign Employment

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Bureau of Foreign Employment and its subsidiary for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act No. 19 of 2018.

financial position of the Bureau as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Bureau of Foreign Employment and its subsidiary for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, except for the effects of the matters described in basis for the qualified opinion of this report, the accompanying financial statements give a true and fair view of the

1.2 Basis for Qualified Opinion

- (a) The total depreciation of Rs. 14,174,070 from the year 2010 to the year 2020 for the land in Homagama, which was acquired on the basis of the right of use by the Bureau for a period of 50 years in the year 2010 had been accounted for as an expense in the current year, without making retrospective adjustment as per paragraph 46 of Sri Lanka Accounting Standard 08. Accordingly, the profit for the year was understated by the same amount.
- (b) If the Inland Revenue Department was not notified within 90 days to accept or reject the application regarding the revision of the self-assessment on income tax submitted in relation to the assessment years 2018/2019 and 2019/2020 according to the section 136(6) of the Inland Revenue Act No. 24 of 2017, shall be deemed to have taken a decision not to allow the application in terms of sub-section 26(1) of the said Act. The tax expense of the year was understated by Rs. 188,825,244/= due to the Bureau considering the revision accepted and made tax adjustments in the financial statements when accounting for the income tax in the 2021/2022.



(c) Although the opening balance of the deferred tax asset account should be Rs. 127,248,426 due to the balance was accounted as Rs. 131,782,817/= the balance of the deferred tax asset account was overstated by Rs. 4,534,391/= in the financial statements at the end of the year under review.

(d) The profit of for the year had been overstated by Rs. 20,176,009/= due to the total sum of expenses for the previous year of Rs. 2,000,022/= and the total sum of Rs. 22,176,031/= as expenses of the year under review due to deducting the depreciation of buildings and vehicles from the expenses of the year under review.

(e) According to paragraph 34 of Sri Lanka Accounting Standard 16, when the fair value of an asset is materially different from its carrying value, a revaluation should be done and although an annual revaluation should be conducted for items which fair values change significantly and the fair value of property, plant and equipment had not been reflected in the financial statements due to the revaluation of assets of the Bureau has not been conducted after 2010.

(f) According to the calculations made by the audit, even though the depreciation related for the buildings of the Bureau to the current year was Rs. 76,533,717/= it was accounted as Rs. 77,870,319/= therefore the profit had been understated by Rs. 1,336,602/= in the financial statements.

(g) A difference of Rs. 4,096,522/= was observed in comparison with the amount shown in the financial statements of 40 creditor balances submitted for audit out of the balances of Rs. 250,487,782/= which was the value shown in the financial statements as payable to foreign employment agencies.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information included in the Group Annual Report 2021

The other information comprises the information included in the Group Annual Report but does not include the financial statements and my auditor's report thereon. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.



When I read the Group Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the group financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Bureau and Group is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual

and periodic financial statements to be prepared of the Group.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the group to express an

opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of Group Audit. I am solely responsible for my audit opinion.

- communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act No. 19 of 2018 and include specific provisions for following requirements.

2.1.1 Except for the effects of the matters described in the basis for Qualified Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Group as per the requirement and section 12 (a) of the National Audit Act No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention.

2.2.1 To state that any member of the governing body of the Bureau has any direct or indirect interest in any contract entered into by the Bureau which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 To state that the Bureau has not complied with any applicable written law, general and special directions issued by the governing body of the Bureau as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018.

2.2.3 To state that the Bureau has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

According to section 15(a),(k) and(i) of the Sri Lanka Foreign Employment Bureau Act, the research division was established to promote and develop employment

Reference to Law / Derivatives	Observation
(a) Sri Lanka Foreign Employment Bureau Act No. 21 of 1985, (i) Section 17 (2) and Section 45 (2)	The income of the Bureau which should have been collected in the Bureau Fund, was collected in the Labour Welfare Fund contrary to the provisions of the Act and a total income of Rs. 544,146,050/- was credited to that fund Contrary to the provisions of the Act.
(ii) Section 17 (3) and Section 48 (1)	Contrary to the provisions mentioned in the Salary and other Allowances Bill for the Bureau staff assigned for the service of foreign missions to be paid from the Bureau Fund, the sum of Rs. 428,560,316/= had been spent from the Labor Welfare Fund during the year under review.
(b) Public Administration Circular No. 30/2008 dated 31 December 2008	On the basis of a board decision taken in the year 2002, the Bureau has taken action to pay 12 times of the gross salary as distress loan at the amount Rs. 84,021,973/= to 265 officers exceeding the circular limit during the year under review, Contrary to paragraph 02 of the circular.



opportunities outside Sri Lanka for Sri Lanka to undertake research and studies into employment opportunities outside Sri Lanka for Sri Lanka and to establish and maintain an Information Data Bank to monitor the flow of Sri Lanka for employment outside Sri Lanka and their return after such employment. It was revealed in sample tests that, although 13 officers were employed and 09 researches had been started in the year 2020 and 2021 and the activities of 04 researches had been completed at the end of the year under review. But the researches were not done to fulfill the above objectives and the information data bank was not maintained.

2.2.4 to state that the resources of the Bureau had not been procured and utilised economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act No. 19 of 2018.

2.3 Other Matters

(a) Although the recommended competency standard curriculum for the Nursing National Vocational Qualification (NVQ3) training course conducted by the Bureau for the purpose of sending Sri Lankan workers to Israel includes 12 study units to be completed in 03 months, the Bureau had obtained permission to complete the training course in 02 months. The duration of the course was reduced to 45 days and again to 30 days without approval, which did not cover the 260 hours of practical training required

for international skill levels and was held online. Since the Israeli embassy had informed that the qualifications needed to be updated when applying for a visa one year after the completion of the training and charged Rs. 8,100 from one worker and arranged to teach the curriculum again within 07 days. Although this course should be conducted in English medium for those who have English language knowledge according to the job requirements, the bureau had also arranged to conduct a short-term English course by charging fees for them by training them in Sinhala medium.

Although the Bureau invites applications on the basis of referral for foreign employment and had conducted this vocational training course by charging Rs. 84.91 million, out of 5,918 people who completed the training, only 862 had gone abroad for the related job.

(b) In relation to the printing of 100,000 newspapers in the year 2014, in a transaction with a private entity, a disciplinary orders were issued in 2019 to collect the above amount in installments from two officers of the bureau who were found guilty in the preliminary and formal disciplinary investigations related to a financial irregularity of Rs. 3,200,000/=. The bureau had not implemented the disciplinary orders and had used a false account statement as money due from foreign missions.



On the basis of a board decision taken on an appeal filed by one of the officers, the chairman of the bureau had acquitted the officers and removed the said loss from the revenue due during the year under review.

- (c) According to an agreement made by the Government of Sri Lanka with the Government of Israel, 500 job orders for nursing staff were received in the year under review and 148 were referred accordingly. The recruitment qualifications had been mentioned for these jobs as 11 months nursing training course certificate with practical training or NVQ 03 level nursing training course certificate operated by the bureau. According it had not be able to apply for this job, student who obtained the formal training from the Tertiary and Vocational Education Commission approved 21 state and non-state training centers with national professional qualification level 04 and 03 certificate with practical training.
- (d) The Board of Directors called for applications based on a decision and recruited 31 people from "Siyarata Peru" and 67 people from local basis based on the criteria prepared by the Bureau for Labor Welfare Sections located in foreign missions without an approved recruitment procedure in the year 2020. It had been recruited 09 people and 16 people who scored low marks in the interview related to selection on national basis and local basis, while those who scored relatively high marks.
- (e) the officer recruited externally as Counselor in the Labor Welfare Section of the Foreign Mission in Singapore in the year 2020, has not completed the minimum age for the relevant post and no experience in the relevant field or service. And the interview was conducted by the non-independent interview board.
- (f) The validity period of the Memorandum of Understanding signed by the government intervened and regarding the sending of Sri Lankan workers to South Korea under the Employment Permit System had expired on 29 September 2019. According to the agreement, if the update is delayed without reasonable reason even after 06 months after the expiry of the agreement period, the agreement can be canceled or suspended. The referring of the workers to those states should be done only by the bureau, and a total of 20,144 people had been referred for employment in the last 5 years under this agreement. But the update of the agreement commenced in 2020 was not completed even by July 2022.
- (g) It had been stated in the financial statements that the financial irregularities of Rs.1.15 million in the year 2014 and Rs. 1.83 million in the year 2019 had been taken place in labor welfare sections of the Sri Lanka Foreign Employment Bureau in Abu Dhabi and



Israel embassies respectively. Although the 08 years had passed, it was unable to recover the financial irregularities in the Israeli embassy at the amount of Rs. 914,167/= and financial irregularities in the Abu Dhabi Embassy at the amount of Rs. 1.15 million.

W.P.C. Wickramaratne

Auditor General





CHAIRMAN'S OBSERVATIONS ON AUDITOR GENERAL'S REPORT





Report of the Auditor General on the Consolidated Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Bureau of Foreign Employment and its subsidiary for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act No. 19 of 2018.

Report of the Auditor Generals	Comments of the Management
1.2 Basis for Qualified opinion (a) Depreciation of Rs. 14,174,070/= from the year 2010 to the year 2020 for the land at Homagama which was acquired on the basis on right to use by the Bureau for a period of 50 years in the year 2010, had been accounted as an expenditure in the considering year without retrospective adjustment as per the paragraph 46 of Sri Lanka Accounting Standard 08. Accordingly, the profit for the year was understated by the same amount. (b) If the Inland Revenue Department was not notified within 90 days to accept or reject the application regarding the revision of the self-assessment on income tax submitted in relation to the assessment years 2018/2019 and 2019/2020 according to the section 136(6) of the Inland Revenue Act No. 24 of 2017, shall be deemed to have taken a decision not to allow the application in terms of sub-section 26(1) of the said Act. The tax expense of the year was understated by Rs. 188,825,244/= due to the Bureau considering the revision accepted and made tax adjustments in the financial statements when accounting for the income tax in the 2021/2022.	(a) Although the Homagama land has been mentioned in the fixed asset register since 2010 as part of the land pool of the Bureau and it has been emphasised that this should be accounted for on the basis of the rights of owner ship in the audit report of 2020 and accordingly, the Homagama land has been accounted as a land acquired on the lease basis in the year 2021. Therefore, the depreciation provision cost applicable to the previous years has been accounted for the year under review but no retrospective adjustment has been made to the amount of depreciation related to the previous years as indicated by the audit. Expect to take action to correct the accounts as applicable in the future. (b) Amended income tax returns related to the assessment years 2018/2019 and 2019/2020 have been submitted to the Inland Revenue Department and it has not been made written notification regarding acceptance or rejection to us so far.



(c) Although the opening balance of the deferred tax asset account should be Rs.127,248,426 due to the balance was accounted as Rs. 131,782,817/= the balance of the deferred tax asset account was overstated by Rs. 4,534,391/= in the financial statements at the end of the year under review.

(d) The profit of for the year had been overstated by Rs. 20,176,009/= due to the total sum of expenses for the previous year of Rs. 2,000,022 and the total sum of Rs. 22,176,031/= as expenses of the year under review due to deducting the depreciation of buildings and vehicles from the expenses of the year under review.

(c) We have mentioned that the deferred tax adjustment of the year under review will be corrected as per the audit query in the current year (2021) and accordingly all the corrections have been adjusted to the closing balance of the current year on 31.12.2021 by Jre-21-12-0134 and has not been overstated.

(d) It has been mentioned according to the audit query Rs. 2,000,022 of the previous year expenses were accounted in the year under review. Out of which Rs. 6,637.00 belongs to the year under review and since the remaining value of Rs. 1,993,385.00 has not been accounted for in relation to the previous year, it has been included in the expenditure of the year under review.

Therefore, the depreciation value of buildings and vehicles of Rs. 22,176,031 for the year under review as stated in the audit report is correct. But the overstate in profit for the year given in the audit report is incorrect. It should be Rs. 20,182,646. It presents the calculation of that value below.

Accumulation of previous year building depreciation in the current year - Rs. 21,850,723

Deduction of previous year building depreciation in current year - Rs. (2,368,744)

Accumulation of previous year leased vehicle depreciation in current year - Rs. 2,694,052

Deduction of previous year expenses in current year - Rs. (1,993,385)

Total value added to the profit for the year under review - Rs. 20,182,646



(e) According to paragraph 34 of Sri Lanka Accounting Standard 16, when the fair value of an asset is materially different from its carrying value, a revaluation should be done and although an annual revaluation should be conducted for items which fair values change significantly and the fair value of property, plant and equipment had not been reflected in the financial statements due to the revaluation of assets of the Bureau has not been conducted after 2010.

(f) According to the calculations made by the audit, even though the depreciation related for the buildings of the Bureau to the current year was Rs. 76,533,717 it was accounted as Rs. 77,870,319 therefore the profit had been understated by Rs. 1,336,602 in the financial statements.

(e) This fact mentioned in the audit is correct. The procurement process has been initiated to conduct the asset revaluation from a recognized agency. Addition to that, the finance department staff has started the reconciliation process based on physical survey documents and financial information. (For the period 2017 to 2022)

(f) According to the calculation made by the audit division, the depreciation of Rs. 76,533,717 for the building own to the Bureau value at the amount of Rs. 1,020,449,562 and audit division mentioned there was over calculation of Rs. 1,336,602 due to the above depreciation accounted as Rs. 77,870,319.

The depreciations of buildings in Hali-Ela, Dambulla, Tangalle, Ratnapura and Matugama had been accurately calculated annually for 2 years from the date of acquisition. But after a few years the value of the assets had been increased without increasing the lifetime (13 1/3 years) of the building, the depreciation has been calculated according to the Bureau accounting system as follows:

Ex:

Original Value of the assets
= 610,227,776.42

Depreciation for 520 days
 $(610,227,776.42 / (13\frac{1}{3}) / 360 * 520)$
= (66,121,784.00)

Net value = 544,105,992.42
Added value = 17,915,638.05

Total value of the assets = 562,021,630.47

Depreciation from date of
addition of new = (2,957,301.00)

Value to 22 days



(g) A difference of Rs.4,096,522 was observed in comparison with the amount shown in the financial statements of 40 creditor balances submitted for audit out of the balances of Rs. 250,487,782 which was the value shown in the financial statements as payable to foreign employment agencies.	Net value = 559,064,329.47 Calculation of depreciation per day = 134,442.77 For remaining 4160 days of assets (559,064,329.47/4160) Amount of depreciation for the year = 48,392,200.00 (134,442,77*360) According to the above calculation, the amount of depreciation related to the life of the asset is calculated at a low value in the early years, but in the future years, the amount has been calculated at a higher value compared to the previous years. Thus, the amount of depreciation related to the asset is correctly calculated in 13 1/3 years. (g) The Bureau cannot guarantee the accuracy of the accounts of agencies. The correctness of creditor balances as per bureau accounts can be verified by checking the relevant documents.
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2. Report on other legal and regulatory requirements.

2.2.2

Reference to Rules/Directives

Observations

(a) Sri Lanka Foreign Employment Bureau Act No. 21 of 1985(i) Section 17 (2) and Section 45 (2).

The income of the Bureau which should have been collected in the Bureau Fund, was collected in the Labour Welfare Fund contrary to the provisions of the Act and a total income of Rs. 544,146,050 was credited to that fund Contrary to the provisions of the Act.

(ii) Section 17 (3) and Section 48 (1).

Contrary to the provisions mentioned in the Salary and other Allowances Bill for the Bureau staff assigned for the service of foreign missions to be paid from the Bureau Fund, the sum of Rs. 428,560,316 had been spent from the Labor Welfare Fund during the year under review.

(i), The Bureau has the ability to transfer money to the Welfare Fund under Bureau Act No. 21 of 1985, 45 (2) d and the amount of money transferred was Rs. 544,146,050. The transfer of registration fees being done according to the 51(2) b of the amended Act No. 04 of 1994. The Korean Promotion Fees, Korean Training Fees are listed under Labor Welfare Fund Receipts according to the Board Paper No. 20/2013 (M-2). Training Fees, NVQ Fees are mentioned under Labor Welfare Fund as labor training expenditure is incurred directly under Labor Welfare Fund. It is Recorded under Labor Welfare Fund Receipts as per Contract Registration Fee Circular GM-06/2018. The domestic and foreign insurance commission receipts and Japanese Labour Commission receipts are recorded directly as receipts of the Labour Welfare Fund as such expenses are incurred under Labour Welfare Expenses.

Actions are being taken to correct the administrative activities of the fund as per the provisions of the Act.

(ii) Although the amount of Rs. 428,560,316 has been mentioned in respect of salaries and other expenses to the officers employed in the foreign missions mentioned by the audit, the total expenditure incurred for the year 2021 is only Rs. 432,458,298. Out of that it has been spent Rs. 254,655,184 as personnel expenses, Rs. 42,237,429 as welfare expenses and Rs. 135,565,684 as administrative operating expenses. Deploying mission staff to carry out welfare activities of Sri Lankans employed outside Sri Lanka and related overhead expenses have to be incurred. The related expenses have been considered as welfare fund expenses as per Cabinet Order 1998/783/32/017 dated 03 June 1998 and Accounting circular No. 01 of 1999 issued by the Ministry of External Affairs.



(b) Public Administration Circular No. 30/2008 dated 31 December 2008.

On the basis of a board decision taken in the year 2002, the Bureau has taken action to pay 12 times of the gross salary as distress loan at the amount Rs. 84,021,973 to 265 officers exceeding the circular limit during the year under review, Contrary to paragraph 02 of the circular.

The circular has been issued with the concurrence of the Ministry of Finance and copies of the circular have been submitted to the audit. The approval of the relevant ministries should be obtained to acting outside of this circular. The Bureau will take an action to rectify if any change is required in this regard while taking the advice of the Ministry of Finance. Actions are being taken to correct the administrative activities of the fund as per the provisions of the Act.

The Sri Lanka Foreign Employment Bureau was established by Act No. 21 of 1985 as amended by Acts No. 04 of 1994 and No. 56 of 2009.

The Employee Welfare Loan Scheme will be implemented by fulfilling the objectives and goals of the Bureau mentioned in the said Act, and for that purpose the staff will be given the authority under Section 16 (2) e, f and sub-sections of the Bureau Act passed by the Parliament and according to the powers vested, the distress loan has been provided to the staff from 01.05.1995 on the approval of the Board of Directors.

Public Administration Circular No. 30/2008 issued on 31.12.2008 has been issued to the Secretaries of Ministries, Chief Secretaries of Provincial Councils and Heads of Departments and instructions have not been issued to State

2.2.3 According to Section 15 (a), (k), and (i) of the Sri Lanka Foreign Employment Bureau Act, the research division was established to promote and develop employment opportunities outside Sri Lanka for Sri Lankans, to undertake research and studies into employment opportunities outside Sri Lanka for Sri Lankans, and to establish and maintain an Information Data Bank to monitor the flow of Sri Lankans for employment outside Sri Lanka and their return after such employment. It was revealed in sample tests that, although 13 officers were employed and 09 researches had been started in the years 2020 and 2021, the activities of 04 researches had been completed at the end of the year under review. But the researches were not done to fulfill the above objectives and the information data bank was not maintained.

Corporations and Statutory Boards. Therefore, on the approval of the board of directors, the distress loan amount is given to the staff.

At the end of the year under review (2021), 11 officers were working in the research department (including the research library) and it is as follows.

Manager	01 Posts
Assistant Manager	01 Posts
Administrative Officer	01 Posts
Research officer	02 Posts
Management Assistant	05 Posts
Office Assistant	01 Posts

Also, the number of research/surveys/studies conducted and completed in relation to the year 2020 and 2021 were 07. The study related to the identification of the saving habits of the families of migrant workers, and how it affects the development, has been carried out to cover "Reintegration and welfare" as its subject area in the year 2020.

The study covers the subject of "Foreign Employment Welfare" in trying to identify the experiences of Cyprus during the covid-19 pandemic, and the special programs implemented for migrant workers in the country during the pandemic. This research also helps to take the necessary further actions for the growth of foreign employment in a time of epidemic.

The evaluation of the efficiency of the Self-Employment Assistance Program implemented for returning immigrants in the year 2021 and the study that helps to take the further action for the growth of foreign employment.

Research conducted in 2021 to examine whether the FBR system increases the risk of migration for illegal employment or migration of women for overseas employment and the number of requests for premature return



2.3 Other matters

(a) Although the recommended competency standard curriculum for the Nursing National Vocational Qualification (NVQ3) training course conducted by the Bureau for the purpose of sending Sri Lankan workers to Israel includes 12 study units to be completed in 03 months, the Bureau had obtained permission to complete the training course in 02 months. The duration of the course was reduced to 45 days and again to 30 days without approval, which did not cover the 260 hours of practical training required for international skill levels and was held online. Since the Israeli embassy had informed that the qualifications needed to be updated when applying for a visa one year after the completion of the training and charged Rs. 8,100 from one worker and arranged to teach the curriculum again within 07 days. Although this course should be conducted in English medium for those who have English language knowledge according to the job requirements, the bureau had also arranged to conduct a short-term English course by charging fees for them by training them in Sinhala medium.

after the implementation of the above policy. It is a study that helps to take further actions necessary for job growth.

It is hoped that the Colombo University will start some researches that will help in taking further measures for the growth of foreign employment through the program of providing the necessary facilities to start post-graduate (master's) and diploma courses under the theme of international migration and development. It is expected that it can be continued annually by encouraging the candidates who are pursuing Master's post-degree in the field of research.

An information data bank has been established to survey the departure and return of employed Sri Lankans and to provide a range of essential technical and information services to the field of foreign employment and is managed under a division called "Information Technology".

This training course was conducted as an in-house course with duration of 45 days across 04 training centers. But due to the Covid-19 epidemic situation, as per the health rules, the in-house training classes were stopped. But since the job opportunities available to the Sri Lankans could not be lost, training classes were conducted through the online system. In addition to the 30-day online mode, the course was conducted as a 03-day practical course. In addition to that, the Tertiary and Vocational Education Commission conducts a competency test before issuing the certificate. It has been decided to conduct this nursing training course as before and it will be held as a 45-day course from 01 September 2022.

Training activities (for selected sectors) are conducted by the bureau to suit the market needs of the foreign job seekers in the respective countries and the above training is valid not only for the State of Israel but also for other countries and the completion of this nursing training course is a basic qualification to travel abroad in that field of work.



Although the Bureau invites applications on the basis of referral for foreign employment and had conducted this vocational training course by charging Rs. 84.91 million, out of 5,918 people who completed the training, only 862 had gone abroad for the related job.

(b) In relation to the printing of 100,000 newspapers in the year 2014, in a transaction with a private entity, disciplinary orders were issued in 2019 to collect the above amount in installments from two officers of the bureau who were found guilty in the preliminary and formal disciplinary investigations related to a financial irregularity of Rs. 3,200,000. The bureau had not implemented the disciplinary orders and had used a false account statement as money due from foreign missions. On the basis of a board decision taken on an appeal filed by one of the officers, the chairman of the bureau had acquitted the officers and removed the said loss from the revenue due during the year under review.

Since the bureau has to spend a considerable amount of money for this, such as consultant salaries and stationery fees, training center rent and maintenance costs, certified printing fees, etc. A reasonable amount is charged from the trainees.

In order to conduct a preliminary investigation, UL Ariyapala Maya has been appointed on 18.02.2016. Date of initial inquiry report is 08.12.2017. Charge sheets dated 05.01.2017 have been issued to Mr. R.K.K.P. Randeniya, Ms. K.S.T.M. Kularathne and Ms. H.M.D.P. Herath. Board Decision No. 35.20.01 has been issued. The action has been taken to issue disciplinary orders dated 24.05.2019.

The punishments given to Mr. Kularatne and Mr. Randeniya are as follows: Deferral of two salary increments, deferral of promotions for three years and non-involvement in the supervisory activities of the finance department during the next term of service. Mr. Randeniya - Recovery of Rs. 1,525,000/- from financial loss from his salary in equal monthly installments in 09 years. Mr. Kularatne - Recovery of Rs. 1,675,000/- from financial loss in equal monthly installments from his salary in 09 years. Only a warning was given to Mrs. H.M.D.P. Herath.

The secretary of the Ministry of Telecommunications, Foreign Employment and Sports has sent a letter to the bureau informing that an investigation committee has been appointed regarding the disciplinary order issued to Mr. Randeniya and to provide the necessary documents for the said committee. Regarding this disciplinary order dated 20.06.2019. The available documents show that the committee was appointed by the Secretary on 12.06.2019 and its first committee meeting was held on 19.06.2019. The decision taken from the said committee was communicated



(c) According to an agreement made by the Government of Sri Lanka with the Government of Israel, 500 job orders for nursing staff were received in the year under review and 148 were referred accordingly. The recruitment qualifications had been mentioned for these jobs as 11 months nursing training course certificate with practical training or NVQ 03 level nursing training course certificate operated by the bureau. According it had not be able to apply for this job, student who obtained the formal training from the Tertiary and Vocational Education Commission approved 21 state and non-state training centers with national professional qualification level 04 and 03 certificate with practical training.	to the Bureau by the letter dated 19.07.2019, and the Board Paper No. 111/2019(M-09) containing the said decision was submitted to the Board of Directors held on 04.09.2019. The Board of Directors has deferred its decision until the next Board of Directors meeting and referred to the Board of Directors meeting held on 13.11.2019. The disciplinary order given to Mr. Randeniya on 24.05.2019 has been canceled by the decision of the Board of Directors dated 13.11.2019. Action has been taken to issue a revised disciplinary order No. AD/2/5/194/2016 and dated 20.04.2021 acquitting of Mr. R. K. K. M. P. Randeniya from all charges. Considering the appeal made by Mr. Kularatne to the Bureau Disciplinary Authority, the Chairman has proceeded to revise the said disciplinary order. Accordingly, the revised disciplinary order has been issued to Mr. Kularatne on 10.11.2021, acquitting him from all charges. It was notified to the Population and Immigration Authority (PIBA) in Israel by requesting to give the opportunity to the students who have successfully completed the nursing training course approved by the Tertiary and Vocational Education Commission and have the National Vocational Training Qualification 03 (Level iii) certificate in government and non-government institutions.
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(d) The Board of Directors called for applications based on a decision and recruited 31 people from "Siyarata Peru" and 67 people from local basis based on the criteria prepared by the Bureau for Labor Welfare Sections located in foreign missions without an approved recruitment procedure in the year 2020. It had been recruited 09 people and 16 people who scored low marks in the interview related to selection on national basis and local basis, while those who scored relatively high marks.

(e) the officer recruited externally as Counselor in the Labor Welfare Section of the Foreign Mission in Singapore in the year 2020, has not completed the minimum age for the relevant post and no experience in the relevant field or service. And the interview was conducted by the non-independent interview board.

(f) The validity period of the Memorandum of Understanding signed by the government intervened and regarding the sending of Sri Lankan workers to South Korea under the Employment Permit System had expired on 29 September 2019. According to the agreement, if the update is delayed without reasonable reason even after 06 months after the expiry of the agreement period, the agreement can be canceled or suspended. The referring of the workers to those states should be done only by the bureau, and a total of 20,144 people had been referred for employment in the last 5 years under this agreement. But the update of the agreement commenced in 2020 was not completed even by July 2022.

The relevant officer has been called for the interview on the concurrence of the former Minister of Skill Development, Employment Protection and Labor Relations and the Secretary of the Ministry. The appointment has been made for the respective post after the interview under the approval of the Board of Directors. He had completed 30 years of age when he was departing for the service of the embassy.

The several interview panels are appointed since large number of applicants participate in these interviews. However, on the day Mr. N.M. Thibbutumunwa's son appeared for the interview, he was not participated as a member of the interview panel.

The reasons of the delay in updating the Memorandum of Understanding (MOU) signed between South Korea and Sri Lanka under the Employment Permit System are,

- Although the bureau initially functioned as a separate ministry, it became under another ministry (labour) later.
- Appointment of Ministers from time to time for short term.
- due to the situation of the Covid-19 virus, the institute was closed from time to time depending on the situation in the country From March 2020 to December 2021.



(g) It had been stated in the financial statements that the financial irregularities of Rs. 1.15 million in the year 2014 and Rs. 1.83 million in the year 2019 had been taken place in labor welfare sections of the Sri Lanka Foreign Employment Bureau in Abu Dhabi and Israel embassies respectively. Although the 08 years had passed, it was unable to recover the financial irregularities in the Israeli embassy at the amount of Rs. 914,167 and financial irregularities in the Abu Dhabi Embassy at the amount of Rs. 1.15 million.

The reasons for the migration of 20,144 workers in last 5 years

- Flights are suspended due to the prevailing situation in the country and the world due to the Covid-19 virus situation from March 2020 to December 2021.
- The Korean Human Resources Department (HRDS) has temporarily suspended the bringing of workers due to the Covid-19 virus situation.
- Due to periodic closure of the bureau, non-availability of transport facilities, the employees are unable to complete the tasks in the file on time.

The draft agreement has been forwarded to the Ministry of Labor and Foreign Employment to prepare the necessary arrangements for signing the Memorandum of Understanding (MOU), and the Ministry Secretary has forwarded it to the Ministry of Foreign Affairs.

Abu Dhabi Embassy:

The Assistant Manager (Legal) has informed that according to the discussion held with the Government Advocate on 02.09.2022, Pubudu Piankara has been arrested and remanded after being presented to the Magistrate of the Fort Court under case number B/1977.

The Manager (Legal) has further informed that the Criminal Investigation Department has been instructed to obtain information from the Immigration Department regarding Nishamani de Silva and take steps for further action.

Embassy of Israel:

The official related to the financial irregularities in the Israeli embassy in 2019 is still illegally staying in Israel. The bureau has issued letters to her considering that she has left the service. And she has deposited an approximate amount of Rs. 1,247,577.84 in the bureau account so far. The embassy is being taken actions to recover the money.

