

2022 | ANNUAL REPORT



Sri Lanka Bureau of Foreign Employment

The Local Support for Global Empowerment

Table of Contents

Financial and Operational Highlights	2
About this Report	3
About Us	4-12
Chairman's Message	13
Leadership	14
Performance Review	17-59
Subsidiary of SLBFE	60
Governance	64
Financial Statements	71
Auditor General's Report	15 9
Chairman's observations on Auditor General's Report	177

Financial and Operational Highlights

Registration for foreign employment

	311,056
Male	186,965
Female	124,091

Total registrations

Professional	14,307
Middle level	8,130
Skilled	92,836
Clerical & related	12,124
Domestic Housekeeping assistance	74,007
Others	4,133
Low skilled	105,509

Major Labour Receiving Countries

Kuwait, Qatar, K.S.A., U.A.E.

SLBFE Revenue

Rs. Mn.11,470

SLBFE Expenditure

Rs. Mn. 3,680

Worker Remittance

LKR	1,252,504
USD	3,789.5

Workers Welfare Fund Expenditure

Rs. Mn.1,517

About this Report

The Annual Report of SLBFE 2022 presents the integrated operational and financial performances of the SLBFE and its subsidiary covering the period from 01 January 2022 to 31 December 2022.

The Report reflects on the performances of the operational units of the SLBFE, our management team, governance practices and the financial reviewing which is in 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. Financial Statements together with the Audit Report has also been published therein.

The information contained in this Report has been reviewed by the respective management personnel, the auditor general confirming the accuracy of the financial statements and the General Manager, Chairman & the Board of Directors where applicable.

About Us

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

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



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

Group Structure



Ministry of Labour and Foreign Employment

Extraordinary Gazette no. 2289/43 dated 22.07.2022



Sri Lanka Bureau of Foreign Employment

Parliamentary Act.No.21 of 1985 as amended by Act No 04 of 1994 & Act.No.56 of 2009

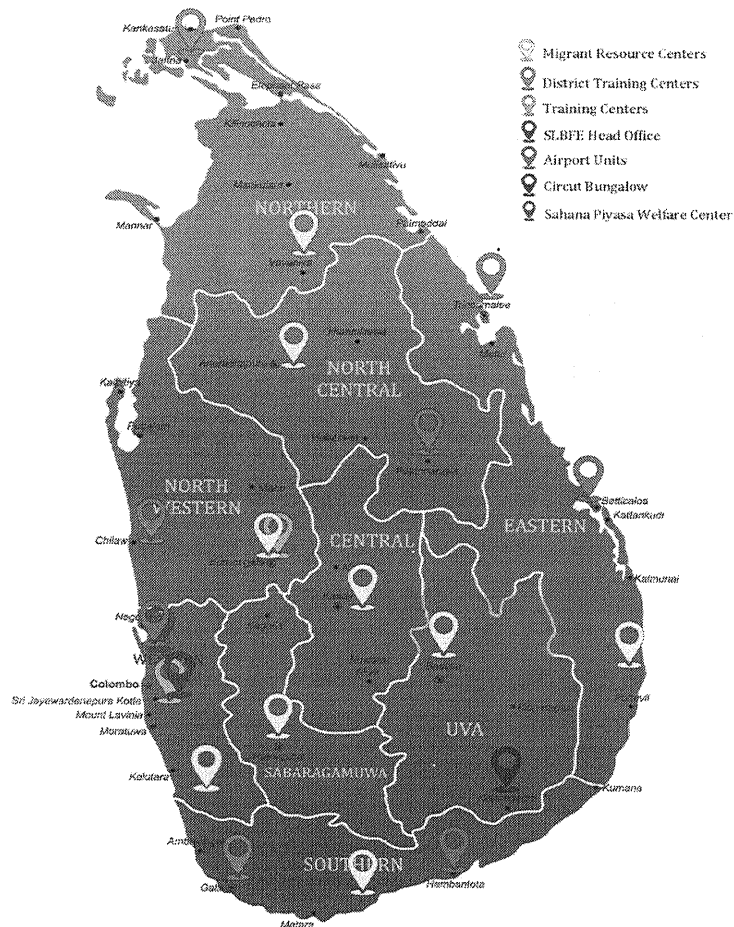


Sri Lanka Foreign Employment Agency

Established in 1996 and it is a fully owned subsidiary of SLBFE

Our Network – Local & Overseas

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



Migrant Resource Center

1. Matugama
2. Tangalle
3. Hali-ela
4. Ratnapura
5. Ampara
6. Kurunegala
7. Kandy
8. Vouniya
9. Anuradhapura

Our
workforce

1160

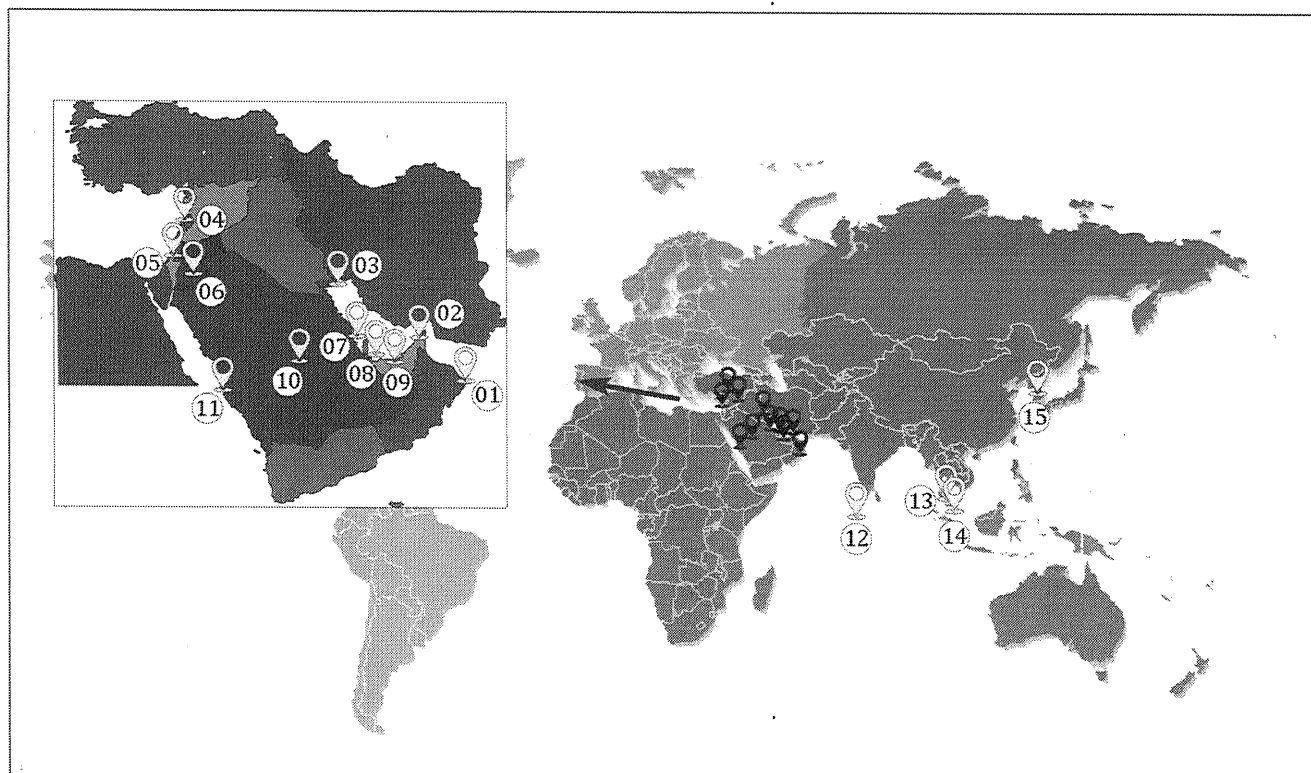
Training Centers:

1. Kurunegala (Wahara)
2. Pannipitiya

District Training Centers

1. Jaffna
2. Batticaloa
3. Chilaw
4. Dambulla
5. Galle
6. Polonnaruwa
7. Trincomalee

Employment and Welfare Sections of the Sri Lanka Diplomatic Missions Overseas



1	Oman	5	Israel	9	Abu Dhabi	13	Malaysia
2	Dubai	6	Jordan	10	Riyadh	14	Singapore
3	Kuwait	7	Bahrain	11	Jeddah	15	South Korea
4	Lebanon	8	Qatar	12	Maldives		

Overseas Administration & Foreign Relations Division of the SLBFE coordinates the operations of 15 Employment & Welfare (E&W) Sections which has been established at the Sri Lanka Diplomatic Missions in 13 countries; Abudhabi, Bahrain, Dubai, Israel, Jordan, Jeddah, Kuwait, Lebanon, Malaysia, Maldives, Oman, Qatar, Riyadh, South Korea & Singapore through the Heads of relevant Missions and provides services to the migrant workers.

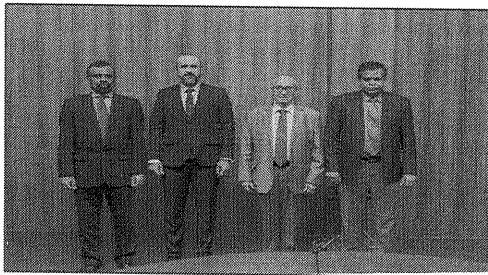
Activities carried out by the Division in 2022

1. Implement strong agreement /MOU's on recruitment with Labour receiving/sending countries
2. Regulate the recruiters in the foreign employment sector in Sri Lanka & Overseas

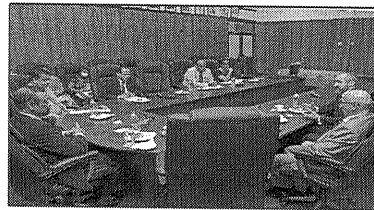
3. Implement mechanisms for registration of migrant workers (MWs) with SLBFE to streamline migration process for foreign employment through SL Missions/ posts
4. Establish efficient linkages with concerned authorities of destination countries to coordinate and resolve grievances/ disputes of MWs
5. Assess needs & strengthen Employment & Welfare Sections of Missions overseas to Provide timely services/ assistance including psychosocial counseling to MWs grievances/ disputes of MWs
6. Coordinate with Line Ministry, Foreign Ministry & SL Diplomatic Missions to obtain the support of Sri Lankans' associations, NGOs & INGOs based in destination countries to provide urgent welfare services/ assistance for MWs.
7. Provide necessary assistance to relevant Heads of SL Diplomatic Missions/Posts to prepare and periodically update contingency plans for repatriation of migrant workers in emergency situations
8. Coordinate with line Ministry to include provisions for social security and portability of benefits in BLAs/ MoUs with countries of destination and in employment contracts.
9. Coordinate with line Ministry to submit proposals to the concerned authorities in destination countries through the Ministry of Foreign Affairs to implement insurance schemes for the benefit of MWs, especially female Domestic Housekeeping Assistants
10. Conduct awareness programmes on gender and SGBV to the SLBFE officers including those who attached to the E&W Sections of the SL Diplomatic Missions and to the staff of the Licensed Foreign Employment Agencies
11. Administration, human resource, management/ development and related activities

Conferences / Seminar Conducted		
Description	No	Expenditure Rs. (Mn)
Conferences	10	0.03
Meeting with Labour Attaché, Embassy of Libya on 11.01.2022 at Chairman's Office, SLBFE Meeting with the Ambassador, Germany on 25.01.2022 at Finance Ministry Meeting with Honorary Consul of SL in Kurdistan on 02.02.2022 at Chairman's office, SLBFE Meeting with H.E. Ambassador, Romania on 23.02.2022 at Chairman's office, SLBFE Courtesy call with H.E. the Ambassador of UAE in SL on 10.03.2022 at Chairman's office, SLBFE Meeting with delegation from Oman Chamber of Commerce on 07.03.2022 at Foreign Ministry First Session on the International Dialog on Migration –2022 on 28.02.2022 to 02.03.2022 (online) Second Session on the International Dialog on Migration – 2022 on 24.10.2022 to 25.10.2022 (online) E-course on Labour Migration from 05.09.2022 – 08.09.2022 (online) Abu Dhabi Dialog senior official meeting from 18.10.2022 to 19.10.2022 (Online)		

Registration and renewal of Foreign Agencies/Companies through Overseas Missions /posts	
New Registration of Foreign Agencies/ companies	1034
Renewal of Foreign Agencies/ companies	1687
Registration and renewal of Migrant Workers (MW) at the respective Missions/ posts	
New registration of MWs	3320
Renewal of MWs	6329
Handling of grievances of MWs by the Missions	
No. of complaints received	195
No.of complaints solved	120



Visit of Ambassador of Romania in Sri Lanka



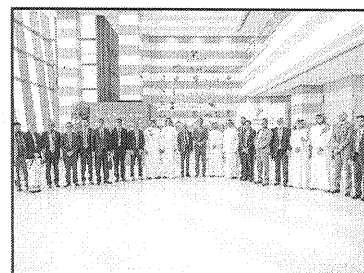
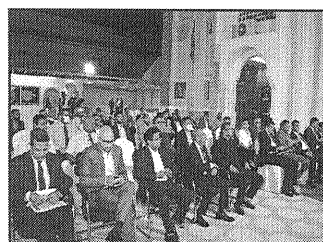
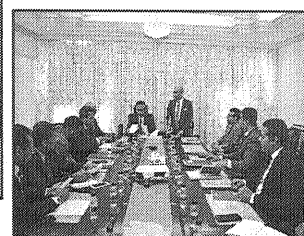
Visit of Singapore Delegation



Assist repatriation of stranded SL workers through Diplomatic Missions/Posts and human remains as well as assist to provide Rs. 40,000/- funeral expenses.

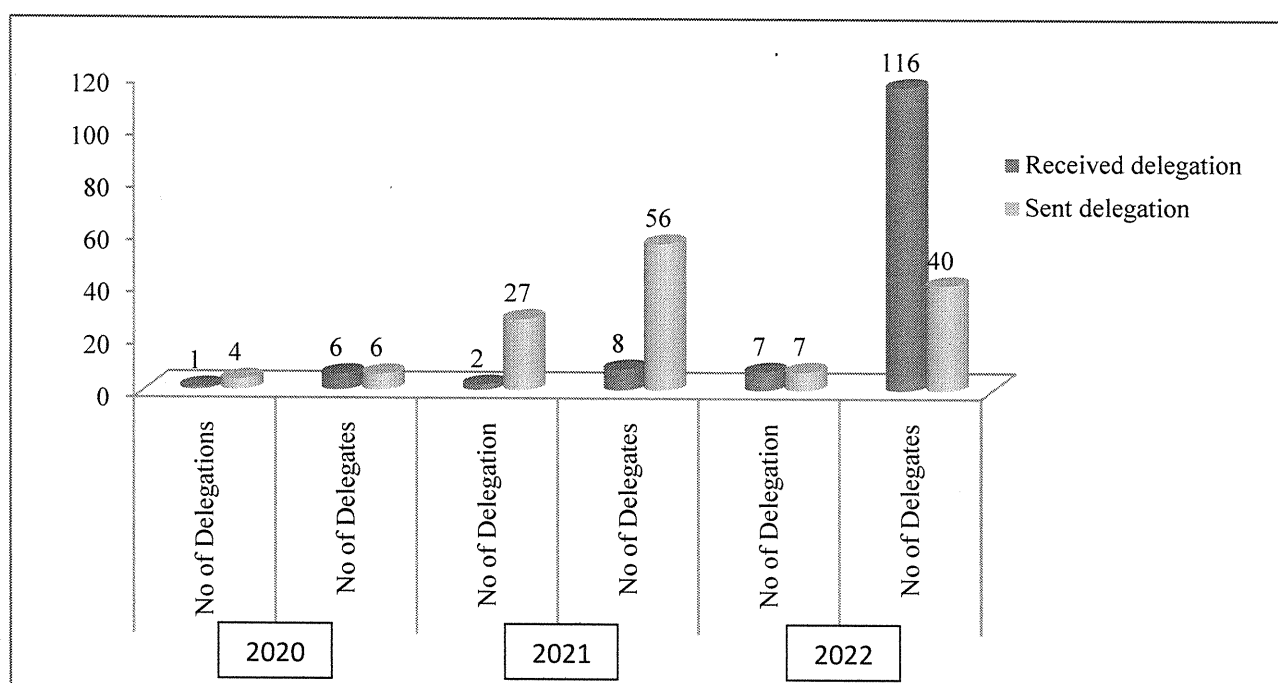
Month	No. of person repatriated	No. of person benefitted through awarded funeral expenses	Expenses (Rs. Mn)
January	49	17	0.68
February	244	16	0.76
March	493	18	0.72
April	79	14	0.56
May	11	16	0.63
June	142	19	0.92
July	105	15	0.60
August	27	15	0.60
September	21	24	0.96
October	40	20	0.80
November	11	36	1.44
December	60	07	0.28
Total	1282	217	8.95

Official visit
to
Kingdom of Saudi Arabia



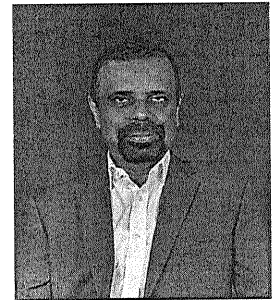
Receive and sent delegations

Description	2020		2021		2022	
	No of Delegations	No of Delegates	No of Delegation	No of Delegates	No of Delegation	No of Delegates
Received delegation	1	6	2	8	07	116
Sent delegation	4	6	27	56	07	40



- Introduced a **“Mission Action Plan”** for each 15 Employment & Welfare Sections of Sri Lanka Diplomatic Missions/Posts overseas.
- Prepared Scheme of Recruitment (SOR) with the approval of Department of Management Services (DMS) for recruitment of staff for Employment & Welfare Sections of Sri Lanka Diplomatic Missions/Posts overseas.
- A special programme was conducted to discuss with Safe House inmates via zoom meeting enabling to expedite settlement of their related issues

Chairman's Message



2022 has been a remarkable year for the Sri Lanka Bureau of Foreign Employment (SLBFE), despite turbulent economic and political conditions that prevailed in Sri Lanka.

SLBFE achieved a record number of 311,056 registrations and recorded income of 11.4 billion, a 276% increase from 2021. Additionally, the profit before tax recorded was 7.7 billion, a 1,131% increase from 2021.

All these achievements were attained amidst extremely adverse conditions such as a scarcity of fuel and continuous power cuts, thanks to the dedication of the staff and the management. Furthermore, the enormous support SLBFE received from the line ministry and the perseverance of the minister were the driving forces behind this exceptional success.

SLBFE introduced a multitude of benefits to reward migrant workers remitting money through legal channels, and inward remittances which were at a record low, began to gradually increase by the Q4 of 2022.

The board of directors initiated many improvements required by the existing system to suit current conditions in 2022. These include signing MOUs with several government and private sector institutions on training, strengthening ties with some countries like Japan and Korea, reviewing the agency license approval and renewal process to advance the level of protection of migrant workers, and taking steps to introduce on-line payments to agencies and applicants to transact more conveniently.

Contributing to economic growth, facilitating enhanced income of families through safe and secure foreign employment, promoting the industry meaningfully, improving the wellbeing and welfare of migrant worker families to poise for a better future for Sri Lankans and the country in 2023 and beyond: all these goals were well addressed during 2022.

Mahendra Kumarasinghe
Chairman

Leadership

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 SLBFE is consist 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

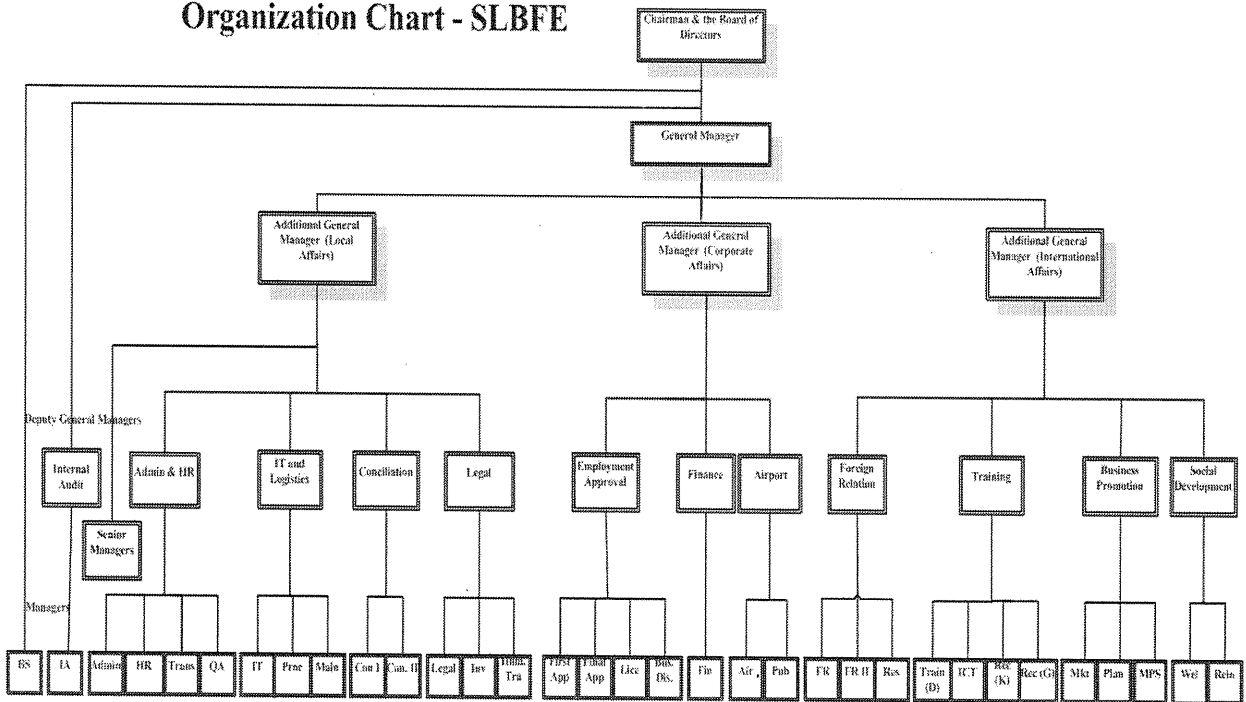
The names of the persons who held the office as Directors of the SLBFE during the year ended 31 December 2022 are given below.

Name of the Director	Position
01. Mr. Mahendra Kumarasinghe	- Chairman
02. Mr. A.A.M. Hilme	- Director
03. Mrs. J.M.S.D. Rathnayake	- Director
04. Mr. Chandana Weerasena	- Director
05. Ms. Nilmini Herath	- Director
06. Mr. Saminda Jayasekara	- Director
07. Mr. Jeff M. Goonewardena	- Director
08. Mr. W.S. Hemantha Sapumohotti	- Director
09. Mr. M.F.M. Arshad	- Director
10. Mr. A.L.A. Hazaam	- Director
11. Mr. M.R.M. Fazly	- Director

SENIOR MANAGEMENT TEAM

1. Mr. Mahendra Kumarasinghe - Chairman
2. Mr. D.D.P. Senanayake - General Manager
3. Mr. M.M. Deshapriya - Additional General Manager (Local Affairs)
4. Mr. A.P.K. Liyanwala - Additional General Manager (Corporate Affairs)
5. Mr. M.R.C.B. Ekanayake - Additional General Manager (International Affairs)
6. Mr. T. Hettiarachchi - Deputy General Manager (Conciliation)
7. Mr. A.K.U. Rohana - Deputy General Manager (IT & Logistics)
8. Mr. P.P. Weerasekara - Deputy General Manager (Employment Approvals)
9. Ms. Y.C.N. Abeygunawardena - Deputy General Manager (Internal Audit)
10. Mr. K.L.H.K. Wijeratne - Deputy General Manager (Foreign Relations)
11. Mr. P.G.G.S. Yapa - Deputy General Manager (Training)
12. Ms. I. Pathinayake - Deputy General Manager (Airport & Publicity)
13. Mr. J.M.R.U. Jayasinghe - Deputy General Manager (Administration & HR)
14. Ms. N.Y. Samarasekara - Deputy General Manager (Legal)
15. Mr. Jagath Batugedara - Deputy General Manager (Social Development)
16. Mr. H.M. Sunil - Senior Manager (North Central Province)
17. Ms. M.M.S. Sweety - Senior Manager (Nothorn Province)
18. Mr. L.Y. Pathirana - Senior Manager (Recruitment & Training)
19. Ms. P.M. Rathnasinhaarachchi - Senior Manager (Western Province)
20. Ms. S. Gallage - Senior Manager (Uva Province)
21. Mr. B. Hittetiye - Senior Manager (Southern Province)
22. Mr. R.W.A.G.S. Chaminda - Senior Manager (Central Province)
23. Mr. R.A.S. Chaminda - Senior Manager (North Western Province)
24. Ms. G.A.P.S. Nilanga - Senior Manager (Eastern Province)
25. Ms. B.A. Rohini - Senior Manager (Sabaragamuwa Province)

Organization Chart - SLBFE



Keys -

Admin & HR - Administration & HR
Admin - Administration
Air - Airport Units
App - Approval
BS - Board Secretary

Bus. Dis - Business Dispute Settlement
Con I - Conciliation - I
Con II - Conciliation - II
Fin - Finance
FR - Foreign Relations & Overseas Administration
Hum. Tra. - Human Trafficking
HR - Human Resource
IA - Internal Audit
ICT - Industrial and Corporate Training
Inv - Investigation

IT - Information Technology
Lic - Licensing
Main - Maintenance
MPS - Manpower Supply and Client Support
Mkt - Marketing

Plan - Planning
Proc - Procurement
Pub - Publicity
QA - Quality Assurance
Rec (K) - Recruitment (Korean)

Rec (G) - Recruitment (General)
Rein - Reintegration
Res - Research
Train (D) - Training (Domestic)
Trans - Transport
Wel - Welfare

*Senior Managers who have been appointed for provinces come under the supervision of Addl. GM (Local Affairs)

Performance Review

SLBFE as the regulatory and monitoring body for foreign employment industry has structured its operations in line with its key objectives taking concerns on activities under the stages of Pre-Departure, In-Service and Post Arrival in the process of their migration on foreign employment.

Our Operations

- ✦ **Regulate & facilitate the industry of Foreign Employment**
 - Licensing
 - Job Order Approval and Employment Registration Process
 - Law Enforcement
 - Business Dispute Settlement
- ✦ **Secure protection and welfare of Sri Lankans employed outside Sri Lanka and their left behind family members**
 - Complaint Resolving
 - Welfare Services
 - 24 Hour Information Service
 - Assistance for Returnees
- ✦ **Promote and develop employment opportunities for Sri Lankans outside Sri Lanka**
 - Training
 - Recruitment
 - Employment Promotions
- ✦ **Administration, Finance and Infrastructure**

Regulate & facilitate the industry of foreign employment

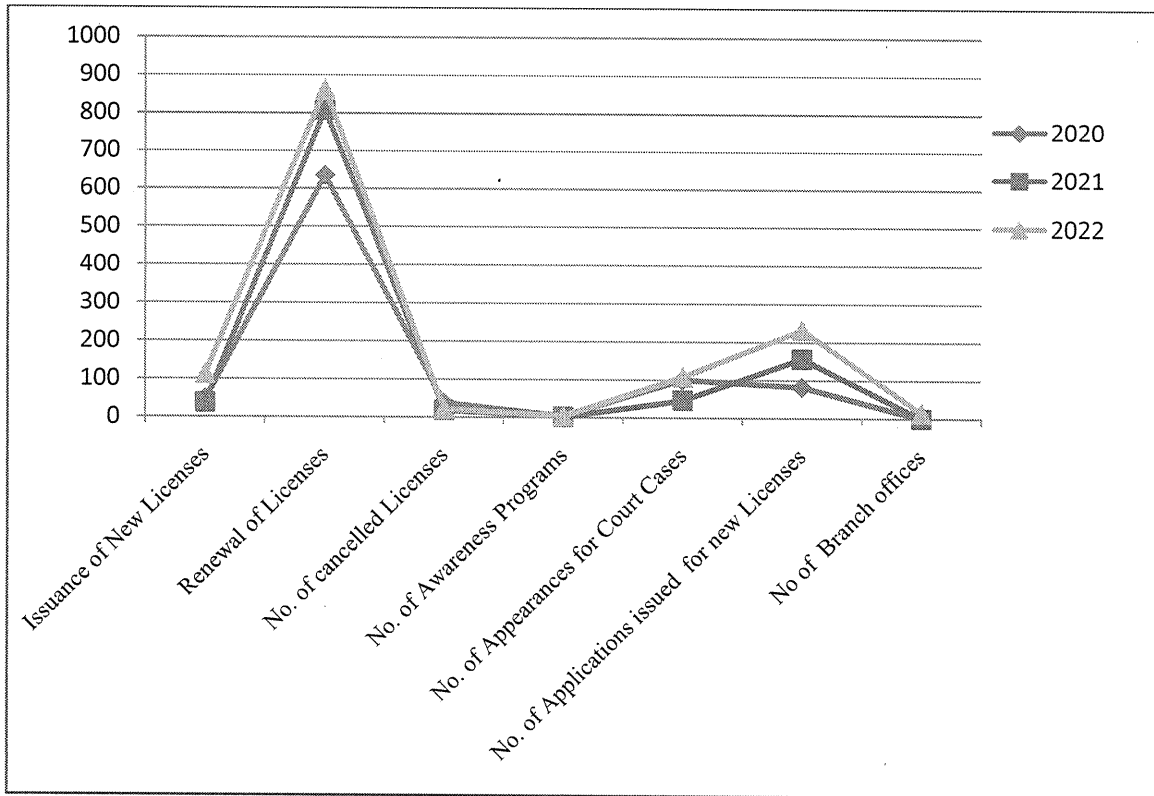
➤ Licensing

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

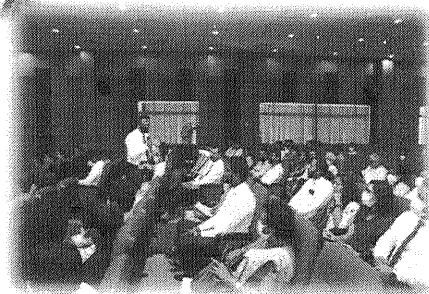
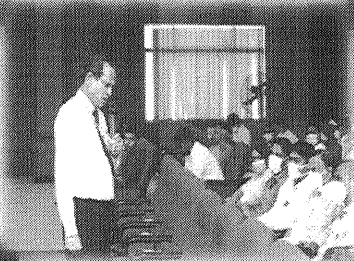
The operations of the License Division comprise;

- i. Issuance of new licenses and licenses for branch offices for existing license
- ii. Renewal of licenses
- iii. Cancellation of Licenses
- iv. Awareness programmes for new licensees
- v. Appearances for Court Cases
- vi. Applications issued for new Licenses those who have got through an interview
- vii. Insurance of license to branch offices of LFEAs
- viii. Grading of Foreign Employment Agencies

Activities carried out by the Division		2020	2021	2022
1.	Issuance of New Licenses	46	37	113
2.	Renewal of Licenses	635	808	864
3.	No. of cancelled Licenses	38	19	22
4.	No. of Awareness Programs	04	02	4
5.	No. of Appearances for Court Cases	101	46	108
6.	No. of Applications issued for new Licenses	82	157	233
7.	No of Branch offices	0	0	15



Awareness Programmes



➤ Job Order Approval and Employment Registration Process

The First Approval Division and the Final Approval Division of SLBFE operates towards this process of Job Order Approval and Employment Registration Process.

The First Approval Division;

grants approvals for the Job Orders and the Advertisements submitted by the 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 the Licensed Foreign Employment Agencies (LFEAs) to recruit Sri Lankans for Overseas employment as per the job orders approved by the SLBFE.

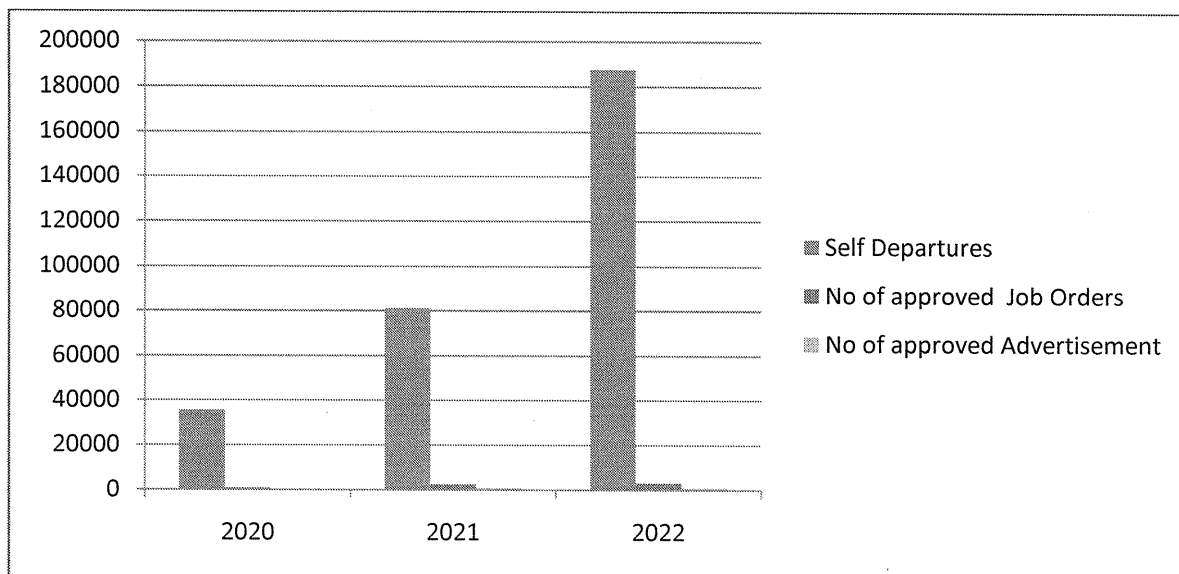
First Approval Division

Activities carried out by the Division in 2022

Serial No	Activity	Count
01	Job order Approvals	3,138
01	Advertisement Approvals	1,005
03	SLBFE Registration –New/Renewal	18,7639

Analysis of last two years performances with year 2022

Activities carried out by the Division	Year		
	2020	2021	2022
Self Departures	35,644	81,281	187,639
No of approved Job Orders	863	2,392	3,138
No of approved Advertisement	387	746	1,005



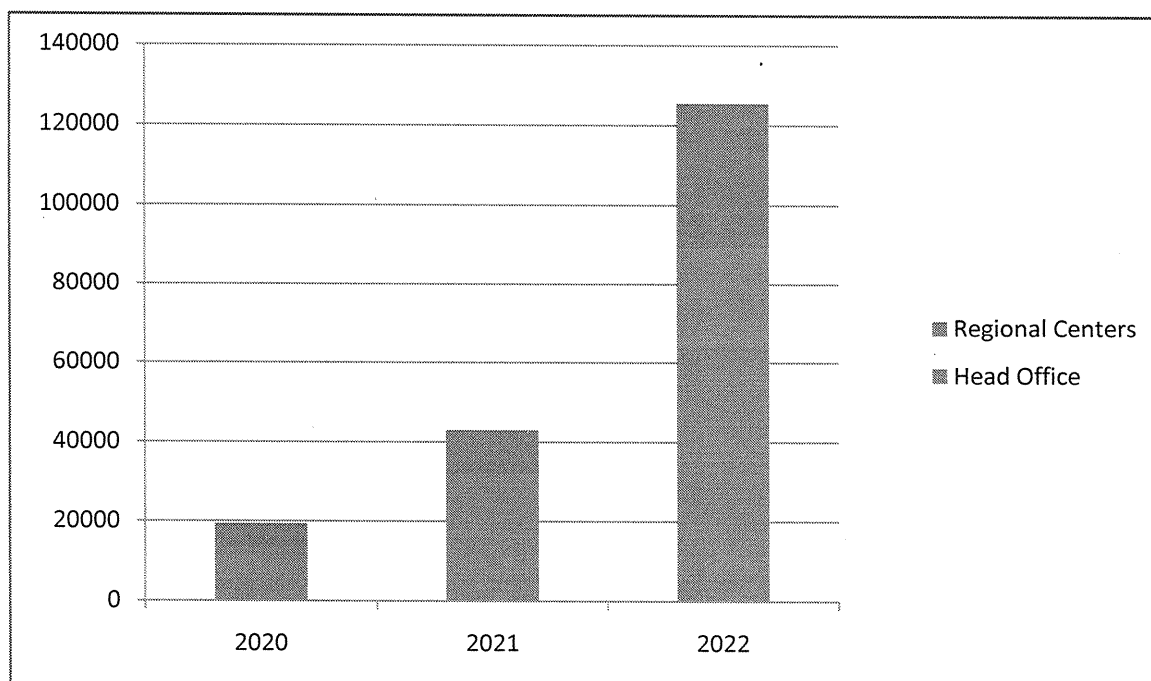
Final Approval Division

Registration of migrant workers recruited through LFEAs- 2022

#	Center	No. of registrations
01	Head Office	89,105
02	Regional Centers	36,345
Total		125,450

Analysis of last two years performances with year 2022

#	Center	No. of registrations		
		2020	2021	2022
01	Head Office	13,414	31,967	89,105
02	Regional Centers	5,971	11,011	36,345
Total		19,385	42,978	125,450



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

➤ Law Enforcement

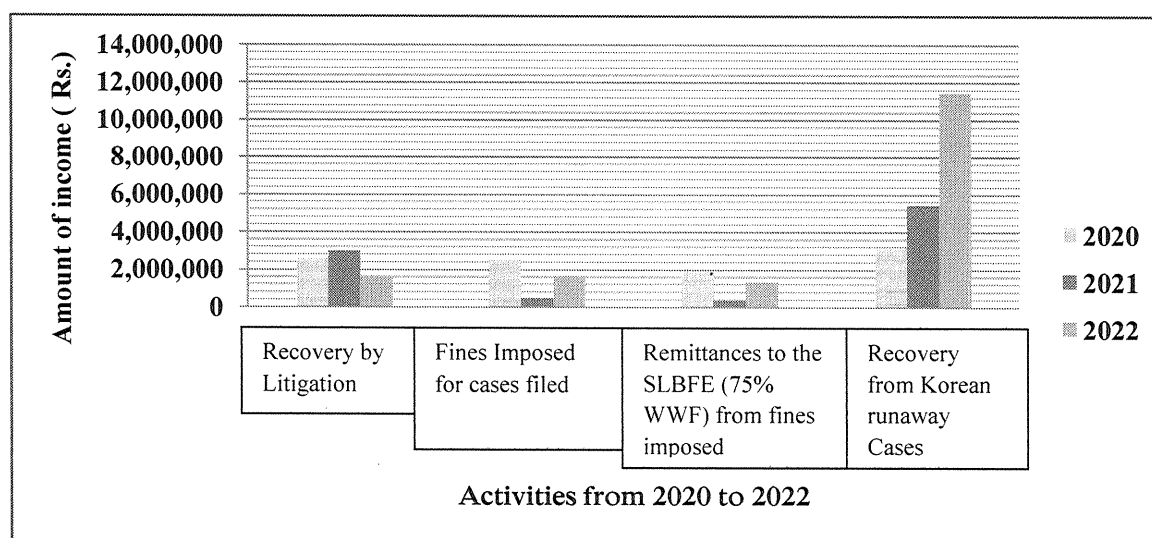
Legal Division, Special Investigation Division and the Human Trafficking Unit of the SLBFE are in operations for the process of Law Enforcement. SLBFE takes all possible efforts to eliminate the illegal activities, malpractices, trafficking in persons and also to promote good practices by the stakeholders in the industry of foreign employment in Sri Lanka. In this context, the SLBFE implements various law enforcement mechanisms to protect the rights and interests of the job seekers, migrant employees, their family members and other aggrieved parties. The SLBFE conduct inquiries into public complaints received on illegal recruitment activities carried out by the Licensed Foreign Employment Agencies and other unlicensed parties. Raids are conducted to take the suspects into custody and legal actions are taken against those who violate the law, after conducting proper investigations.

Activities carried out by the Legal Division during the year 2022:

• Number of new cases instituted	54
• Number of Korean Cases Instituted (money recoveries)	83
• Number of closed cases	63
• Number of cases appeared in the courts	4,121
• Number of attestations of Korean Bonds	6,487
• Amount Recovered through litigation	Rs.1,590,000
• Amount of fine imposed against the cases filed	Rs. 1,640,000
• Remittances to SLBFE (75%) from the fines imposed	Rs. 1,346,250
• Amount recovered from the Korean runaway cases	Rs. 11,470,797
• Number of reports submitted for renewal of licenses	1,233
• Number of insurance payment files instructed / recommended	199
• Number of lease agreements, MoUs & other legal documents Prepared	57
• Appearing in human rights commissions and other similar organization Provide necessary information as and when required	56
• Contributions as resource personnel for a awareness programs and media programmes	12

Performance analysis of the Legal Division from 2020 to 2022

Ref. No.	Division Activities	2020 (Rs)	2021(Rs.)	2022(Rs)
1	Recovery by Litigation	2,622,000	3,006,100	1,590,000
2	Fines Imposed for cases filed	2,550,000	503,000	1,640,000
3	Remittances to the SLBFE (75% WWF) from fines imposed	1,912,500	377,000	1,346,250
4	Recovery from Korean runaway Cases	3,129,033	5,423,377	11,470,797



Activities carried out by the Special Investigation Division

01. Conducting Investigations or and inquiries against the Licensee who charges any fee other than provided in the section 51 of the Act No 21 of 1985 amended by No 04 of 1994 and No 56 of 2009 for the purpose of providing or securing employment outside Sri Lanka for any other person.
02. Conducting investigation or and inquiries against the person who is not a licensee, demands or receive or as attempts to receive for himself or any other person any money for the purpose of providing or securing employment for any person outside Sri Lanka.
03. Conducting raids against every person who carries on the business of a Foreign Employment Agency without a valid license issued by the Bureau.
04. Aware Public officers and General Public with the assistance of Legal Division and Counter Human Trafficking Unit of SLBFE.
05. To arrest any person who forges or alters any document for the purpose of Foreign Employment. (Provisions are provided under section 63 of the Act.)
06. If a person publishes any advertisement of article regarding and /or relating to Foreign Employment without written prior approval obtain from the Bureau. Bureau officers have powers to arrest culprits /suspects under the provision of sec.37 of the Act.
07. Offenders will be produced to the Courts and assist the Legal Division to prosecute against the respondents.
08. Assist the legal division to prepare and submit complaints to the courts providing statement and court productions.
09. Appears in courts as prosecution /witnesses.
10. Serve Summons and Execute warrants issued by the court against respondents and witnesses.
11. Arrange and conduct workshops to aware the police Officers and public officers who involve implementation and activities of the said Act of Bureau and execute rules and regulation therein.
12. Conducting raids on the information such as Illegal Agencies, places or persons who keeping illegal (forge of fake) documents and instruments using for the purpose of foreign employment.

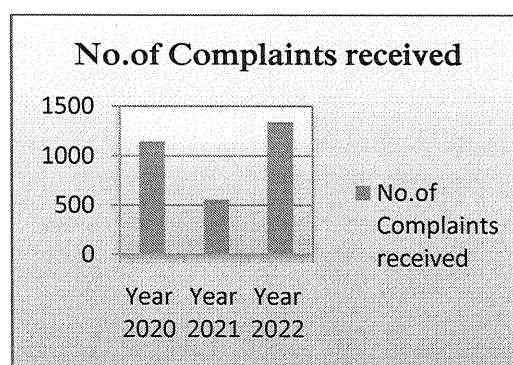
13. Collecting information by way of Surveillance with the assistance of disguised officers, Special spies.

Awareness Programme conducted on 19.08.2022 for SLBFE officers regarding the receiving Investigation complaints and Court Activities.



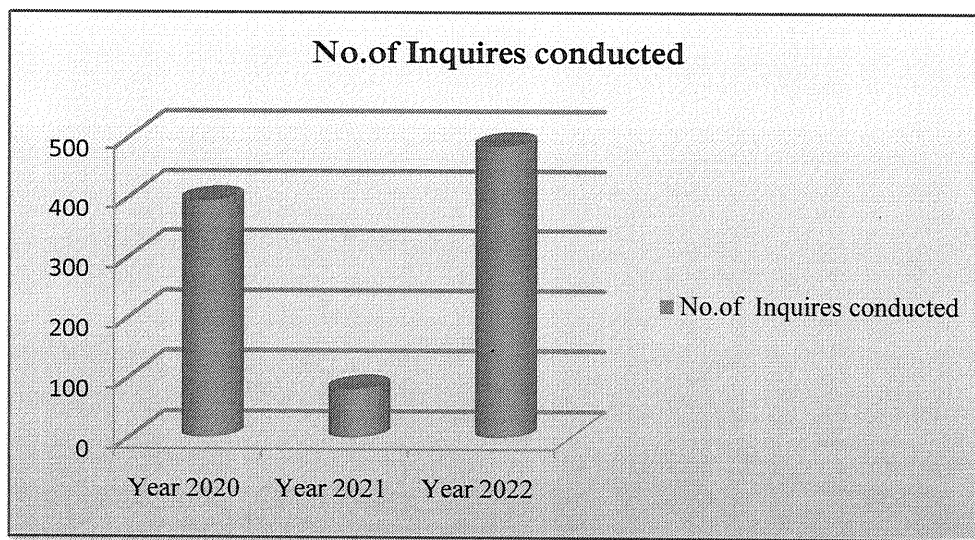
Number of Complaints received

Year	No. of Complaints received
2020	1143
2021	552
2022	1338
Total	3033



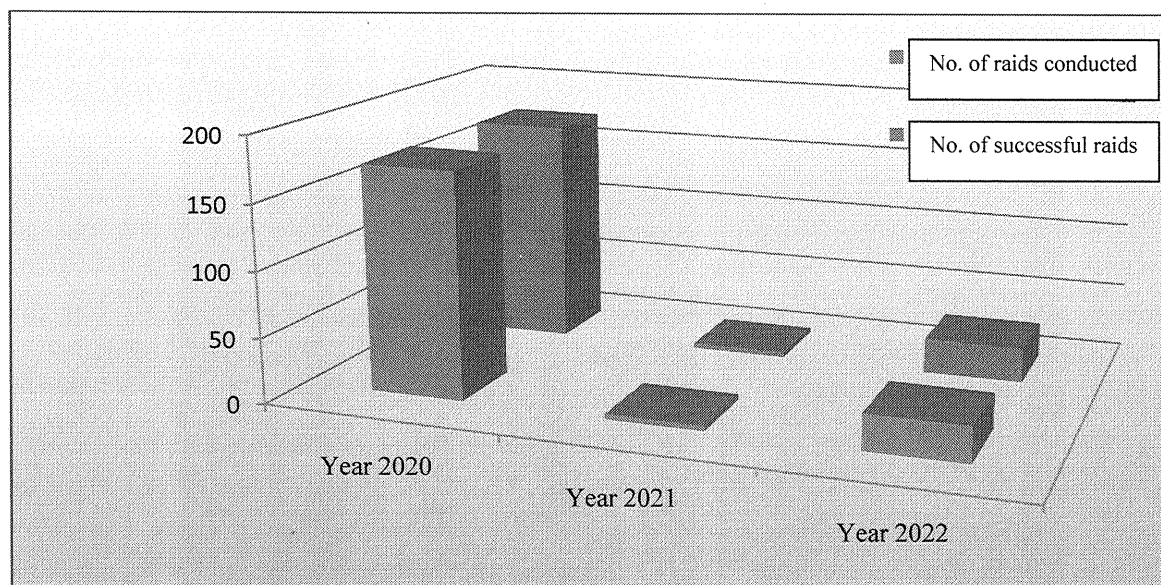
Inquires conducted on complaints against non licensed persons who engaged in foreign employment business.

Year	No. of Inquires conducted
2020	394
2021	80
2022	485
Total	959



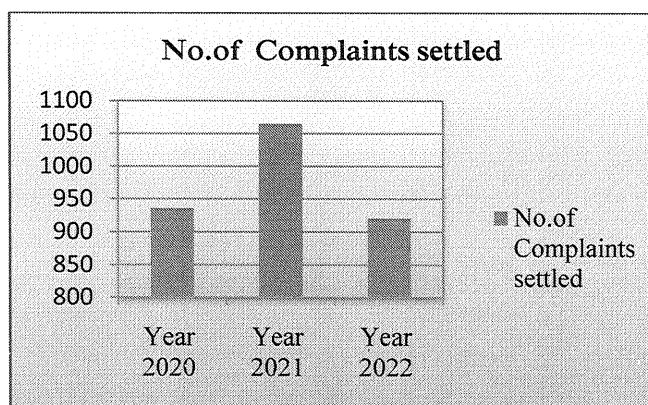
Raids conducted on recruitment activities by persons who do not have valid licenses issued by SLBFE.

Year	No. of Raids conducted	No. of Successful Raids
2020	173	173
2021	04	04
2022	27	27
Total	204	204



Complaints settled during year 2020 to 2022

Year	No. of Complaints settled
2020	936
2021	1065
2022	921
Total	2922



No. of complaints received by Human Trafficking Unit in 2022

- 36

Action taken on above complaint by the Counter Human Trafficking unit

❖ No. of complaints referred to the Criminal Investigation Department (CID) - 36

➤ Business Dispute Settlement (BDS)

The SLBFE intervenes to settle the Business Disputes that are arisen between the parties concerned, i.e. between two or more Licensed Foreign Employment Agencies (LFEAs), between a Foreign Recruitment Agency and a Licensed Foreign Employment Agency, or between a Licensed Foreign Employment Agency and a Migrant Employee or a job seeker.

Nature of Complaint	No of Complaints					
	2020		2021		2022	
	Received	Settled	Received	Settled	Received	Settled
Business dispute between Licensed Foreign Employment Agency (LFEA) in Sri Lanka Vs Foreign Agency (FA)	29	2	10	2	42	8
Business dispute between the Licensed Foreign Employment Agencies (LFEAs) in Sri Lanka	13	2	26	5	0	0
Business dispute between Licensed Foreign Employments Agencies (LFEA) Vs Migrant Workers (MWs)	175	30	141	26	683	144
Business dispute between Migrant Workers against LFEA	-	-	-	-	202	66
Total	217	34	177	33	927	218

	2020	2021	2022
Total no of complains received in all Categories	217	177	927
Total no of complains settled in all Categories	34	33	218
Percentage of settlement	15.66%	18.64 %	23.52%

The BDS Division has received majority (Over 74%) of complaints by the Licensed Foreign Employment Agencies (LFEAs) against Migrant Workers (MWs) who have refused to go abroad for employment or returned to Sri Lanka within the probation period. The initial costs were borne by the relevant Licensed Foreign Employment Agencies (LFEAs). Out of all complaints received by this Division in the year 2020 and 2021 complaints were gradually increased in the year 2022 due to LFEAs are well aware of the division's procedure for the suspension of the Passport/NIC of Migrant Workers.

The BDS has accepted 202 complaints from migrant workers up to December 2022 out of which 66 complaints have been recorded at the BDS as settled. The settlement would be much more as MW or relevant LFEA in certain occasions have not informed BDS about the settlement.

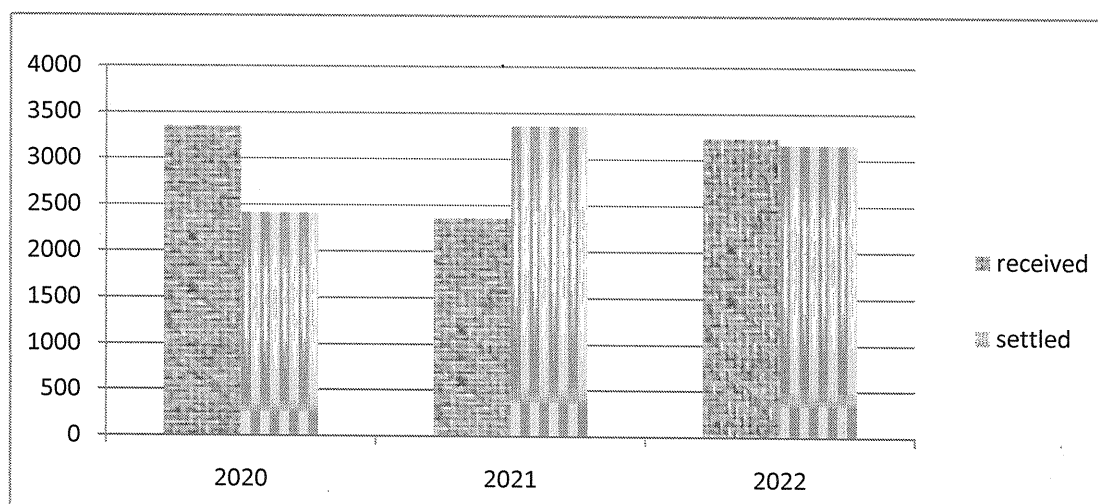
However, in considering settlement of complaints, 23.52% complaints were settled in 2022 in all categories which is highest percentage comparing to 2020 and 2021.

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

➤ Complaint Resolving

Conciliation Division of the SLBFE, Labour Sections of the Sri Lanka Diplomatic Mission in the respective countries accepts complaints receive from or on behalf of the migrant workers. A registered migrant worker or a person who acts on his / her behalf could lodge a complaint at the SLBFE's Head Office, a Local Branch Office or the Labour Section of the Sri Lanka Diplomatic Mission in the respective country. The SLBFE operates a web-based Complaint Management System (CMS) to enhance the efficiency of resolving those complaints by the SLBFE's authorized officers attached to the Conciliation Division /Units or Labour Sections in Sri Lanka Diplomatic Missions Overseas, relevant Licensed Foreign Employment Agencies & Foreign Agencies. The relevant parties are facilitated to communicate through and record information in the CMS.

	Year		
	2020	2021	2022
Received Complaints	3,350	2,362	3,236
Settled Complaints	2,421	3,360	3,167
Financial Benefits for Migrant employees	Rs.2,370,612/-	Rs.2,295,925/-	Rs.17,992,054/-



➤ Welfare Services

As one of the main objectives of the SLBFE to ensure the protection and wellbeing of the migrant workers (MW) and the members of their families, we have implemented services focusing the financial stability of the migrant worker and their families and education of their children through the activities of the Welfare Division. We extend our helping hands in emergency situations, provide medical assistance, and assist disabled migrant employees etc.

Activities of the Welfare Division

S/No	Activities	No. of Beneficiaries	Cost Incurred Rs. (Mn)
01	Provide Insurance Benefits		
	Registered migrant workers who died or subjected to Illness, Personal accident, Harassment with in the period of two years from the date of registered.	551	111.688
	Insurance premium paid on behalf of migrant workers (Local)	314,057	444.5
02	Grant Scholarships Award scholarship for children of the registered migrant workers who passed;	2,755	3.3
03	Provide School Equipment Provide school equipment's to the children of the migrant workers who unable to continue their studies due to financial difficulties since their parent in abroad face problems while working	789	7.5
04	Provide Special Assistance for needy Children of Migrant Workers	11	0.633
05	Provide bus fare/food for Migrant workers/NOK	182	0.196
06	Provide special assistance for migrant workers and their family members under Workers Welfare Fund	66	14.025
07	Provide financial and technical assistance to construct house Registered migrant workers who are disable due to accident (disability 65% or above) while they were working in abroad	06	2.1
08	Provide financial and non-financial support by providing medical facility for needy migrant workers Provide payment of medical treatments, prescribed drugs and nutrition foods to needy registered migrant workers and their family members	15	0.221
09	Pay subsidy on Housing loans	4	0.05
10	Disaster Situation	5	0.75

Awarding Scholarships

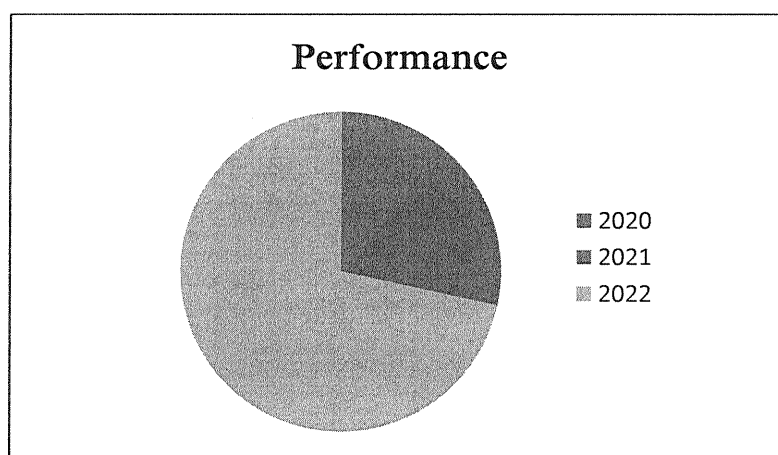


Assistance for the disabilities



#	Activity	2020		2021		2022	
		No. of Beneficiaries	Cost (Rs.Mn)	No. of Beneficiaries	Cost (Rs.Mn)	No. of Beneficiaries	Cost (Rs.Mn)
1	Award scholarships for children of Migrant Workers	797	20.24	872	21.51	2755	3.3
2	Provision of School Equipments for children of migrant workers	124	0.57	46	0.22	789	7.5
3	Provide special assistance under WWF for needy MWs and their families	59	11.22	131	26.92	66	14.025
4	Special award made to the family of Priyantha Kumara who was murdered in Pakistan.	-	-	3	2.5	-	-
5	Subsidy on housing loan interested to maintain ongoing scheme	0	0	4	0.099	4	0.005
6	Pay Insurance Premium on behalf of MWs (Sahana insurance)	48,464	30.14	72,946	60.43	314,057	444.5
7	Provision of insurance benefits to MWs and family members	1,344	104.64	640	130.29	551	111.685
8	Assist MWs and their family members to pay for medical treatment, prescribed drug, food & other materials	8	0.068	5	0.248	15	0.221
9	Provide financial and technical assistance to construct houses for disabled MWs	4	0.504	2	0.60	06	2.1
10	Provide Special Assistance for identified needy children of MWs	12	0.13	14	0.188	11	0.633
11	Medical Camp conducted for MWs and family members	1	0.448	0	0	2	0.629
12	Implementation of programs for child protection.	1	0.063	0	0	-	-

13	Provide bus fare/ foods for MWs /NOK	112	0.01	7	0.004	182	0.6
14	Assist the families of MWs in disaster situation	13	0.17	0	0	5	0.75
15	Rs.40,000/- payment for religious activities on behalf of MWs who died due to Covid-19.	-	-	83	3.32	-	-
16	Payments made for quarantined workers	-	-	575	25.08	-	-
Total Performance		50,939	168.203	75,328	271.409	318,443	708.2299

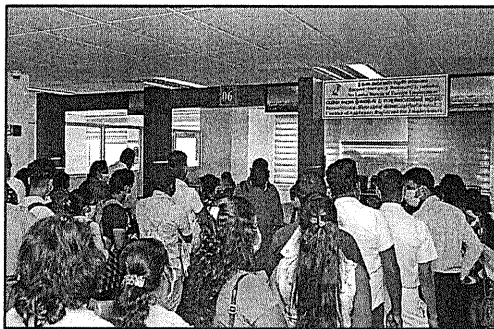
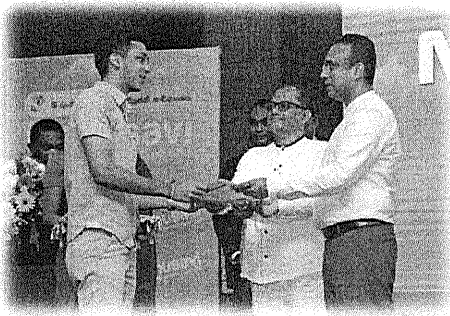


Providing School Equipment



Implementation of Manusavi Pension Scheme

SLBFE in collaboration with the Sri Lanka Social Security Board introduced a pension scheme “Manusavi” for the registered migrant workers. Those migrant workers who reach 60 years of age are eligible for this scheme and they can make their contribution to this scheme with their foreign currency earnings.



Special counter was launched at the Department of Immigration and Emigration for the migrant workers to obtain services relevant to their passports.

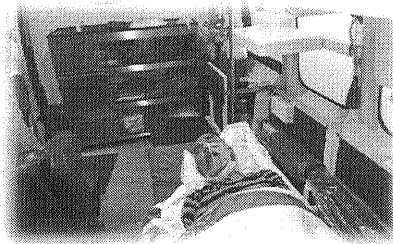
Airport Division (Airport Unit & Sahanapiyasa)

As a part of its responsibility of enforcement of the law pertaining to foreign employment, the SLBFE operates a service counter at the Departure Lobby of the Bandaranayke International Airport (BIA) to verify the SLBFE’s registration of the Sri Lankans leaving for foreign employment. Attempts for illegal recruitment for foreign employment and human trafficking are also detected by SLBFE officials attached to this Counter. This counter also facilitates the Sri Lankan migrant employees to obtain the SLBFE’s registration at the last moment prior to their departure from the country.

In addition, another service counter is operated at the Arrival Lobby of the BIA to serve the Sri Lankan migrant employees who need special assistance on their return to Sri Lanka. “Sahana Piyasa” Welfare Assistance Centre which is located in the closer proximity to the BIA (at 18th Mile Post, Negombo Road, Seeduwa) is operated under the Airport Division to coordinate welfare facilities and to provide welfare services to the needy returnees.

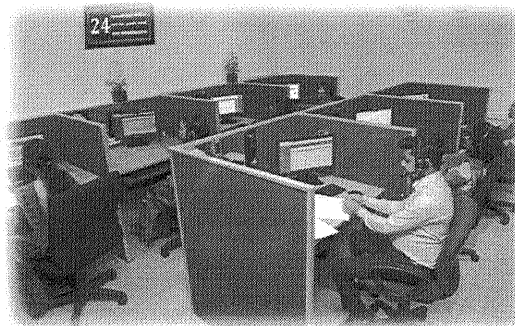
Special assistance provided by the SLBFE through the Airport Division includes admission to the hospitals the returnees who are sick, insane, injured or in serious medical conditions, transportation of disabled, injured, sick returnees or those who need special transport arrangements either to hospital or places of their residence, referral to special medical clinics, Probation Department, Welfare Division of the SLBFE for further welfare assistance, Conciliation Division or Special Investigation Division to lodge complaints, providing accommodation, food, medicine, clothes, travel expenses etc., for needy returnees.

Outsourced Ambulance Services are also provided for the patients who need such services. Referrals and admissions of patients to the hospitals or transportation to the place of residence are arranged as per the recommendation of the Medical Officer of the Airport Medical Centre. The Airport Division assists the Next of Kin (NOK) for the clearance of Human Remains of the deceased migrant workers from the relevant authorities at the Airport and grants funeral expenses of Rs.40000.00 to the NOK of the deceased. The Airport Division also assists the NOK to arrange transportation of human remains to the relevant destinations and at the post mortem examinations done on human remains at the request of the NOK.



24 Hour Information Service

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



➤ Assistance for returnees

With the scope to assist the migrant workers for their social & economic reintegration, promote their skills, re-employment and re-entry to the labor force, the Reintegration Division of the SLBFE conducted many activities with the District co-ordination including the other relevant agencies.

Main Activities of the Reintegration Division in the Year – 2022

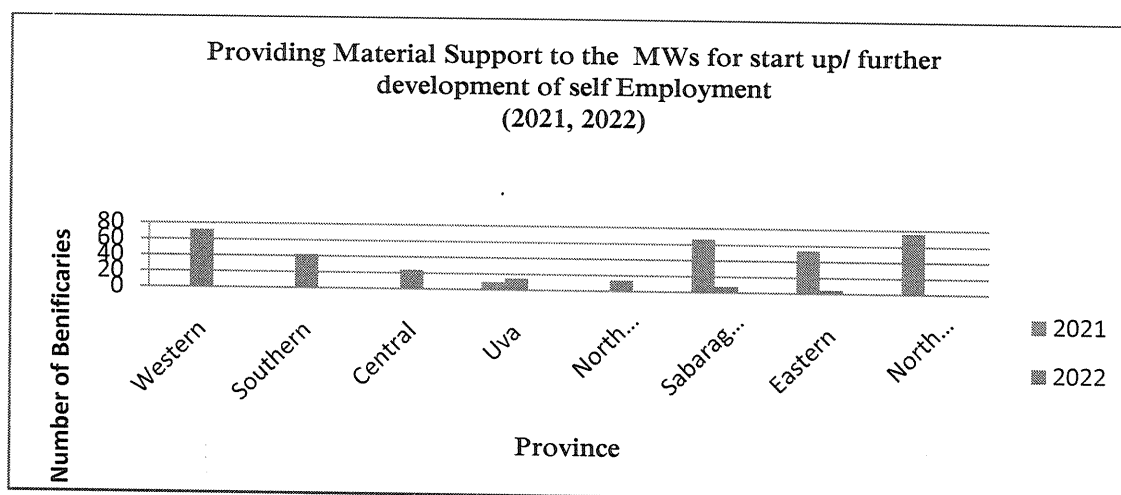
1. Provide material support to MWs for startup/ further develop of self Employment
2. Provide school equipments for children of returnee the MWs
3. Make payment of official mobile telephone bills of the Development Officers
4. Provide counseling services /assistance for needy returnee MWs & family members of the MWs
5. Conduct review programmes to monitor implementation of Businesses/ Investments/ Re-integration Plans of the MWs
6. Conduct multi-sectoral committee meetings to review progress
7. Conduct awareness programmes for Dos in collaboration with the line Ministry
8. Facilitate to returned MWs to receive local employment through SLBFE's referral mechanism
9. Coordinate with networks of CSO, NGOs private sector and trade unions

Provide material support to MWs for startup / further develop of self Employment



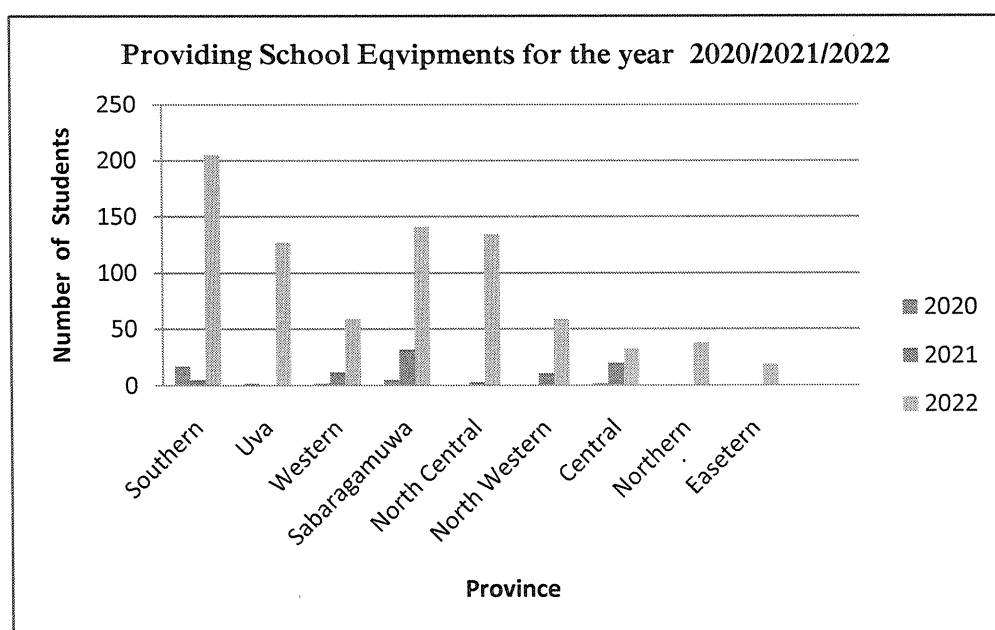
Performance during 2021-2022

Province	2021 Up to Rs.25,000/= Per one person		2022 Up to Rs.50,000/= Per one person	
	No of Beneficiaries	Cost (Rs.)	No of Beneficiaries	Cost (Rs.)
Western	-	-	72	2,300,478.66
Southern	-	-	42	2,142,107.00
Central	-	-	24	1,313,088.12
Uva	10	241,949.00	15	747,800.00
North Central	-	-	14	600,000.00
Sabaragamuwa	67	1,642,653.00	8	399,950.00
Eastern	54	1,188,715.00	5	247,600.00
North Western	76	1,812,482.00	1	49,845.00
Total	207	4,885,799	181	7,800,868.78



Provide school equipments for children of returnee MWs

Province	2020		2021		2022	
	No of Students	Cost (Rs.)	No of Students	Cost (Rs.)	No of Students	Cost (Rs.)
Southern	17	84907.20	05	24960.54	205	1,007,085.75
Uva	02	9444.00	-	-	127	595,322.00
Western	02	10000.00	12	57330.00	59	269,481.30
Sabaragamuwa	05	24988.25	32	152139.00	141	654,599.50
North Central	-	-	03	14978.54	134	694,629.41
North Western	-	-	11	54945.00	59	284,205.30
Central	02	9328.00	20	97553.00	33	147,780.00
Northern	-	-	-	-	38	194,389.10
Eastern	-	-	-	-	19	94,707.40
Total	28	138,667.45	83	401,906.08	815	3,942,199.76



Special Activities of the Reintegration Division for the Year – 2022

The Intern trainees dispatched under the IM Japan program will be given an incentive of 600,000 Japanese yen at the rate of 200,000 per year by the Japanese companies; they worked for the completion of the training period and return to Sri Lanka. The intension of IM Japan's is that by offering this incentive, the trainees will find a new job or start a business.

The incentive money is remitted to the SLBFE account by each institution where the intern trainees worked in Japan and the transfer of the money to the intern trainees is facilitated by the Reintegration Division. The Reintegration Division also conducts awareness programs for the intern trainees who have returned to Sri Lanka about the project and entrepreneurship and follows up on the success of their businesses.

Accordingly, the progresses of the above activities carried out by the Reintegration Division for the year.2022 are as follows.

Number of awareness programs Conducted during the Year 2022 - 02

Number of benefited intern trainees - 40

Total Amount transferred to the intern trainees - Rs. 53,478,278.36.

Awareness Programme on the Project and Entrepreneurship and the Cheques Issuance Ceremony



Promote and develop employment opportunities for Sri Lankans outside Sri Lanka

➤ Training

With the intention of increasing the skilled migrant workers and to develop their skills and assistance to achieve the required competency level to fulfill the requirements in the foreign employment as a competent applicant among other nationals, SLBFE has established Two Divisions to provide pre-departure training for the job seekers.

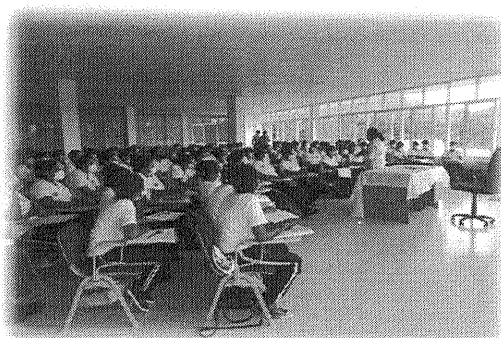
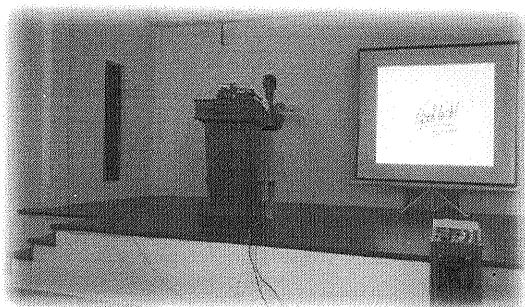
Training (Domestic) and Training (Industrial and Corporation) Divisions conduct various training programmes to develop the skills of prospective migrant workers and to take them to the required competency level to fulfill the needed requirements of foreign employment industry through certification and create the skilful labour force as per the requirement in the overseas labour market.

Activities of the Training Division (Domestic)

- Conduct 15 days training programme for female workers leaving to Middle East Countries as Domestic Housekeeping Assistant.
- Conduct 15 days country specific training programme for female workers leaving to Europe and East Asian countries as Domestic Housekeeping Assistant.
- Conduct 7 days training course for re-migrating females whose work experience is outdated and those who cannot submit documentary proof for the past experience.
- Conduct 45 days training programme for prospective job seekers who expect to travel as Caregivers.
- 7 days care giving training for selected prospective job seekers to be expect to travel Israel as Caregivers.
- Conduct language training courses in Sinhala & Tamil medium.

- Conduct Foreign Employment targeted English language training for prospective job seekers.

Training Programme (Domestic)	No of trainees 2022	No of Classes 2022
Domestic House Keeping Assistant – Middle East Sector (15 days) (01.01.2022 – 31.10.2022 – Online Method /01.09.2022 -31.12.2022 –Physical Method)	27,923	556
Domestic House Keeping Assistant – Europe and East Asia (15 days) (01.01.2022 – 31.10.2022 – Online Method/01.09.2022 -31.12.2022 –Physical Method)	1,426	37
Care giving (30 days) with the Assessment NVQ Level III (01.01.2022 – 31.10.2022 – Online Method/01.09.2022 -31.12.2022 –Physical Method)	4,497	74
Literacy Training Programme (18 Days) – Sinhala and Tamil Lanuage	43	5
IFE Training Programme (7 days)	1,481	61
English Lanuage Training Programme	1,978	42



Activities of the Training Division (Industrial and Corporation)

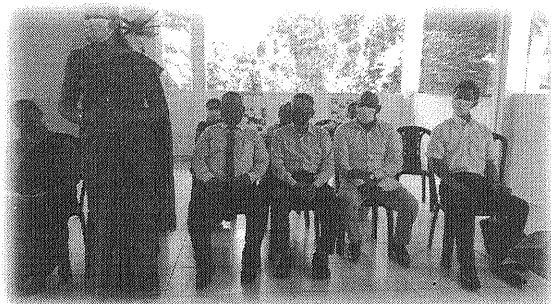
01. Conduct pre-departure orientation training programmes for male female job seekers.
02. Conduct pre-departure training programmes for Korean bound job seekers.
03. Conduct Japanese Language training programmes for job seekers.
04. Conduct pre-departure training programmes for Japan bound Job seekers (TITP)
05. Conduct TOT programmes for instructors
06. Inspection of Training Centers (SLBFE and Training)
07. Printing and distribution of Training Certificates of training courses.
08. Implement NVQ level programs/RPL programs. (Referrals the candidates who wish to go for Foreign Employment according to the job categories to obtain vocational skills level to the relevant vocational training institutions.)

Training Programme (Industrial and Corporation)	No of trainees 2022	No of Classes 2022
2 Day orientation training other than non domestic	15,273	1592
Pre departure Korean Training	1,410	43
Japanese Language Programme	3,660	98
Conduct pre departure training for Japan bound job seekers (TITP)	65	07

TOT Programme for Japanese Language Instructors of the SLBFE and other training institutes



Awareness Programmes of the Japanese language classes held by the Department of Samurdi Development at Minuwangoda



➤ Recruitment

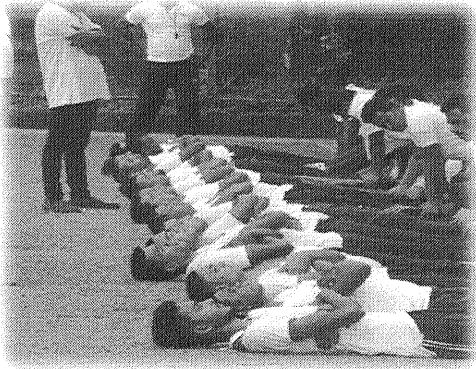
Recruitment Division (General) and Recruitment Division (Korea) are being operated at SLBFE to recruit Sri Lankans to South Korea, Japan and Israel.

Following programmes are being carried out by the Recruitment Division (General).

- Sending Technical Intern Trainees through International Manpower Organization, Japan
- Sending Technical Intern Trainees through International Relations Organization, Japan
- Sending Specified skilled workers (SSW) for Employment in Japan
- Recruitment of Home Based Caregivers to Israel

Sending Technical Intern Trainees through International Manpower Organization, Japan

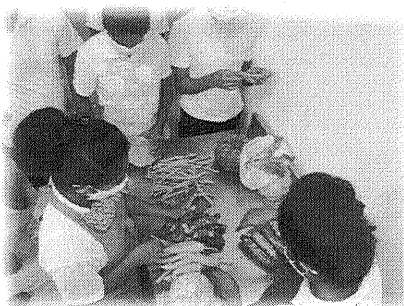
	January	February	March	April	May	June	July	August	September	October	November	December
Caregiver	-	-	-	6	12	21	08	-	10	04	-	-
Construction	-	-	-	-	10	3	14	-	16	06	01	-



Sending Technical Intern Trainees through International Relations Organization, Japan

No of departures

	April	May	June	July	August	September	October	November	December
Caregiver	-	-	01	-	-	-	-	-	-
Construction	-	02	-	-	-	-	-	-	-
Industrial packaging	-	-	18	-	-	-	-	-	-
Food processing	-	-	02	02	-	-	-	-	-



Sending Specified Skilled Workers (SSW) for Employment in Japan

There are 14 employment sectors granted by the Government of Japan which are available under the SSW programme where the Sri Lankans are able to face the skill tests in the following fields.

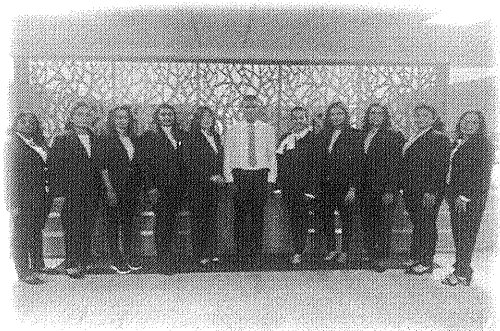
1. Nursing care worker
2. Food service industries
3. Agriculture



Recruitment of Home Based Caregivers to Israel (Progress of the programme)

S. No	Details		January	February	March	April	May	June	July	August	September	October	November	December	Total
01	No.of registered applicants of SLBFE	Male	169	94	172	133	185	309	176	175	262	349	124	91	2,239
		Female	76	49	75	74	91	307	162	186	179	199	121	127	1,646

02	No.of qualified applicants referred to Israel	Male	157	161	108	55	-	-	-	-	-	393	163	-	1,037
		Female	81	52	58	28	93	152	188	159	14	141	122	85	1,173
03	No.of selected applicants from Lottery by Israel	Male	-	130	-	118	-	-	-	-	-	-	130	-	378
		Female	-	77	-	52	-	-	145	170	-	-	193	-	637
04	No.of received agreements	-	-	-	-	-	05	04	08	09	15	08	05	04	58
		Female	-	-	08	13	29	16	43	45	44	19	19	14	250
05	No.of Cancelled Agreements	Male	-	-	-	-	-	-	-	04	07	-	-	01	12
		Female	-	-	-	-	-	-	06	04	06	04	03	04	27
06	No.of applicants signed agreements	Male	-	-	-	-	05	04	08	09	15	08	05	03	57
		Female	-	-	08	10	27	18	42	44	44	19	18	13	243
07	No.of departures	Male	-	-	-	-	-	4	03	06	07	04	07	08	39
		Female	-	-	-	05	04	25	16	33	32	26	31	28	200



Recruitment Division (Korea) facilitates to recruit Sri Lankan workers to the Republic of South Korea under the Employment Permit system (EPS) of Korea in accordance to the MOU Signed in 2004, between the two governments which is renewed periodically.

Activities carried out by the Division

- Issuance of admissions for the Special EPS-TOPIK Examinations and Normal EPS-TOPIK through Online system
- Conducting Special EPS-TOPIK Exam and Normal EPS-TOPIK at Pannipitiya CBT Centre
- Signing Employment Contract
- Referring candidates to pre-departure Training programme
- Deploying Job seekers to South Korea
- Handling complaints

- **Conduct Normal EPS-TOPIK Exam**

The normal EPS-TOPIK Exam is conducted for

Year	No. of Admissions Issued	No. of passers
2020	EPS Topik examinations were not held due to covid -19 pandemic.	
2021		
2022	31,378	5,146
Total		

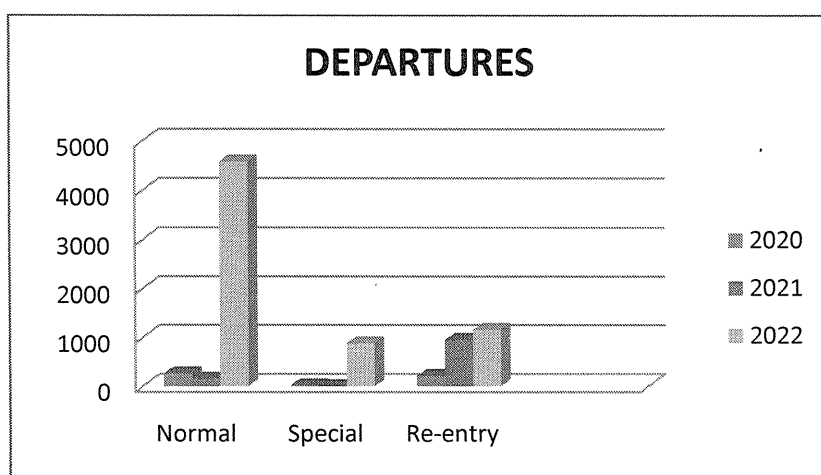
- **Conduct Special EPS-TOPIK Exam**

The special EPS-TOPIK Exam is conducted for who have returned to his or her home country completing their permitted sojourn period

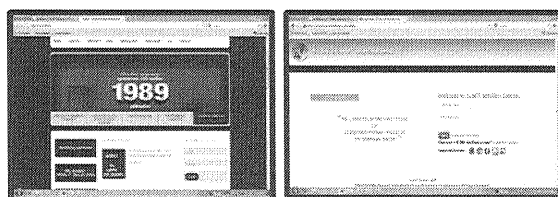
Year	No. of Admissions Issued	No. of passers
2020	1,446	561
2021	1,431	756
2022	1,652	1,398
Total	4,529	2,715

Departures through Normal EPS-TOPIK, Special EPS-TOPIK and Re-entry system in the years 2020 to 2022

Year/Sector	2020	2021	2022	Total
Normal	266	152	4,594	5,012
Special	18	02	888	908
Re-entry	216	954	1,157	2,327
Total	500	1,108	6,639	8,247



www.slbfe.lk



**Online Job
Bank**

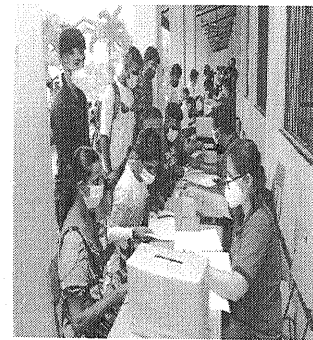
The SLBFE facilitates the job seekers to register and find foreign employment opportunities. They can register themselves online with the job or they can send application to SLBFE Head Office or any Branch Office island wide. Licensed Foreign Employment Agencies and Employers are also facilitated to find suitable applicants from online job bank for the vacancies available with them.

➤ Employment Promotions

SLBFE provide career guidance for job seekers by conducting Mobile Services, Job Fairs and Awareness Programmes etc, with the coordination of SLBFE Regional Centers, Government & Non-Government Organizations in local and the Labour Sections in Sri Lanka Diplomatic Missions Overseas with the purpose of promoting foreign employment among Sri Lankans. **Marketing Division** of the SLBFE has conducted Job Fairs Island wide in the year 2022 in addition to the following activities.

National level Job Fairs conducted by the Marketing Division in 2022

Date	Venue	No. of LFEAs participated	No. of Jobseekers preliminary selected	No. of Jobseekers departed for Foreign Employments
27.02.2022	Anamaduwa (Sudampaya" Town Hall)	44	3,473	183
14.08.2022	Mathugama (St. Mary's College)	20	2,635	26
15&16.10.2022	Galle (Samanala Ground)	39	10,823	348



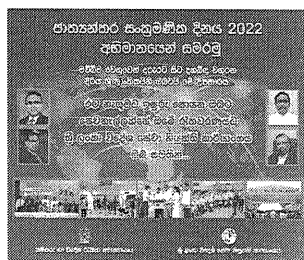
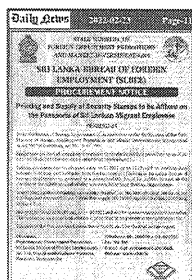
Pre-Recorded Virtual Job Fairs conducted via zoom Technology and publishing through YouTube and Face book of SLBFE - 01.01.2022 – 31.12.2022

S. No	No of LFEAs participated	Job Sector	Date of Recording	Date of telecast	No. of YouTube Views	No. of You Tube Comments	No. of Face book Views	No. of Face book Comments
					31 st December 2022	31 st December 2022	31 st December 2022	31 st December 2022
01	05	Hotel & Restaurant	24.06.2022	28.06.2022	68,177	77	14K	30
02	08	Construction	03.08.2022	08.08.2022	61,436	115	15K	88
03	13	Garment	25.08.2022	31.08.2022	12,430	45	10K	04
04	09	Transportation	08.09.2022	14.09.2022	36,923	79	14K	32
05	04	Health	27.09.2022	30.09.2022	11,298	20	16K	28

Publicity Division of the SLBFE carries out following activities with the aspect of awareness to the public and promotional programmes on foreign employment.

Publish Newspaper Notices / Supplements

TV Programmes, Commercials & Radio Programmes Advertisement



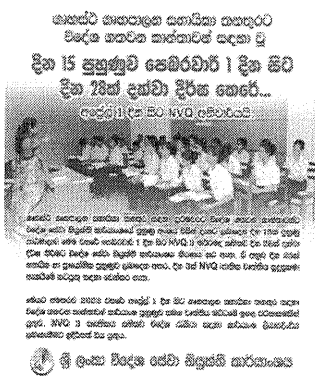
Media Coverages & Programmes

Awareness to Public





Press Conference News Release to Media



Promotion on the Lanka Remit App which was introduced by the Central Bank and SLBFE for the transactions of the remittance of the migrant workers.



Administration, Finance and Infrastructure

Administration and Human Resources, Procurement, Maintenance, Transport, Information Technology, Internal Audit and Research Divisions of the SLBFE are being operated as supportive services with the prime intention of providing efficient and effective services for its stakeholders in order to achieve the organizational 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.

Activities carried out by the Internal Audit Division in 2022

AMC Meetings	4
COPE Meetings	1
Audit Inspections (Local)	10



A special gateway “Hope Gate” was commenced at BIA in order to provide special assistance for the migrant workers.



➤ Financial Overview

Financial Performance of the SLBFE from year 2020-2022 (Rs.Mn.)

	2020	2021	2022
Total Income	1,780	3,053	11,470
Total Expenditure	-2,411	-2,421	-3,680
Profit Before Tax	-736	632	7,790
Non-Current Assets	2,087	1,905	1,863
Current Assets	14,440	15,651	25,167
Total Assets	16,527	17,556	27,030
Current liabilities	1,817	1,756	3,855
Non Current Liabilities	4,071	4,257	5,538
Total Liabilities	5,834	6,013	9,393
Net Assets	10,693	11,543	17,637

As shown above the total income for the year under review amounted to Rs.11, 470 million compared to the actual income of Rs.3, 053 million in 2021. There is a 276% increase in overall income in comparison with year 2021

There was a significant improvement in overseas missions income, registrations fees, cess income and all other income sources compared to budget and year 2021 which resulted an increase of SLBFE operational income. Further, high Interest rates prevailing in the market together with proper investment management resulted a remarkable increase of 255% in interest income increase on investments compared to the year 2021.

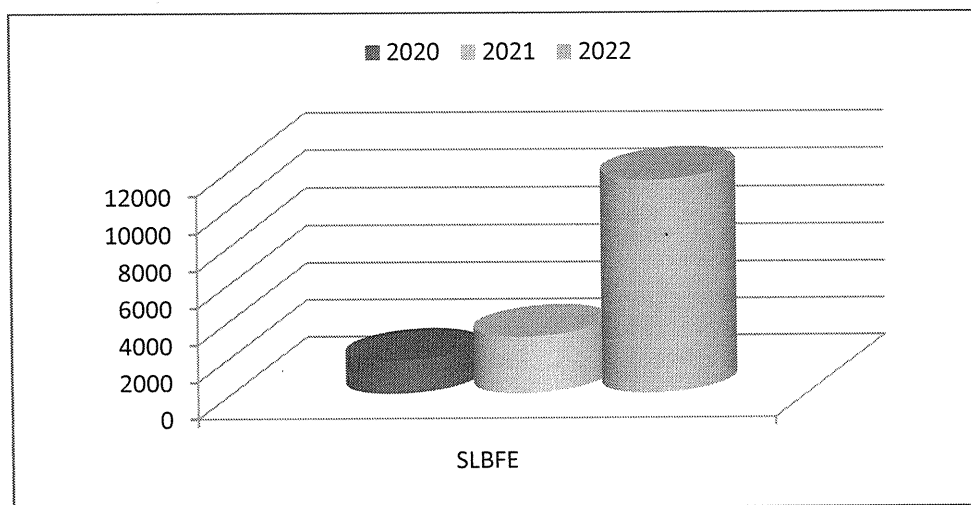
The total expenditure for the year was Rs.3, 680 Million which is 6.6 % increase compared to the overall budget and 52% increase against the year 2021 actual expenditure. There was a significant effect from the rupee devaluation to increase the mission expenses and high inflation rates affected the increase of local market goods and services which resulted an increase of overall expenditure of the SLBFE during the year 2022.

Local welfare expenditure to migrant workers and their family members has increased by 88% compared to year 2021 due to re-implementation of many welfare related programs.

The profit before tax for the year 2022 is Rs.7, 790 Million and it is 1,132% increase compared to the actual profit of Rs 632 Million for the year 2021. This is the highest ever profit in the history of the SLBFE and as a result of a prudent and sound overall management and leadership.

There are Rs. 5.2 Billion investments & Bank Balances related to Kuwait compensation reserve included in SLBFE Financial Statements and Rs.1.2 Billion was paid to the consolidated fund during the year 2022. Further, SLBFE paid Rs 3,000 Million to the Consolidated Fund from the above investments during the month of January 2023 as requested by the Department of Public Enterprises, General Treasury

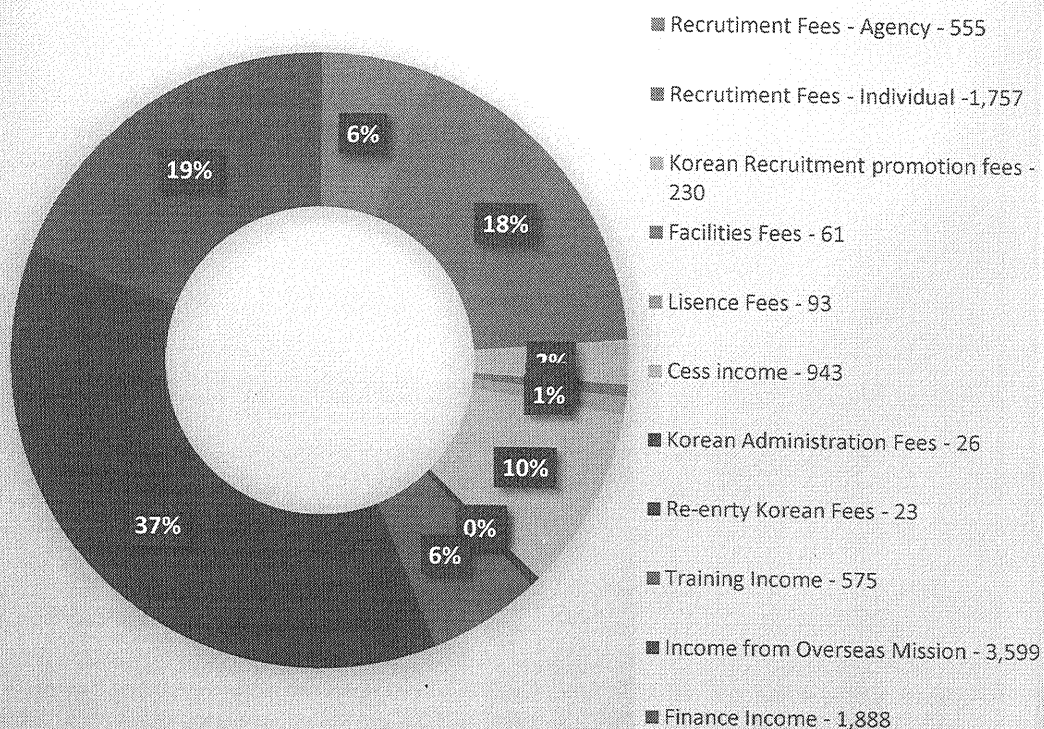
Revenue Analysis of the SLBFE from 2020-2022



Main income Sources analysis of the SLBFE – (Rs.Mn)

	2020	2021	2022
Recruitment fees- Agency	83	188	555
Recruitment fees - Individual	276	690	1,757
Korean Recruitment promotion fees	48	7	230
Facilities Fees	11	25	61
License Fees	42	60	93
Cess Income	55	317	943
Korean Administration Fees	5	0.8	26
Re-entry Korean Fees	7	17	23
Training Income	25	192	575
Income from Overseas Mission	274	869	3,599
Finance Income	765	532	1,888

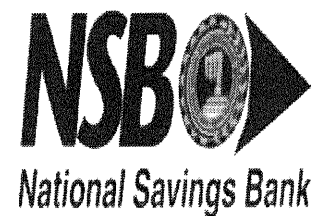
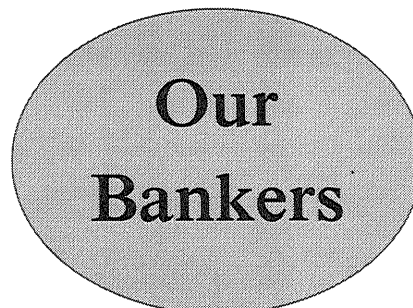
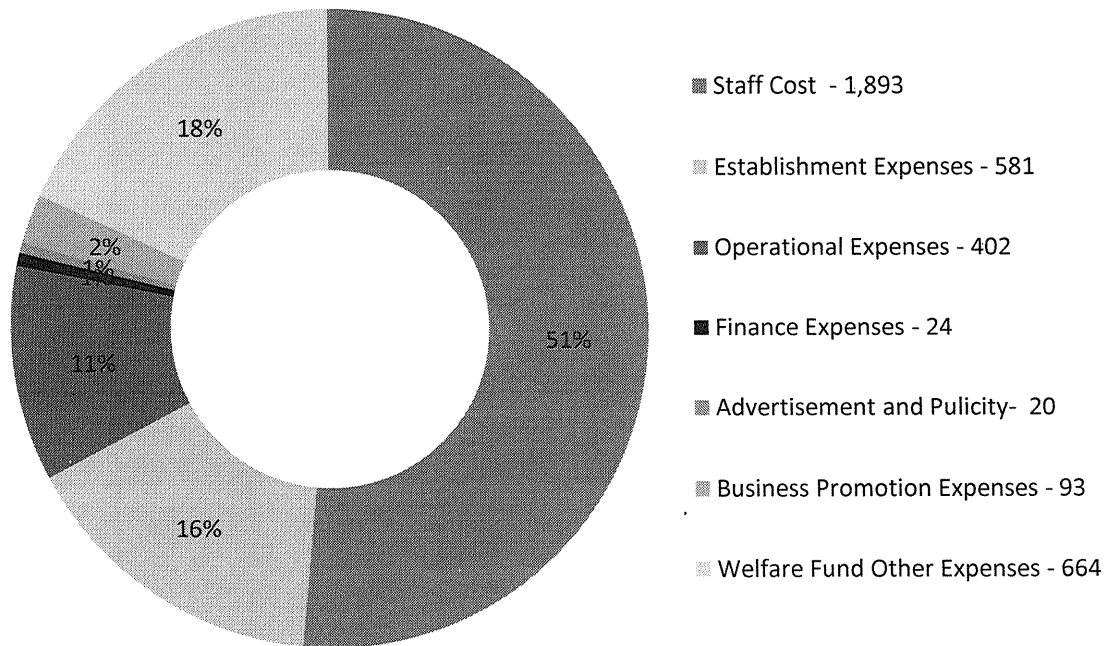
Main income of the SLBFE 2022 - (Rs Mn)



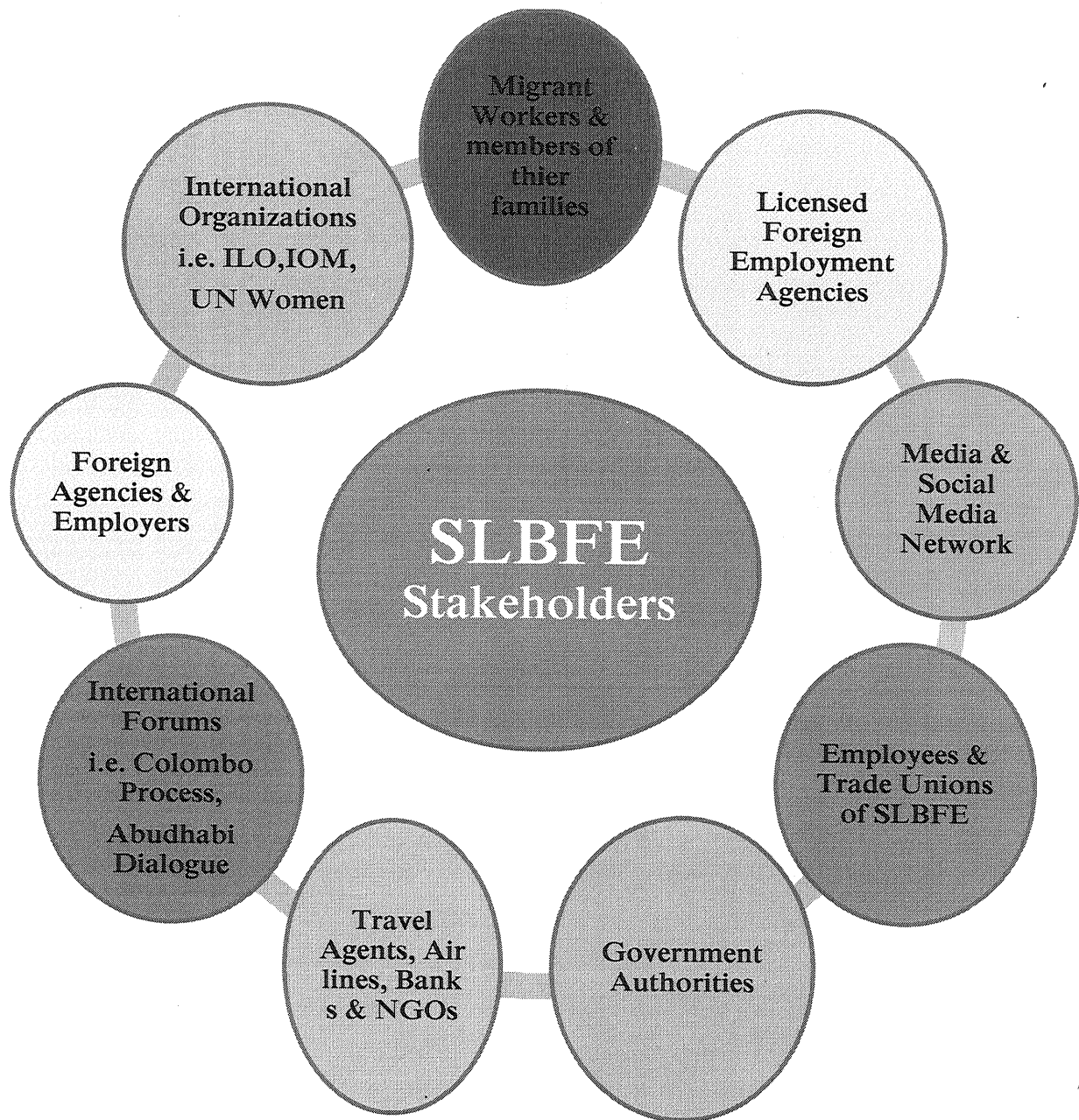
Main Operating Expense Analysis of SLBFE – from year 2020-2022 (Rs. Mn)

	2020	2021	2022
Staff Cost	1,467	1,341	1,893
Establishment Expenses	391	412	581
Operational Expenses	298	278	402
Finance Expenses	33	22	24
Advertisement and Publicity	6	8	20
Business Promotion Expenses	9	5	93
Welfare Other Expenses	204	352	664

Main Operating Expense of SLBFE - 2022 Rs. Mn



OUR KEY STAKEHOLDERS



Sri Lanka Foreign Employment Agency

Subsidiary of SLBFE



The Sri Lanka Foreign Employment Agency (SLFEA) the only state owned recruitment agency incorporated in 1996, as a subsidiary of the SLBFE. SLFEA has been awarded ISO 9001:2008 quality certification in 2013.

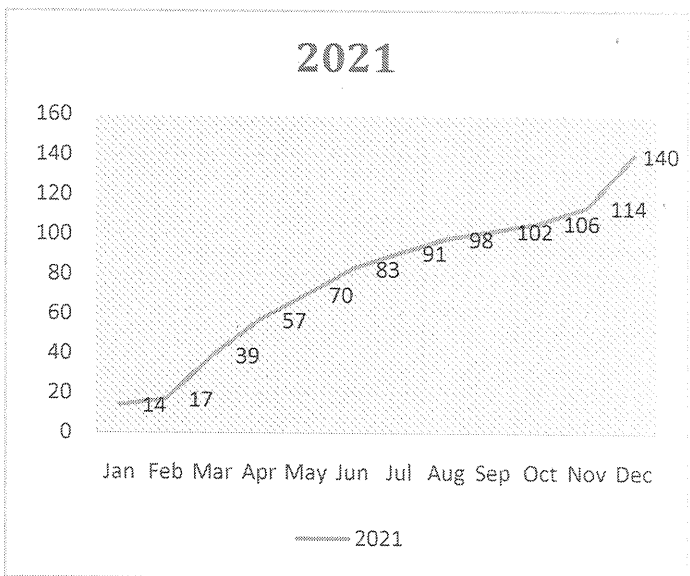
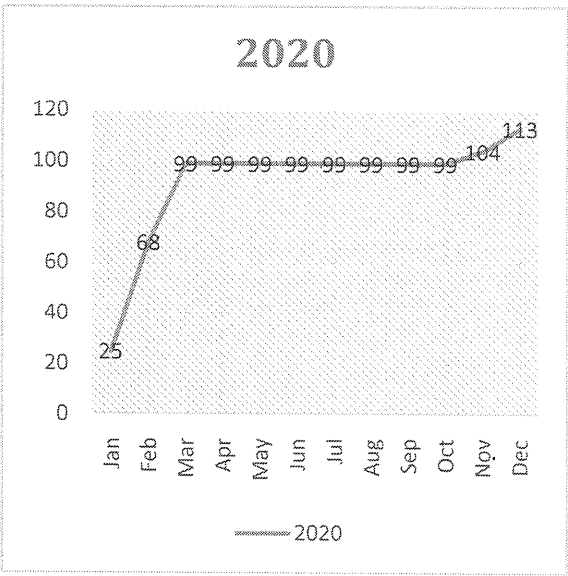
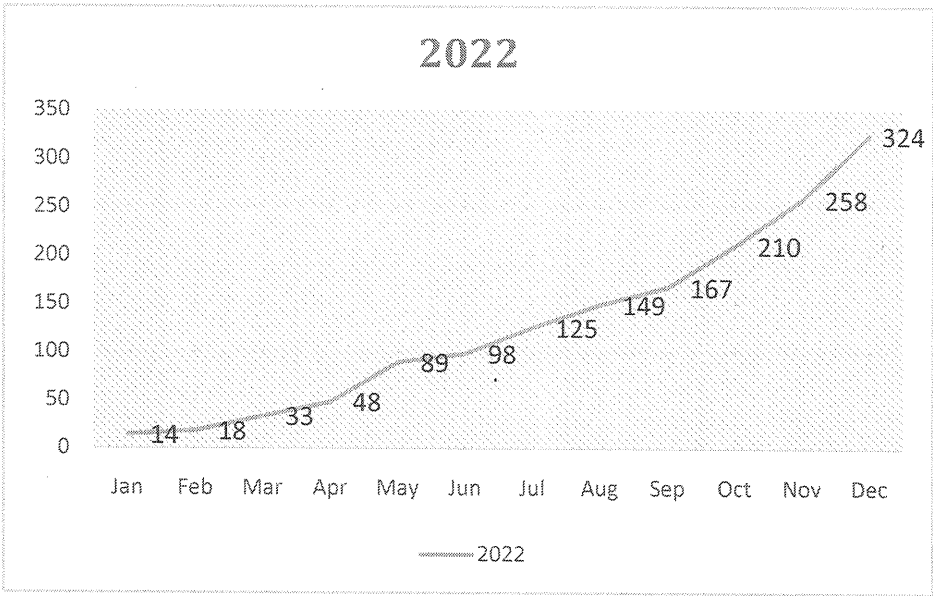
Objectives of SLFEA

- 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, Advisers, Representatives and Consultants to individuals, Institutions and organizations engaged in Manpower Supply, Trade, Insurance, Commerce or industry and to enter into agreements, contracts and memorandum of understanding for the procurement and supply of such services.
- To undertake orientation and training to upgrade the skills of available personnel to satisfy the employment demands.

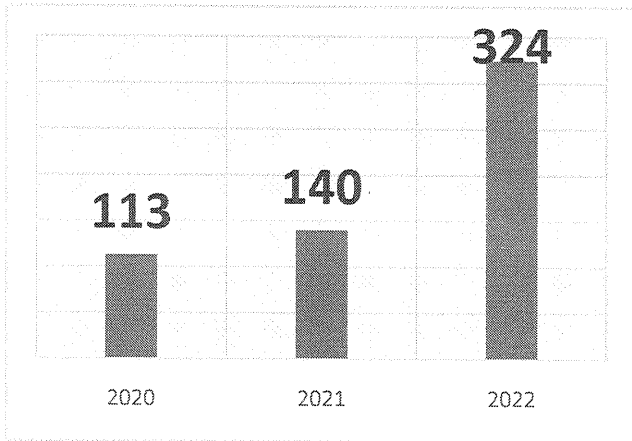
Profit & Loss Analysis

SLFEA shows continuous improvement during the recruitment process for the entire year 2022.

Comparison of Recruitment Progress 2020-2022

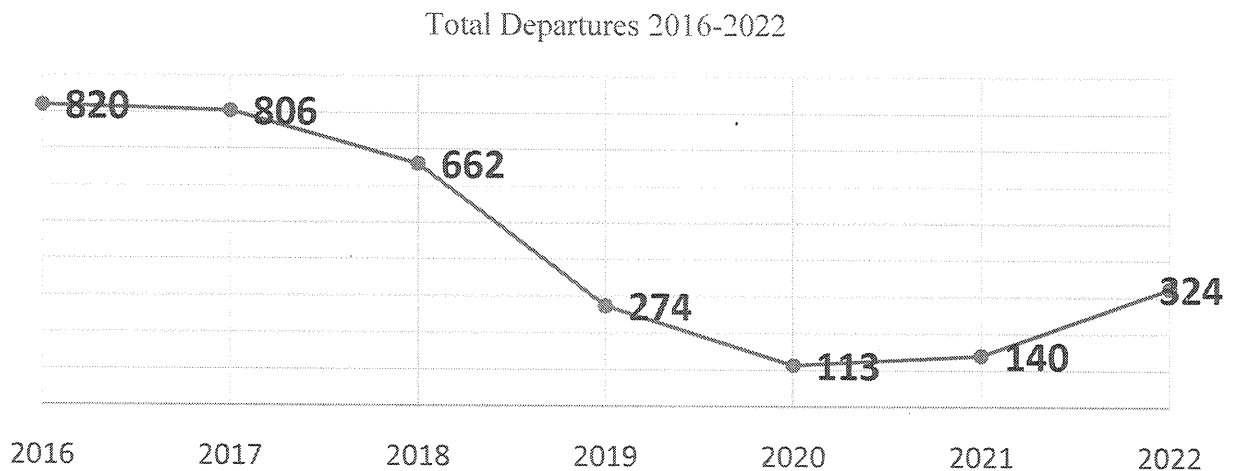


Recruitment progress is 131% in comparison to the year 2021



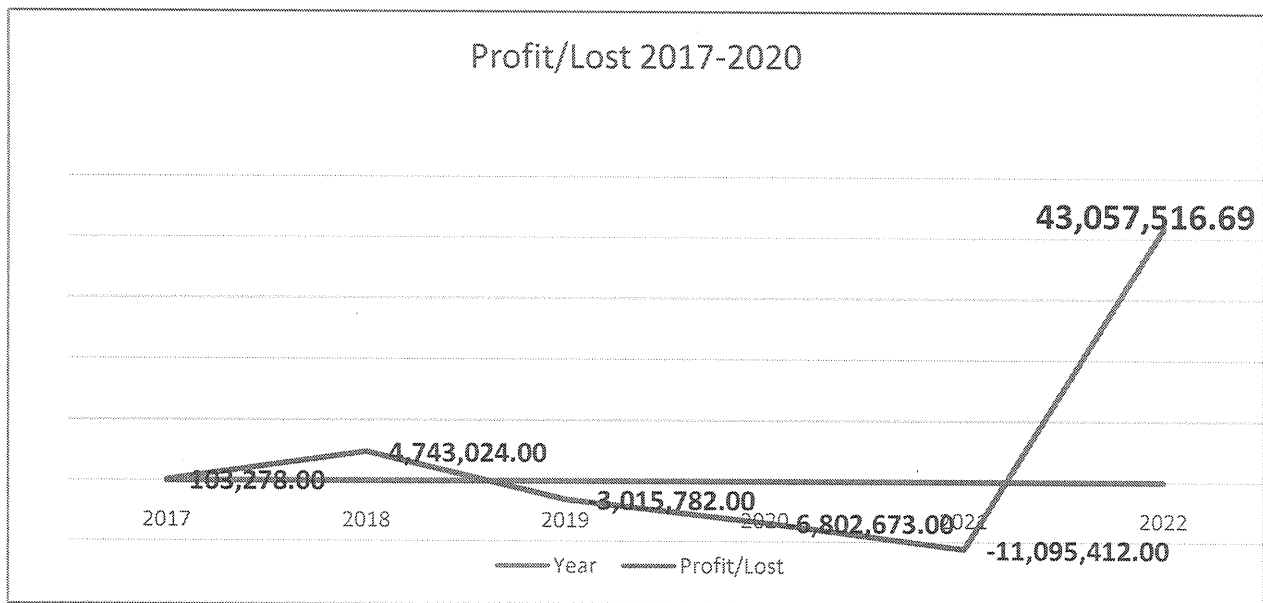
Year	Total Departures
2020	113
2021	140
2022	324

During the period 2020-2022 the total number of recruitments gradually increasing



In the year 2022 SLFEA has shown remarkable improvement in both recruitment and other business. Therefore, SLFEA was able to maximize the profit gained.

The achievement clearly shows profit in year 2022 when it compared to past years. After three years SLFEA had shown profit not only in the other core businesses but also in the major recruitment area.



- The Recruitment income 2022 – Rs. 23,452,369.01
- Air Ticketing income 2022 - Rs. 49,857,483.00
- Other income 2022 - Rs. 12,402,598.99
- Total expenditure Rs. 42,654,935.21

Governance

Overview

The Sri Lanka Bureau of Foreign Employment (SLBFE) is responsible for the regulation and governance of foreign employment activities in Sri Lanka. Established in 1985, the SLBFE plays a vital role in safeguarding the interests and welfare of Sri Lankan migrant workers while ensuring the smooth functioning of the country's foreign employment sector.

Governance Structure

The SLBFE operates under the purview of the Ministry of Labour and Foreign Employment. The SLBFE is governed by a Board consisting of eleven (11) members. This multi-stakeholder approach ensures that the interests of all relevant parties are considered in the decision-making process.

Key Initiatives:

1. **Policy Development and Regulation:** The SLBFE plays a vital role in formulating policies and regulations related to foreign employment. These policies aim to protect the rights and welfare of Sri Lankan migrant workers while promoting ethical recruitment practices. The SLBFE regularly reviews and updates these policies to address emerging challenges and ensure their effectiveness.
2. **Pre-departure Training and Orientation:** To equip migrant workers with necessary skills and knowledge, the SLBFE conducts comprehensive pre-departure training programs. These programs cover various aspects such as language training, cultural awareness, job-specific skills, and legal rights. By empowering workers with relevant information, the SLBFE aims to enhance their employability and ensure their well-being abroad.
3. **Recruitment and Registration:** The SLBFE regulates and monitors licensed foreign employment agencies in Sri Lanka. The SLBFE maintains a database of registered agencies and monitors their compliance with established guidelines. This system helps in curbing illegal and unethical recruitment practices and provides a reliable platform for workers to access job opportunities through authorized channels.
4. **Welfare and Protection Services:** The SLBFE operates welfare centers in collaboration with foreign missions in countries with a significant Sri Lankan Diaspora. These centers offer a range of services, including counseling, legal assistance, health facilities, and emergency support, to address the needs of migrant workers. The SLBFE also maintains

close coordination with relevant authorities in destination countries to provide timely assistance and resolve issues faced by workers.

5. **Information and Awareness Campaigns:** The SLBFE conducts extensive awareness campaigns targeting prospective migrant workers, their families, and the general public. These campaigns aim to educate individuals about safe migration practices, potential risks, and the importance of using authorized channels for employment abroad. Additionally, the SLBFE maintains an information helpline to address inquiries and provide guidance to those seeking information on foreign employment.

The governance of the Sri Lanka Bureau of Foreign Employment plays a vital role in ensuring the welfare and protection of Sri Lankan migrant workers. Through effective policy development, regulation, and comprehensive support services, the SLBFE strives to create a safe and conducive environment for workers seeking employment overseas. Continued efforts to strengthen governance, improve collaboration with stakeholders, and address emerging challenges are essential to further enhance the effectiveness of the SLBFE in promoting ethical recruitment and protecting the rights of Sri Lankan migrant workers.

The role of the Audit and Management Committee (AMC) of SLBFE

The Audit and Management Committee of the SLBFE plays an essential role in ensuring transparency, accountability, and effective management within the organization. This committee is responsible for overseeing financial matters, internal controls, risk management, and the overall performance of the SLBFE. Here are the key roles and responsibilities of the Audit and Management Committee:

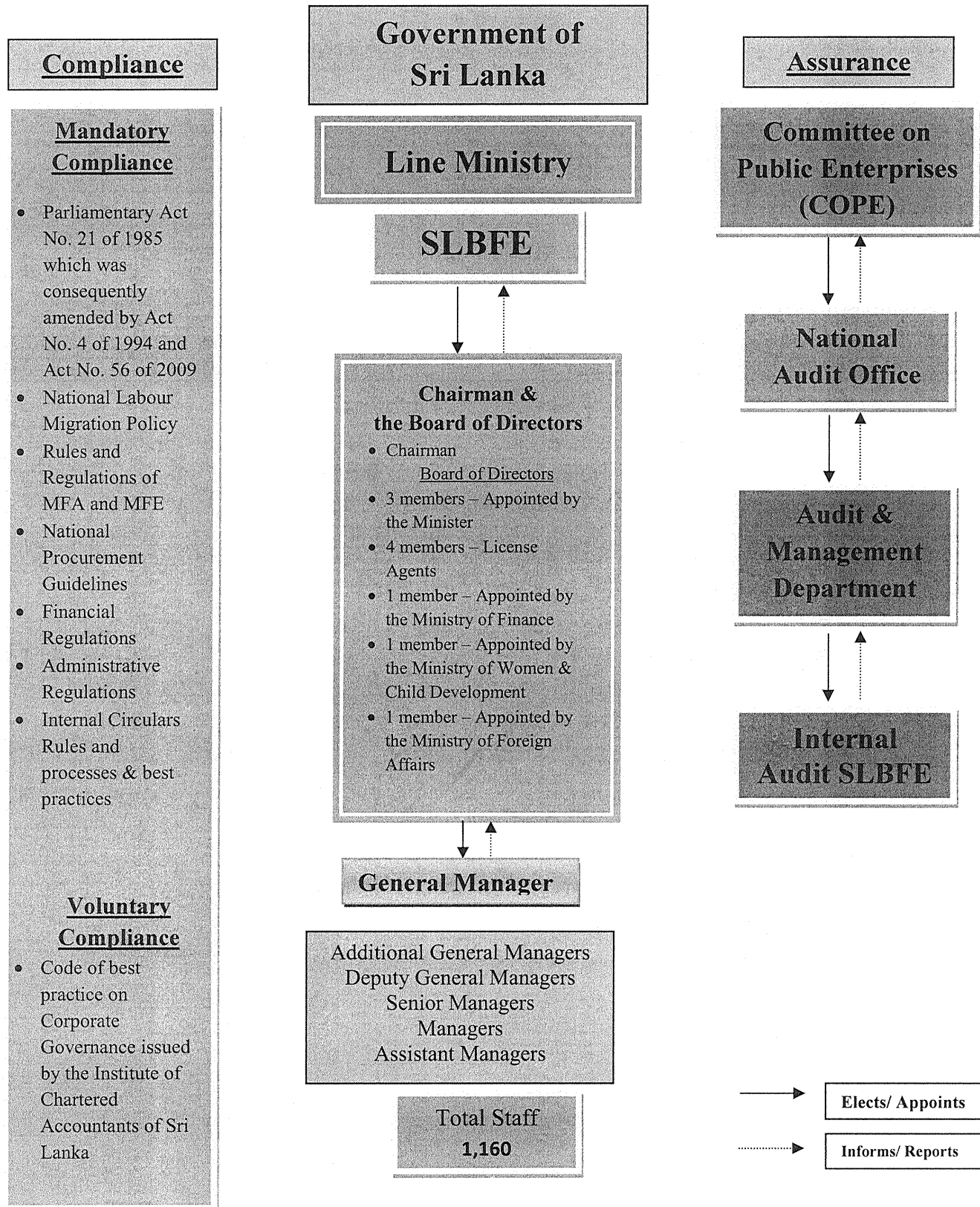
1. **Financial Oversight:** The committee is responsible for reviewing and monitoring the financial activities of the SLBFE. This includes examining financial statements, ensuring compliance with accounting standards and regulations, and overseeing the budgeting process. The committee provides independent oversight to promote financial integrity and prevent any financial improprieties.
2. **Internal Controls and Risk Management:** The committee assesses and monitors the internal control systems in place within the SLBFE. This involves reviewing the adequacy and effectiveness of internal controls to mitigate risks and safeguard assets. The committee also evaluates risk management practices and provides recommendations to strengthen risk mitigation strategies.
3. **Audit Function:** The committee oversees the internal and external audit functions of the SLBFE. It ensures that the internal audit process is independent and objective, and that it covers all areas of the organization's operations. The committee also reviews audit

findings, recommendations, and management responses, ensuring their implementation to improve organizational efficiency and effectiveness.

4. **Compliance and Ethics:** The committee plays a vital role in promoting and monitoring compliance with relevant laws, regulations, and ethical standards. It oversees the implementation of policies and procedures to ensure adherence to legal and ethical requirements. The committee also reviews and investigates any reported cases of non-compliance or ethical concerns, taking appropriate actions to rectify such issues.
5. **Performance Evaluation:** The committee evaluates the performance of the SLBFE, including its management team, against established objectives and targets. It assesses the effectiveness of the organization's strategies, policies, and programs, providing recommendations for improvement. The committee also ensures that performance indicators and monitoring mechanisms are in place to measure and track progress.
6. **Reporting and Communication:** The committee facilitates effective communication between the SLBFE's management, the board, and other stakeholders. It provides regular reports to the board, highlighting key financial, operational, and risk management matters. The committee also liaises with external auditors, regulators, and other relevant authorities as required.
7. **Continuous Improvement:** The committee promotes a culture of continuous improvement within the SLBFE. It identifies areas for enhancement in governance, financial management, risk management, and operational processes. The committee provides guidance and recommendations to strengthen controls, mitigate risks, and improve overall organizational performance.

The Audit and Management Committee of the SLBFE plays a critical role in ensuring proper governance, financial accountability, risk management, and compliance within the organization. Through its oversight functions, the committee helps to maintain the integrity and effectiveness of the SLBFE's operations, ultimately supporting the protection and welfare of Sri Lankan migrant workers.

Internal Governance Structure



Director's Report

The Board of Directors has pleasure to present the Director's Report for the Sri Lanka Bureau of Foreign Employment (SLBFE) and the audited consolidated financial statements for the year ended 31st December 2022. It is with great pride that we share the accomplishments, challenges, and future plans of our organization in promoting ethical recruitment practices and protecting the rights and welfare of Sri Lankan migrant workers.

Financial Performance:

We are delighted to report that the SLBFE achieved a strong financial performance in 2022. Despite the global uncertainties and economic challenges caused by the COVID-19 pandemic, our organization remained financially stable. Our prudent financial management practices, along with cost-saving measures, ensured the effective utilization of resources. The detailed financial statements enclosed in this annual report provide a comprehensive overview of our financial position and performance. The Financial Statements was approved by the Board of Directors on 06.04.2023.

Operational Achievements:

Throughout 2022, the SLBFE made significant progress in enhancing the governance and regulation of the foreign employment sector. We are proud to highlight some key operational achievements:

1. **Policy Enhancements:** We focused on reviewing and updating our policies and regulations to address emerging challenges in the foreign employment sector. Our aim was to ensure the protection of migrant workers' rights, promote ethical recruitment practices, and foster stronger collaboration with relevant stakeholders. These policy enhancements have strengthened the foundation of our operations.
2. **Pre-departure Training and Orientation:** Our pre-departure training programs underwent significant improvements in 2022. We prioritized equipping migrant workers with the necessary skills, knowledge, and awareness to adapt to their host countries' cultural and working environments. Language training, job-specific skills development and educating workers about their rights and responsibilities were among our key focuses.
3. **Welfare and Support Services:** Our welfare centers, in collaboration with foreign missions, continued to provide vital assistance and support to Sri Lankan migrant workers abroad. We offered counseling services, legal support, healthcare facilities, and emergency assistance to ensure their well-being and protection. These services played a crucial role in safeguarding the rights and welfare of our workers.

4. **Recruitment and Registration:** We strengthened our efforts to regulate and monitor licensed foreign employment agencies. Our registration system promoted transparency, ensuring authorized channels for workers to access job opportunities while curbing illegal and unethical recruitment practices. By doing so, we aimed to create a more ethical and fair environment for both workers and recruitment agencies.

Challenges and Mitigation:

The year 2022 presented us with unique challenges, particularly due to the global COVID-19 pandemic. These challenges included travel restrictions, job losses, and the repatriation of stranded workers. However, we actively addressed these hurdles through proactive measures, including:

1. **Pandemic Response:** We responded swiftly to the COVID-19 pandemic by implementing measures to support stranded workers, facilitate repatriation, and provide essential services to those affected by the crisis. We collaborated closely with relevant authorities and stakeholders to ensure the well-being and safety of our migrant workers.
2. **Technology and Innovation:** Recognizing the importance of embracing technology and innovation, we embarked on digital initiatives in 2022. These initiatives aimed to improve our service delivery, streamline processes, and provide efficient and accessible platforms for workers and stakeholders. By leveraging technology, we sought to enhance the overall experience for both workers and agencies.

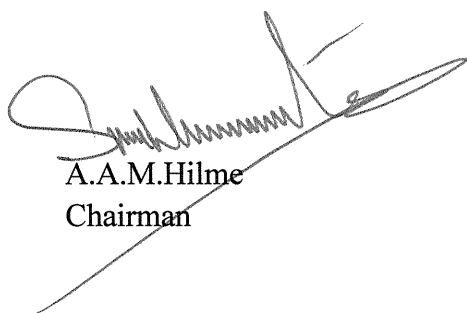
Future Outlook:

Looking ahead, the SLBFE remains committed to its core objectives of protecting the rights of migrant workers and promoting ethical recruitment practices. We will focus on the following key areas in the coming years:

1. **Strengthening Governance:** We will continue to enhance our governance structure and regulatory frameworks to ensure transparency, accountability, and integrity in all our operations. Strengthening internal controls and governance mechanisms will remain a priority.
2. **Collaboration and Partnerships:** We recognize the significance of collaboration and partnerships with government agencies, international organizations, civil society groups, and other stakeholders. By working together, we can jointly address challenges and develop innovative solutions for the betterment of migrant workers.
3. **Capacity Building:** Investing in the continuous training and development of our staff is essential to improve our capabilities in serving Sri Lankan migrant workers effectively. We will focus on building expertise in areas such as legal frameworks, counseling, and the digital transformation of our services.

In conclusion, we extend our sincere appreciation to our shareholders, stakeholders, and dedicated staff members for their unwavering support and commitment. Together, we have made significant strides in promoting ethical recruitment practices and safeguarding the rights and welfare of Sri Lankan migrant workers. We remain steadfast in our dedication to creating a better future for our workers, and we look forward to continuing this important work in the years to come.

For and on behalf of the Board of Directors.



A.A.M. Hilme
Chairman



Mahendra Kumarasinghe
Director

Financial Statements

72

72.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

CONSOLIDATED INCOME STATEMENT

	Notes	GROUP 2022 Rs.	GROUP 2021 Rs.	SLBFE 2022 Rs.	SLBFE 2021 Rs.
Revenue	4	7,929,502,632	2,381,850,667	7,867,797,179	2,368,908,903
Other Income	5	1,771,465,140	156,664,357	1,714,889,345	152,295,251
		9,700,967,772	2,538,515,024	9,582,686,524	2,521,204,154
Expenses					
Staff Cost	6	1,917,890,400	1,358,402,799	1,893,353,426	1,341,022,288
Establishment Expenses	6	591,014,974	416,604,417	581,282,404	412,550,502
Operational Expenses	6	453,335,333	294,417,173	402,426,195	278,321,573
Finance Expenses	6	24,897,211	23,163,121	24,761,025	22,990,261
Advertisement and Publicity	6	20,674,282	8,485,017	20,606,606	8,485,017
Business Promotion Expenses	6	93,448,787	6,411,834	93,087,645	5,666,615
Welfare Other Expenses	6	664,997,730	352,023,282	664,997,730	352,023,282
		3,766,258,716	2,459,507,643	3,680,515,030	2,421,059,538
Finance Income	7	1,901,017,641	538,457,542	1,888,162,823	532,647,224
		1,901,017,641	538,457,542	1,888,162,823	532,647,224
			-		
Profit/(Loss) Before Tax		7,835,726,697	617,464,922	7,790,334,318	632,791,840
			-		
Tax Expenses	8	1,712,422,780	262,689,290	1,704,722,014	262,689,289
			-		
Profit After Tax		6,123,303,917	880,154,212	6,085,612,304	895,481,128

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	GROUP	GROUP	SLBFE	SLBFE
	2022	2021	2022	2021
	Rs.	Rs.	Rs.	Rs.
Profit after tax	6,123,303,917	880,154,212	6,085,612,304	895,481,128
Other comprehensive income				
Actuarial (Loss)/Gain on post employment benefits	9,659,468	9,629,293	9,803,587	9,773,412
Deferred Tax on Actuarial (loss)/Gain	(2,646,968)	(2,345,619)	(2,646,968)	(2,345,619)
Total Other comprehensive income for the year, net of taxes	7,012,500	7,283,674	7,156,619	7,427,793
Total comprehensive income for the year	6,130,316,417	887,437,886	6,092,768,923	902,908,921

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

77.

	Notes	GROUP 2022 Rs.	GROUP 2021 Rs.	SLBFE 2022 Rs.	SLBFE 2021 Rs.
ASSETS					
Non-current assets					
Intangible Assets	9	1,000	1,000	1,000	1,000
Right-of use assets	10.1	159,881,649	211,904,659	159,881,649	211,904,658
Property, plant and equipment	10.2	1,309,077,569	1,397,863,567	1,233,433,090	1,319,100,423
Investment in Subsidiary	11	-	-	5,000,000	5,000,000
Staff Loans	12.1	289,571,002	233,155,099	284,715,739	231,555,371
Pre-paid Staff Loans	12.2	138,770,846	79,784,849	138,770,846	79,784,849
Taxation	18.2	-	39,830,516	-	37,864,104
Deferred Tax Assets	18.1	36,356,505	16,081,210	36,091,851	15,816,556
Work In Progress-Buildings	10.3	5,375,927	4,621,324	5,375,927	4,621,324
		1,939,034,498	1,983,242,224	1,863,270,102	1,905,648,285
Current Assets					
Inventory	14	16,054,361	9,313,467	15,781,946	9,041,052
Current Financial Assets	13	23,251,261,985	10,692,902,315	23,127,984,014	10,586,492,671
Staff Loans	12.1	106,368,866	90,386,524	106,368,866	90,335,524
Prepayments & Other Receivables	15	1,106,014,117	1,292,415,113	1,088,416,478	1,284,306,881
Sundry Advances		16,551,789	32,407,031	16,481,983	32,407,031
Cash and Cash Equivalent	16	850,363,625	3,650,718,901	812,244,924	3,648,417,601
		25,346,614,743	15,768,143,351	25,167,278,211	15,651,000,761
TOTAL ASSETS		27,285,649,241	17,751,385,575	27,030,548,313	17,556,649,045
EQUITY AND LIABILITIES					
EQUITY					
Capital		691,161,789	691,161,789	691,161,789	691,161,789
Accumulated Fund		17,046,963,678	10,914,681,441	16,904,500,172	10,809,578,243
Revaluation Reserve		66,167,346	66,167,346	41,713,346	41,713,346
Grant		-	44,760	-	44,760
Total Equity		17,804,292,813	11,672,055,335	17,637,375,307	11,542,498,138
Non Current Liabilities					
Retirement Benefit Obligation	3.11	276,131,384	234,884,597	270,845,610	230,309,332
Kuwait compensation-reserve	20	5,212,391,154	3,917,196,853	5,212,391,154	3,917,196,853
Lease Liabilities		54,803,487	110,144,618	54,803,487	110,144,618
		5,543,326,025	4,262,226,068	5,538,040,251	4,257,650,803
Current Liabilities					
Taxation	18.2	1,143,883,629	-	1,138,149,275	-
Agency Creditors		374,287,836	249,339,563	376,748,580	250,487,782
Accrued Expenses		315,602,562	85,191,927	309,653,297	80,910,193
Sundry Creditors & Borrowings	19	2,038,301,480	1,422,618,819	1,964,642,766	1,366,814,325
Lease Liabilities		55,341,133	49,002,041	55,341,133	49,002,041
Migrant Workers' Contributions		10,597,704	9,285,763	10,597,704	9,285,763
Short Term Borrowing		-	1,650,000	-	-
Dividend Tax payable		16,059	16,059	-	-
		3,938,030,403	1,817,104,172	3,855,132,755	1,756,500,104
TOTAL EQUITY AND LIABILITIES		27,285,649,241	17,751,385,575	27,030,548,313	17,556,649,045

The Accounting policies and Notes on pages 08 To 53 form an integral part of the these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors on 06.04.2023 and signed on their behalf.


D.G.M. Finance


Chairman


Director

79.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT

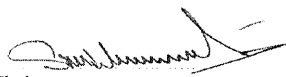
Seperation of Sri Lanka Bureau of Financial Position between Bureau Fund and Welfare Fund (WWF)
As at 31 December 2022

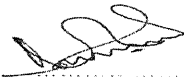
Notes

		SLBFE	BUREAU FUND	WELFARE FUND
		2022	2022	2022
		Rs.	Rs.	Rs.
ASSETS				
Non-current assets				
Intangible Assets	9	1,000	1,000	-
Right-of use assets	10.1	159,881,649	159,881,649	-
Property, plant and equipment	10.2	1,233,433,090	849,945,791	383,487,299
Investment in Subsidiary	11	5,000,000	5,000,000	-
Staff Loans	12.1	284,715,739	284,715,739	-
Pre-paid Staff Loan	12.2	138,770,846	138,770,846	-
Deferred Tax Assets	18.1	36,091,851	36,091,851	-
Prepayments & Other Receivables	15	-	-	-
Work In Progress-Buildings	10.3	5,375,927	5,375,927	-
		1,863,270,102	1,479,782,803	383,487,299
Current Assets				
Inventory	14	15,781,946	15,781,946	-
Current Financial Assets	13	23,127,984,014	7,137,661,975	15,990,322,039
Staff Loans	12.1	106,368,866	106,368,866	-
Recivable to Welfare fund		-	1,512,657,528	-
Prepayments & Other Receivables	15	1,088,416,478	139,883,629	948,532,849
Sundry Advances		16,481,983	3,014,198	13,467,785
Cash and Cash Equivalent	16	812,244,924	335,673,243	476,571,680
		25,167,278,211	9,251,041,385	17,428,894,354
TOTAL ASSETS		27,030,548,313	10,730,824,188	17,812,381,652
EQUITY AND LIABILITIES				
EQUITY				
Capital		691,161,789	691,161,789	-
Accumulated Fund		16,904,500,172	7,399,311,563	9,505,188,609
Revaluation Reserve		41,713,346	41,713,346	-
Total Equity		17,637,375,307	8,132,186,698	9,505,188,609
Non Current Liabilities				
Retirement Benefit Obligation	3.11	270,845,610	270,845,610	-
Kuwait compensation-reserve	20	5,212,391,154	-	5,212,391,154
Lease Liabilities		54,803,487	54,803,487	-
		5,538,040,251	325,649,097	5,212,391,154
Current Liabilities				
Taxation	18.2	1,138,149,275	1,138,149,275	-
Agency Creditors		376,748,580.05	376,748,580	-
Amount Payable to Bureau		-	-	1,512,657,528
Accrued Expenses		309,653,297.01	235,140,899	74,512,398
Sundry Creditors & Borrowings	19	1,964,642,766.32	467,608,507	1,497,034,259
Lease Liabilities		55,341,132.54	55,341,133	-
Migrant Workers' Contributions		10,597,704.00	-	10,597,704
		3,855,132,755	2,272,988,393	3,094,801,889
TOTAL EQUITY AND LIABILITIES		27,030,548,313	10,730,824,188	17,812,381,652

The Accounting policies and Notes on pages 08 To 53 form an integral part of the these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors on 06.04.2023 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 2022

	GROUP 2022 Rs.	GROUP 2021 Rs.	SLBFE 2022 Rs.	SLBFE 2021 Rs.
Cash Flow From Operating Activities				
Net Profit Before Tax	7,835,726,697	617,464,922	7,790,334,318	632,791,840
Adjustment For;				
Depreciation	226,567,296	215,559,553	221,306,601	210,368,107
Interest Income	(1,901,017,641)	(538,457,542)	(1,888,162,823)	(532,647,224)
Finance Expense	24,897,211	23,163,121	24,761,025	22,990,261
Lease Rental Expenses	1,820,318	16,108,533	1,820,318	16,108,533
Profit/Loss on Disposal of PPE	342,949	(15,788,207)	342,949	(15,788,207)
Exchange Gain	(1,607,036,283)	(83,302,845)	(1,606,547,459)	(83,374,284)
Grants Income (Sundry Income)	(44,760)	(14,000)	(44,760)	(14,000)
Under/(over) Provision of Expenses	(187,186)	(1,838,670)	-	-
Gratuity Provision	69,527,296	31,820,866	68,960,908	31,081,007
	4,650,595,897	264,715,731	4,612,771,076	281,516,030
Tax Paid	(551,663,573)	(171,496,799)	(551,663,573)	(171,496,799)
Gratuity Paid	(18,621,043)	(17,792,345)	(18,621,043)	(17,792,345)
	(570,284,616)	(189,289,144)	(570,284,616)	(189,289,144)
Net Cash Inflow/Outflow from Operating Activities Before Working Capital Changes	4,080,311,281	75,426,587	4,042,486,460	92,226,886
Working Capital Changes				
Increase/Decrease in Receivables	i 195,515,343	(104,318,662)	205,074,556	(104,510,413)
Provisions for the year (kuwait Fund)	32,674	34,319,606	32,674	34,319,606
Increase/Decrease in Creditors	ii 2,058,665,570	508,760,139	2,039,967,517	499,456,748
	2,254,213,588	438,761,084	2,245,074,747	429,265,941
Net Cash Inflow/Outflow from Operating Activities	6,334,524,868	514,187,670	6,287,561,207	521,492,829
Cash Flow From Investing Activities				
Acquisition of Property, Plant & Equipment	(88,335,772)	(7,947,008)	(86,193,742)	(7,723,179)
Proceeds from Disposal of PPE	417,365	16,046,145	417,365	16,046,145
Interest Income	19,946,128	723,416,475	7,091,311	718,342,481
Investment in Financial Assets	iii (8,992,740,930)	(1,094,306,127)	(8,972,668,067)	(1,094,727,932)
Net Cash Inflow/Outflow from Investing Activities	(9,060,713,209)	(362,790,515)	(9,051,353,134)	(368,062,485)
Cash Flow From Financing Activities				
Finance Expense	(23,514,896)	(25,310,944)	(23,378,709)	(25,684,313)
Right-of use assets	(49,002,040)	(45,839,086)	(49,002,040)	(45,839,086)
Proceeds from loan borrowings	(1,650,000)	(1,800,000)	-	-
Net Cash Inflow/Outflow from Finance Activities	(74,166,936)	(72,950,029)	(72,380,749)	(71,523,398)
Net Change in Cash & Cash Equivalent	(2,800,355,277)	78,447,126	(2,836,172,676)	81,906,947
Cash & Cash Equivalent at the beginning of the year	3,650,718,902	3,572,271,776	3,648,417,601	3,566,510,654
Cash & Cash Equivalent at the end of the year	850,363,625	3,650,718,902	812,244,925	3,648,417,601

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Group	Bureau
Note i		
Increase/Decrease in Receivables		
Increase/Decrease in Consumable items	(6,740,894)	(6,740,894)
Increase/Decrease in Payments and Other Receivables	186,400,995	195,890,402
Increase/Decrease in Sundry Advance	15,855,242	15,925,048
	<u>195,515,343</u>	<u>205,074,556</u>
Note ii		
Increase/Decrease in Creditors		
Increase/Decrease in Agency Creditors	124,948,273	126,260,798
Increase/Decrease in Accrued Expenses	230,410,635	228,743,104
Increase/Decrease in Migrant worker s Contribution	(70,374)	(70,374)
Kuwait compensation Reserve	1,295,194,301	1,295,194,301
Increase/Decrease in Other Creditors	408,182,733	389,839,686
	<u>2,058,665,570</u>	<u>2,039,967,517</u>
Note iii		
Investment in Financial Assets		
Increase/Decrease in staff Loan	(131,384,241)	(128,179,706)
Increase/Decrease in Fixed Deposit	(8,861,356,690)	(8,844,488,362)
	<u>(8,992,740,930)</u>	<u>(8,972,668,067)</u>

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	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 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	-	558,657,549	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	-	566,085,342	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	5,830,350,186	4,979,228,057	10,809,578,243	41,713,346	11,542,453,378
Balance as at 01 January 2022	691,161,789	10,914,681,441	66,167,346	11,672,010,576	691,161,789	5,830,350,186	4,979,228,057	10,809,578,243	41,713,346	11,542,453,378
Profit for the year	-	6,123,303,917	-	6,123,303,917	-	1,559,651,752	4,525,960,552	6,085,612,304	-	6,085,612,304
Other comprehensive income	-	7,012,500	-	7,012,500	-	7,156,619	-	7,156,619	-	7,156,619
Adjustment for the year	-	1,965,820	-	1,965,820	-	2,153,006	-	2,153,006	-	2,153,006
Total	-	6,132,282,237	-	6,132,282,237	-	1,568,961,377	4,525,960,552	6,094,921,929	-	6,094,921,929
Balance as at 31 December 2022	691,161,789	17,046,963,678	66,167,346	17,804,292,813	691,161,789	7,399,311,563	9,505,188,609	16,904,500,172	41,713,346	17,637,375,307

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

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

Description	2022			2021
	Bureau Rs.	WWF Rs.	Total Rs.	Rs.
Revenue				
Recruitment Fees - Agency	370,545,481	185,174,521	555,720,001	188,059,217
Recruitment Fees - Individual	1,585,683,192	172,227,310	1,757,910,502	690,103,452
Korean Recruitment promotion Fees	-	230,730,797	230,730,797	7,621,757
Facility Fees	61,705,919	-	61,705,919	25,601,643
License Fees	93,970,173	-	93,970,173	60,263,259
Cess Income	943,245,661	-	943,245,661	317,219,004
Korean Administration Fees	26,080,484	-	26,080,484	821,756
Re-entry Korean Fee	23,271,992	-	23,271,992	17,260,380
Korean Training Fees	-	54,679,103	54,679,103	15,618,785
Training Income	-	521,323,621	521,323,621	177,280,879
Income from overseas mission (Note 04.1)	88,557,440	3,510,601,486	3,599,158,926	869,058,772
	3,193,060,342	4,674,736,837	7,867,797,179	2,368,908,903
Other Operating Income				
Commission from Insurance(Local & Foreign)	-	5,444,905	5,444,905	18,158,740
Foreign Exchange Gain	34,163,623	1,572,383,836	1,606,547,459	83,374,284
Sundry Income(Sub Note-05.1)	94,782,280	8,114,702	102,896,981	50,762,226
	128,945,902	1,585,943,443	1,714,889,345	152,295,251
Less:				
Staff Cost	1,477,490,475	415,862,951	1,893,353,426	1,341,022,288
Establishment Expenses	234,204,493	347,077,911	581,282,404	412,550,502
Operational Expenses	324,465,099	77,961,095	402,426,195	278,321,573
Finance Expenses	19,053,280	5,707,745	24,761,025	22,990,261
Advertisement and Publicity	19,222,584	1,384,022	20,606,606	8,485,017
Business Promotion Expenses	88,479,449	4,608,196	93,087,645	5,666,615
Welfare Other Expenses	-	664,997,730	664,997,730	352,023,282
	2,162,915,379	1,517,599,650	3,680,515,030	2,421,059,538
Finance Income Note-7	815,550,159	1,072,612,665	1,888,162,823	532,647,224
	815,550,159	1,072,612,665	1,888,162,823	532,647,224
Profit/(Loss) before tax	1,974,641,024	5,815,693,294	7,790,334,318	632,791,840
Less: Income Tax *	(414,989,272)	(1,289,732,742)	(1,704,722,014)	262,689,289
Profit after Tax	1,559,651,752	4,525,960,552	6,085,612,304	895,481,128
Other Comprehensive Income				
Actuarial (loss)/Gain on post employment benefits	9,803,587	-	9,803,587	9,773,412
Deferred Tax on Actuarial loss/(Gain)	(2,646,968)		(2,646,968)	(2,345,619)
Total Other comprehensive income	7,156,619		7,156,619	7,427,793
Total Comprehensive Income	1,566,808,371	4,525,960,552	6,092,768,923	902,908,921

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

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 Ministry of Labour & Foreign Employment. 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 Lankans 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, 2022 and December 31, 2021 are as follows.

Subsidiary	Principal Activities	Type of Investment	31 December	
			2022	2021
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 2022 comprise the Bureau and its subsidiary Sri Lanka Foreign Employment Agency (Pvt) Ltd (SLFEA).

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
 Year ended 31 December 2022

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 2022 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 page 77 & 79), "Annual Report of the Board of Directors" and in the statement appearing with the Statement of Financial Position (Refer page 77 & 79) of the Financial Statements.

The Financial Statements for the year ended 31 December 2022, were approved and authorized for issue by the Board of Directors on 06.04.2023

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.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

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 2022 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 page 77 & 79), "Annual Report of the Board of Directors" and in the statement appearing with the Statement of Financial Position (Refer page 77 & 79) of the Financial Statements.

The Financial Statements for the year ended 31 December 2022, were approved and authorized for issue by the Board of Directors on 06.04.2023

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.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 2022 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)

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 versus non-current classification

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

An Asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

ASSETS AND RECEIVABLES

3.1 Property Plant and Equipment

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

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

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

3.1.1 Depreciation

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

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

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

3.1.2 Revaluation

Any revaluation surplus is recognized in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

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

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 2022 Rs. Mn.	31 Dec 2021 Rs. Mn.
Cost of the fully depreciated assets	1,262.16	1,219.74

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

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

(a) ROU assets

ROU assets are initially measured at cost comprising the following:

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

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

(b) Lease liabilities

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

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

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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

(c) Short term leases

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

3.3 Intangible Assets

3.3.1 Basis of Recognition

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

3.3.2 Basis of Measurement

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

3.3.3 Useful Economic Lives and Amortization

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

Information System & Program	5 Years
------------------------------	---------

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.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

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

3.6.2 Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

3.7 Financial Assets

3.7.1 Presentation and Disclosure

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

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

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

3.7.2 Initial Recognition and Measurement

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

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

3.7.3 Subsequent Measurement

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

3.7.3.1 Loans and Receivables

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement.

3.7.3.2 Held to Maturity Investments

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

3.7.4 De-recognition

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

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

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3.7.5 Impairment of Financial Assets

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

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

3.7.5.1 Financial Assets Carried at Amortized Cost

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

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the 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 realizable value is the estimated selling price in the ordinary course of business less, the estimated cost of completion and the estimated costs necessary to make the sale.

3.9 Cash & Cash Equivalents

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

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

LIABILITIES AND PROVISIONS

3.10 Financial Liabilities

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

De-recognition

A financial liability is derecognised when the obligation under the liability is extinguished.

3.10.1 Subsequent Measurement

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

3.10.1.1 Other Financial Liabilities

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

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

3.10.1.2 Provisions, Commitments and Contingencies Accounting Policy

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset when the reimbursement is virtually certain. The expense relating to provision is presented in Income Statement net of any reimbursement.

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

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.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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/-
අඹ/25/20	-
අඹ/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 Ast - 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

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended 31 December 2022

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/= as follows, Since above appeals are in the final stage.

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

Accordingly required provisions were made in the financial statements for the year 2022

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 recognized immediately in the Statement of Financial Position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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

As at 31 December	Group 2022 LKR	Group 2021 LKR	SLBFE 2022 LKR	SLBFE 2021 LKR
Balance at the beginning of the year	234,358,404	230,132,652	230,309,332	226,794,082
Current service cost	14,363,603	13,236,778	14,064,305	12,937,480
Past Service Cost	28,411,030		28,411,030	
Interest cost	26,752,664	18,410,613	26,485,573	18,143,527
Actuarial (Gains)/Losses	(9,659,468)	(9,629,293)	(9,803,587)	(9,773,412)
	294,226,233	252,150,750	289,466,653	248,101,677

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

As at 31 December	Group 2022 LKR	Group 2021 LKR	SLBFE 2022 LKR	SLBFE 2021 LKR
Current service cost	14,363,603	13,236,778	14,064,305	12,937,480
Interest cost	26,752,659	18,410,613	26,485,573	18,143,527
Past Service Cost	28,411,030		28,411,030	
Actuarial (gains)/losses recognized in other comprehensive income	(9,659,468)	(9,629,293)	(9,803,587)	(9,773,412)
Expenses recognized in the Income Statement	59,579,586	22,018,098	59,157,321	21,307,595

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:

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

3.11.4.1 SLBFE

An independent actuarial valuation of the retirement benefit obligation was carried out as at 31 December 2022 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	2022	2021
Discount rate (%)	18 p.a	11.50 p. a
Expected annual average salary increment rate (%)	10	5
Staff turnover factor (%)	1	1
Retirement age (Years)	60	62

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 2022 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	2022	2021
Discount rate (%)	11.5	11.5
Staff turnover factor (%)	8	8
Retirement age (Years)	60	62

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	
	2022 (LKR)	2021 (LKR)
Increase by one percentage point in discount rate	255,342,002	211,678,319
Decrease by one percentage point in discount rate	288,111,579	251,551,486

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

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

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

Employees' Provident Fund

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

Employees' Trust Fund

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

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

3.12 Government Grants

3.12.1 Grants related to Asset

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

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

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

INCOME AND EXPENSES

3.13 Revenue Recognition

a) Fee Income

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

b) Interest income

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

c) Other Income

Other income is recognised on an accrual basis.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

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.

As per the meeting convened on 31.08.1997 by former H.E.the President, Mrs.Chandrika Bandaranaike Kumarathunge, it was highlighted the establishment of a special fund for welfare activities for Sri Lankan Workers considering the difficulties and hardships specially faced by the female domestic workers and also to provide funds from the Government if the sources of funds are not desirable. As per the Cabinet Memorandum No.15/98dated 21.04.1998 submitted by the former Hon. Minister of Labor it was decided to utilize the provisions available for Welfare Fund in section 45 of the SLBFE Act No. 21 of 1985.Accounting Circular No.01 of 1999 issued by Mr. Lionel Fernando, Secretary Ministry of Foreign Affairs contains provision pursuant to Workers Welfare Fund. According to the said circular, under Section 4, receipts to the Workers Welfare Fund were listed and also under Section 5 payments of the Workers Welfare Fund were listed. Accordingly, 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
- Fees collected by overseas missions (under labour contract agreement system)
- Investment income and other

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
 Year ended 31 December 2022

Expenditure

- 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.
- Expenses related to overseas missions such as salaries, travelling, capital expenditure, repatriation cost, rent, food and medicine, Legal fees and other welfare expenditure.
- 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.

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 FINANCIAL STATEMENTS
Year ended 31 December 2022

According to the above, SLBFE has shown income and expenditure of Welfare Fund and the Bureau fund in a separate note (note no.6.1) and assets and liabilities separately in a separate balance sheet in year 2022 financial statements in addition to 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 as well.

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

4 REVENUE

Description	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Recruitment Fees - Agency	555,720,001	188,059,217	555,720,001	188,059,217
Recruitment Fees - Individual	1,757,910,502	690,103,452	1,757,910,502	690,103,452
Korean Recruitment promotion Fees	230,730,797	7,621,757	230,730,797	7,621,757
Facilities Fees	61,705,919	25,601,643	61,705,919	25,601,643
License Fees	93,920,173	60,213,259	93,970,173	60,263,259
Cess Income	943,245,661	317,219,004	943,245,661	317,219,004
Korean Administration Fees	26,080,484	821,756	26,080,484	821,756
Re-Entry Korean Fees	23,271,992	17,260,380	23,271,992	17,260,380
Korean Training Fees	54,679,103	15,618,785	54,679,103	15,618,785
Training Income	521,323,621	177,280,879	521,323,621	177,280,879
Income from Overseas Mission (Sub Not 04.1)	3,599,158,926	869,058,772	3,599,158,926	869,058,772
Recruiting Income	61,755,453	5,428,006	-	-
Registration Fees	-	146,620	-	-
	7,929,502,632	2,374,433,530	7,867,797,179	2,368,908,903

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	2022 Group Rs.	2022			2021
		Bureau	WWF	Total	Total
		Rs.	Rs.	Rs.	Rs.
Credibility Assessment	2,864,616	-	2,864,616	2,864,616	8,138,314
Job Order Approvals	137,920,175	-	137,920,175	137,920,175	70,143,694
Verification/Registration of Employment	1,226,807,065	-	1,226,807,065	1,226,807,065	245,618,242
Non Refundable Deposit	1,464,102,577	-	1,464,102,577	1,464,102,577	285,979,362
Renewal of SLBFE registration fee	105,136,671	88,557,440	16,579,231	105,136,671	76,363,670
Foreign Agency Renewal Fee	13,941,366	-	13,941,366	13,941,366	3,007,362
Sundry Income	310,397	-	310,397	310,397	764,602
Contract Registration fee	648,076,058	-	648,076,058	648,076,058	179,043,526
	3,599,158,926	88,557,440	3,510,601,486	3,599,158,926	869,058,772

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

5 OTHER OPERATING INCOME

Description	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Commission from Insurance(Local & Foreign)	5,444,905	18,158,740	5,444,905	18,158,740
Foreign Exchange Gain	1,607,036,283	83,302,845	1,606,547,459	83,374,284
Sundry Income (Sub Not 05.1)	158,983,952	55,056,150	102,896,981	50,762,226
	1,771,465,140	156,517,736	1,714,889,345	152,295,251

5.1 Sundry Income

Description	2022 Group Rs.	2022			2021
		Bureau	W.W.Fund .	Total	Total
		Rs.	Rs.	Rs.	Rs.
Registration of Suppliers	192,000	-	-	-	-
Disposal of Fixed Assets	214,987	31,014	183,973	214,987	15,800,999
Non Refundable Deposit from Suppliers (Tender)	2,491,881	1,845,048	646,833	2,491,881	548,669
Sale of Korean Books	23,886	23,886	-	23,886	4,530
75% of Court Deposit Under 69(B) 1 of Act No.56 of 2009	7,195,933	-	7,195,933	7,195,933	1,070,375
Korean Examination Fees Income	-	-	-	-	1,875,898
Collection From Nanasala	2,851,209	2,851,209	-	2,851,209	756,420
NVQ Charges	16,245,448	16,245,448	-	16,245,448	8,373,095
Blacklisting of Housemaid & Lifting Blacklisting	1,215,761	1,215,761	-	1,215,761	440,850
Korean Trainee Uniforms	87,230	-	87,230	87,230	859,465
NVQ / Work Experience Fees	16,481	16,481	-	16,481	-
Labour Receiving Commission of Japan	-	-	-	-	3,007,496
Israel care Giving Processing Fees	32,560,215	32,560,215	-	32,560,215	-
Rent Income - SLBFE Auditorium	4,649,726	4,649,726	-	4,649,726	60,000
Grants Income	-	-	-	-	14,000
Alternative awareness progamme-Covid	10,199,124	10,199,124	-	10,199,124	2,520,208
Agency claim	3,433,500	-	-	-	-
Reservation Charges-Kataragama	874,799	874,799	-	874,799	642,482
Korean Bond Withdrawal	12,938,814	12,938,814	-	12,938,814	5,733,393
Air Ticket Income	49,857,483	-	-	-	-
Other Sundry Income	13,935,476	11,330,755	733	11,331,488	9,054,348
Sundry Income Total	158,983,952	94,782,280	8,114,702	102,896,981	50,762,226

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

6 EXPENSES

STAFF COST

Description	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Salaries and Wages	1,236,130,645	893,129,798	1,217,839,985	878,849,567
Staff Welfare	152,600,045	84,512,598	152,291,459	84,487,053
EPF & ETF	121,310,688	118,035,791	119,351,419	116,100,456
Reim.of Interest on Housing Loans	7,992,579	9,377,095	7,992,579	9,377,095
Bonus	157,190,393	124,433,114	155,740,393	124,433,114
Overtime	126,932,210	65,653,651	125,013,724	65,306,836
Travelling	18,300,397	15,593,277	18,256,812	15,540,552
Gratuity	69,527,296	31,820,866	68,960,908	31,081,007
Staff Loan Expenses	20,604,202	14,695,622	20,604,202	14,695,622
Staff Training	7,301,944	1,150,987	7,301,944	1,150,987
	1,917,890,400	1,358,402,799	1,893,353,426	1,341,022,288

ESTABLISHMENT EXPENSES

Description	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Printing, Stationery and Consumables	57,164,724	31,244,277	55,647,061	30,707,003
Telephone & Postage	64,550,045	50,590,994	60,870,350	49,613,532
Rent	242,176,246	160,680,560	242,176,246	160,680,560
Maintenance of Premises	81,242,270	62,382,621	79,270,862	61,902,603
Audit Fees	5,071,996	2,990,800	4,880,000	2,798,800
Electricity Charges	62,747,190	43,046,194	61,985,596	42,554,781
Cost of piece rate works	663,050	245,330	663,050	245,330
Security Charges	49,051,230	42,487,218	48,143,207	41,648,499
Directors' Fees and Travelling	1,046,188	1,353,231	659,320	1,210,940
Kataragama circuit Bungalow Other Expenses	88,280	-	88,280	
Water Charges	22,026,144	14,090,447	21,887,919	14,007,755
Consultancy and Legal Fees	5,187,611	7,492,744	5,010,513	7,180,699
	591,014,974	416,604,417	581,282,404	412,550,502

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

OPERATIONAL EXPENSES

Description	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Depreciation of Fixed Assets	226,567,296	215,559,553	221,306,601	210,368,107
Motor Vehicle Maintenance	139,117,727	44,125,992	135,910,106	42,623,179
Hiring of Vehicles	10,034,579	5,987,248	10,034,579	5,987,248
Computer Maintenance	13,072,640	9,181,176	13,072,640	9,030,840
Maintenance of Office Equipment	19,639,963	9,453,901	19,639,963	9,453,901
News papers and periodicals	885,127	629,505	864,037	616,625
Bad Debtors	736,040	-	736,040	-
Loss of Sale on Fixed Assets	557,935	12,793	557,935	12,793
Medical Insurance	691,747	1,361,602	-	-
Miscellaneous Expenses	42,032,278	8,105,404	304,293	228,881
	453,335,333	294,417,173	402,426,195	278,321,573

Finance Expenses

Description	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Finance Charges	6,674,897	227,209	6,538,711	54,349
Interest Subsidy on Bank Loans	63,270	-	63,270	-
Interest Expenses on Leases	16,776,728	22,389,682	16,776,728	22,389,682
Interest on Migrant Workers' Contributions	1,382,315	546,229	1,382,315	546,229
	24,897,211	23,163,121	24,761,025	22,990,261

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

ADVERTISEMENT & PUBLICITY

Description	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Advertisement Expenses	9,273,734	4,467,197	9,206,058	4,467,197
Cost of TV Programmes	9,000,000	-	9,000,000	-
Cost of Radio Programmes	500,000	3,960,000	500,000	3,960,000
Awareness Programmes	1,900,547	57,820	1,900,547	57,820
	20,674,282	8,485,017	20,606,606	8,485,017

BUSINESS PROMOTION EXPENSES

Description	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Business Promotion	23,757,767	4,271,683	23,396,625	3,526,464
Market Promotional Activities	778,581	-	778,581	-
Receiving Delegation from Lab.Reci.Countries	93,360	-	93,360	-
Recruitment of Japan Programme	769,949	174,229	769,949	174,229
Ran Piyapath Programme	11,920,001	-	11,920,001	-
Expenses on Korean Projects and Recruitment	53,492,917	665,595	53,492,917	665,595
Recruitment of Israel Programme	563,188	-	563,188	-
Awarding Ceremony	689,574	-	689,574	-
Seminars and Workshops	1,383,450	1,300,327	1,383,450	1,300,327
	93,448,787	6,411,834	93,087,645	5,666,615

WELFARE OTHER EXPENSES

Description	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Training Activities	118,130,579	42,747,308	118,130,579	42,747,308
Cost of Insurance of Migrant Workers	444,490,978	96,341,802	444,490,978	96,341,802
Scholarship to Childrens' of Migrant Employees	3,335,411	86,468,292	3,335,411	86,468,292
Distribution of School Books	7,497,133	544,455	7,497,133	544,455
Sending Delegation to Labour Receiving Countries	4,092,897	-	4,092,897	-
Food,Medical & Other Expenses Migrant workers	26,976,694	27,915,832	26,976,694	27,915,832
Welfare Centre - Seeduwa	7,756,143	5,095,478	7,756,143	5,095,478
Conciliation & Other welfare work local and Foreign	454,295	83,050	454,295	83,050
Social Welfare Program for Migrant Workers	18,180,573	52,126,595	18,180,573	52,126,595
Housing Program for disabled Migrant Workers	2,122,656	600,000	2,122,656	600,000
Welfare Facilities to the Migrant Workers	7,597,320	8,055,522	7,597,320	8,055,522
Foreign Travel on Overseas Audit	5,774,119	-	5,774,119	-
Special Award of Funeral Expenses	10,520,000	9,820,000	10,520,000	9,820,000
Study Tours to Labour Receiving Countries	-	2,928,856	-	2,928,856
Medical Bill for Migrant Workers	4,707,549	11,796,171	4,707,549	11,796,171
International Migrant Day	-	-	25,351	-
Providing bus fair & Refreshment	665,445	1,105	665,445	1,105
Medical Camp to the Mig.Workers and their Families	629,118	-	629,118	-
Overseas Mission - other expenses	2,041,471	7,498,817	2,041,471	7,498,817
	664,972,379	352,023,282	664,997,730	352,023,282

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

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

	Description	2022			2021
		Bureau Rs.	WWF Rs.	Total Rs.	Rs.
6.1	Staff Costs				
	Salaries & Wages	854,872,059	362,967,926	1,217,839,985	878,849,567
	Staff Welfare	141,344,005	10,947,455	152,291,459	84,487,053
	E.P.F. & E.T.F.	113,383,848	5,967,571	119,351,419	116,100,456
	Reim. of Interest on Housing Loans	7,592,950	399,629	7,992,579	9,377,095
	Bonus	147,953,373	7,787,020	155,740,393	124,433,114
	Overtime	108,860,327	16,153,397	125,013,724	65,306,836
	Travelling	10,429,001	7,827,811	18,256,812	15,540,552
	Gratuity	65,512,863	3,448,045	68,960,908	31,081,007
	Staff Loan Expenses-SLFRS	20,604,202	-	20,604,202	14,695,622
	Staff Training	6,937,847	364,097	7,301,944	1,150,987
		1,477,490,475	415,862,951	1,893,353,426	1,341,022,288
	Establishment Expenses				
	Printing ,Stationery & Consumable	44,680,308	10,966,753	55,647,061	30,707,003
	Telephone & Postage	36,896,327	23,974,023	60,870,350	49,613,532
	Rent	35,830,286	206,345,960	242,176,246	160,680,560
	Maintenance of Premises	47,923,014	31,347,848	79,270,862	61,902,603
	Audit Fees	4,636,000	244,000	4,880,000	2,798,800
	Electricity	34,421,887	27,563,709	61,985,596	42,554,781
	Cost of piece rate work	472,530	190,520	663,050	245,330
	Security Charges	20,958,044	27,185,163	48,143,207	41,648,499
	Directors Fees & Travelling	626,354	32,966	659,320	1,210,940
	Kataragama circuit Bungalow Other Expenses	83,866	4,414	88,280	
	Water	3,217,700	18,670,219	21,887,919	14,007,755
	Consultancy & Legal Fees	4,458,177	552,336	5,010,513	7,180,699
		234,204,493	347,077,911	581,282,404	412,550,502
	Operational Costs				
	Depreciation of Fixed Assets	190,315,813	30,990,788	221,306,601	210,368,107
	Motor Vehicle Running Expenses	102,294,263	33,615,843	135,910,106	42,623,179
	Hiring of Vehicles	2,664,422	7,370,157	10,034,579	5,987,248
	Computer Running Expenses	12,154,851	917,790	13,072,640	9,030,840
	Maintenance of Office Equipment	15,318,304	4,321,659	19,639,963	9,453,901
	Newspapers & Periodicals	677,114	186,923	864,037	616,625
	Bad debtors	736,040	-	736,040	-
	Loss on Sale of Fixed Assets	-	557,935	557,935	12,793
	Miscellaneous Expenses	304,293	-	304,293	228,881
		324,465,099	77,961,095	402,426,195	278,321,573
	Finance Expenses				
	Finance Charges	3,115,388	3,423,323	6,538,711	54,349
	Interest Expenses on Leases	15,937,892	838,836	16,776,728	22,389,682
	Interest Subsidy on Bank Loans	-	63,270	63,270	-
	Interest on Migrant Workers' Contributions	-	1,382,315	1,382,315	546,229
		19,053,280	5,707,745	24,761,025	22,990,261

Description	2022			2021
	Bureau Rs.	WWF Rs.	Total Rs.	Rs.
6.1 Advertisement & Publicity				
Advertisements	8,724,475	481,583	9,206,058	4,467,197
Cost of T.V.Programmes	8,550,000	450,000	9,000,000	-
Cost of Radio Programmes	475,000	25,000	500,000	3,960,000
Awareness Programmes	1,473,108	427,439	1,900,547	57,820
	19,222,584	1,384,022	20,606,606	8,485,017
Business Promotion Expenses				
Business Promotion Mission	19,626,565	3,770,060	23,396,625	3,526,464
Market promotional Activities	-	778,581	778,581	-
Recruitment of Japan Programme	769,949	-	769,949	174,229
Publicity Programme	11,920,001	-	11,920,001	-
Receiving Delegation From Lab.Recr.Countries	93,360	-	93,360	-
Expenses of Korean project and Recruitment Expenses	53,492,917	-	53,492,917	665,595
Recruitment of Israel Programme	563,188	-	563,188	-
Awarding Ceremony	689,574	-	689,574	-
Seminars & Workshops	1,323,895	59,555	1,383,450	1,300,327
	88,479,449	4,608,196	93,087,645	5,666,615

Welfare Other Expenses	2022		2021
	WWF	Total	Rs.
Training Activities	118,130,579	118,130,579	42,747,308
Cost of Insurance of Migrant Workers	444,490,978	444,490,978	96,341,802
Scholarship to Children's of Migrant Employees	3,335,411	3,335,411	86,468,292
Distribution of School Books	7,497,133	7,497,133	544,455
Sending Delegation to Labour Receiving Countries	4,092,897	4,092,897	-
Food,Medical & Other Expenses Migrant workers	26,976,694	26,976,694	27,915,832
Welfare Centre - Seeduwa	7,756,143	7,756,143	5,095,478
Conciliation & Other welfare work local and abroad	454,295	454,295	83,050
Social Welfare Program for Migrant Workers	18,180,573	18,180,573	52,126,595
Housing Program for disabled Migrant Workers	2,122,656	2,122,656	600,000
Welfare Facilities to the Migrant Workers	7,597,320	7,597,320	8,055,522
Foreign Travel on Overseas Audit	5,774,119	5,774,119	-
Special Award Scheme of Funeral Expenses	10,520,000	10,520,000	9,820,000
Study Tours to Labour Receiving Countries	-	-	2,928,856
Medical Bill for Migrant Workers	4,707,549	4,707,549	11,796,171
Providing bus fair & Refreshment	665,445	665,445	1,105
Medical Camp to the Mig.Workers and Their Families	629,118	629,118	-
International Migrant Day	25,351	25,351	-
Overseas mission - other expenses	2,041,471	2,041,471	7,498,817
	664,997,730	664,997,730	352,023,282

Expenditure

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

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

Deferred Expenditure

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

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

7 FINANCE INCOME

Description	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Staff Loan Interest	38,989,959	32,309,816	38,918,228	32,218,384
Interest on SLFEA Loan	-	-	9,374	12,500
Interest on Savings	2,509,859	1,520,136	2,475,722	1,492,604
Interest on Fixed Deposit	1,859,517,822	504,627,590	1,846,759,499	498,923,736
	1,901,017,641	538,457,542	1,888,162,823	532,647,224

8 INCOME TAX

Description	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Current tax on profit for the year	1,735,345,044	(72,183,709)	1,727,644,278	(72,183,709)
Deferred Tax on Actuarial (loss)/Gain	-	(2,345,619)		(2,345,619)
Deferred Income Tax (release)/charge	(22,922,264)	(188,159,962)	(22,922,264)	(188,159,962)
	1,712,422,780	(262,689,290)	1,704,722,014	(262,689,290)

9 Intangible Asset **GROUP**
COST

Description	As at 01.01.2022	Additions/ Revaluations during the year	Amotization during the year	As at 31.12.2022	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 01.01.2022	Additions/ Revaluations during the year	Amotization during the year	As at 31.12.2022	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

10.1 RIGHT -OF-USE ASSETS

(a) Amounts recognised in the statement of financial position

GROUP

Description	Additions/ Revaluations during the year	Disposal	As at 31.12.2022	As at 01.01.2022
Land	-		89,225,533	89,225,533
Motor Vehicles	-	-	251,029,200	251,029,200
Total	-	-	340,254,733	340,254,733
Accumulated Depreciation				
Land	1,817,170		25,697,293	23,880,123
Motor Vehicles	50,205,839	-	154,675,791	104,469,951
Total	52,023,009	-	180,373,084	128,350,075
As at 31.12.2022			159,881,649	211,904,658

SLBFE

Description	Additions/ Revaluations during the year	Disposal	As at 31.12.2022	As at 01.01.2022
Land	-	-	89,225,533	89,225,533
Motor Vehicles	-	-	251,029,200	251,029,200
Total	-	-	340,254,733	340,254,733
Accumulated Depreciation				
Land	1,817,170	-	25,697,293	23,880,123
Motor Vehicles	50,205,839	-	154,675,791	104,469,951
Total	52,023,009	-	180,373,084	128,350,074
As at 31.12.2022			159,881,649	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	Rathnapura
2010	64,391,961	Homagama

Description	As at 01.01.2022	Additions/ Revaluations during the year	Disposals /Transfer of Depreciation during the year	As at 31.12.2022	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	32,203,347	-	2,002,673,916	1,970,470,568
Partitioning Works	56,582,754	1,037,641	-	57,620,395	56,582,754
Motor Vehicle	291,448,654	-	-	291,448,654	291,448,654
Furniture & Other Office Equipment	220,317,208	10,941,791	(1,170,057)	230,088,941	220,317,208
Wooden & Steel Furniture	196,007,082	5,059,544	(935,969)	200,130,658	196,007,082
Computers	289,018,108	37,435,442	(1,155,693)	325,297,857	289,018,108
Electrical Goods & Accessories	84,229,541	652,847	(17,895)	84,864,493	84,229,541
Sundry Equipment	2,356,509	-	-	2,356,509	2,356,509
Library Books	1,664,937	105,160	-	1,770,096	1,664,937
Training Equipments	69,801,756	900,000	(41,346)	70,660,410	69,801,756
Total	3,477,103,393	88,335,772	(3,320,960)	3,562,118,205	3,477,103,393
Accumulated Depreciation					
On Cost / Valuation					
Building	1,009,912,426	124,741,312	-	1,134,653,738	1,009,912,426
Partitioning Works	48,681,514	1,674,461	-	50,355,975	48,681,514
Motor Vehicle	262,529,062	12,712,304	-	275,241,366	262,529,062
Furniture & Other Office Equipment	193,416,664	12,384,897	(1,017,539)	204,784,022	193,416,664
Wooden & Steel Furniture	138,700,969	10,100,145	(466,858)	148,334,255	138,700,969
Computers	269,601,095	13,825,273	(1,023,860)	282,402,508	269,601,095
Electrical Goods & Accessories	83,307,863	477,583	(11,115)	83,774,331	83,307,863
Sundry Equipment	2,351,866	-	-	2,351,866	2,351,866
Library Books	1,663,467	13,437	-	1,676,904	1,663,467
Training Equipments	69,074,902	432,044	(41,274)	69,465,672	69,074,902
	2,079,239,826	176,361,456	(2,560,646)	2,253,040,637	2,079,239,826
Written Down Value	1,397,863,568			1,309,077,569	1,397,863,568

10.2 PROPERTY, PLANT AND EQUIPMENT - SLBFE

Description	As at 01.01.2022	Additions/ Revaluations during the year	Disposals during the year	As at 31.12.2022	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	156,897,539	-	-	156,897,539	156,897,539
Furniture & Other Office Equipment	140,498,713	5,577,271	(329,428)	145,746,556	140,498,713
Wooden & Steel Furniture	93,488,562	3,242,066	(31,819)	96,698,810	93,488,562
Computers	240,349,076	27,942,130	(705,390)	267,585,816	240,349,076
Electrical Goods & Accessories	84,083,088	519,543	-	84,602,631	84,083,088
Sundry Equipments	2,356,509	-	-	2,356,509	2,356,509
Library Books	1,620,102	105,160	-	1,725,261	1,620,102
Total	2,600,323,631	37,386,170	(1,066,636)	2,636,643,165	2,600,323,631
Accumulated Depreciation					
On Cost / Valuation					
Building	963,772,534	110,490,891	-	1,074,263,426	963,772,534
Partitioning Works	39,449,845	1,197,502	-	40,647,347	39,449,845
Motor Vehicle	156,850,662	19,430	-	156,870,092	156,850,662
Furniture & Other Office Equipment	118,008,180	10,650,462	(329,363)	128,329,280	118,008,180
Wooden & Steel Furniture	61,015,467	4,479,009	(31,800)	65,462,676	61,015,467
Computers	221,248,253	12,828,138	(601,799)	233,474,591	221,248,253
Electrical Goods & Accessories	83,234,893	431,104	-	83,665,997	83,234,893
Sundry Equipments	2,351,866	-	-	2,351,866	2,351,866
Library Books	1,618,662	13,437	-	1,632,099	1,618,662
Total	1,647,550,362	140,109,973	(962,962)	1,786,697,373	1,647,550,362
Written Down Value	952,773,269			849,945,791	952,773,269

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

Description	As at 01.01.2022	Additions/ Revaluations during the year	Disposals during the year	As at 31.12.2022	As at 31.12.2021
At Cost / valuation					
Land	209,567,480		-	209,567,480	209,567,480
Buildings	146,022,041	32,203,347	-	178,225,388	146,022,041
Partitioning Works	11,269,706	1,037,641	-	12,307,347	11,269,706
Motor Vehicles	117,810,440	-	-	117,810,440	117,810,440
Furniture & Other Office Equipments	66,672,062	3,222,489	(840,629)	69,053,922	66,672,062
Wooden & Steel Furniture	102,518,520	1,817,478	(904,150)	103,431,848	102,518,520
Computers	48,669,032	9,493,312	(450,303)	57,712,041	48,669,032
Electrical Goods & Accessories	146,453	133,304	(17,895)	261,862	146,453
Library Books	44,835	-	-	44,835	44,835
Training Equipment	69,801,756	900,000	(41,346)	70,660,410	69,801,756
Total	772,522,325	48,807,572	(2,254,324)	819,075,574	772,522,325
Accumulated Depreciation on Cost / Valuation					
Buildings	39,027,599	13,366,904	-	52,394,503	39,027,599
Partitioning Works	9,231,669	476,958	-	9,708,627	9,231,669
Motor Vehicles	99,783,296	8,531,624	-	108,314,920	99,783,296
Furniture & Other Office Equipments	62,921,588	1,518,507	(688,176)	63,751,918	62,921,588
Wooden & Steel Furniture	77,685,501	5,621,136	(435,058)	82,871,579	77,685,501
Computers	48,352,842	997,135	(422,060)	48,927,917	48,352,842
Electrical Goods & Accessories	72,970	46,479	(11,115)	108,334	72,970
Library Books	44,805	-	-	44,805	44,805
Training Equipment	69,074,901	432,044	(41,274)	69,465,672	69,074,901
Total	406,195,172	30,990,788	(1,597,683.78)	435,588,276	406,195,172
Written Down Value	366,327,154			383,487,299	366,327,154

10.3 Capital Work in Progress

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

Description	2022 SLBFE Rs.	2021 SLBFE Rs.
WIP - Mathugama	4,639,187	3,884,584
WIP - Homagama	736,740	736,740
Total	5,375,927	4,621,324

11 INVESTMENT IN SUBSIDIARIES

Sri Lanka Foreign Employment Agency (Private) Ltd

2022	2021	2022	2021
Group	Group	SLBFE	SLBFE
Rs.	Rs.	Rs.	Rs.
-	-	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

Distress Loans
Vehicle Loans
Festival Advances
Instant Loan to Staff
Pilgrimage Loan

2022	2021	2022	2021
Group	Group	SLBFE	SLBFE
Rs.	Rs.	Rs.	Rs.
325,379,923	254,405,442	320,524,660	252,805,714
66,520,144	67,982,251	66,520,144	67,982,251
212,900	259,456	212,900	208,456
3,826,900	865,875	3,826,900	865,875
-	28,600	-	28,600
395,939,867	323,541,623	391,084,604	321,890,895

Staff Loan- Long Term

289,571,002 233,155,099 284,715,739 231,555,371

Staff Loan-Short Term

106,368,866 90,386,524 106,368,866 90,335,524

395,939,867 323,541,623 391,084,604 321,890,895

12.2 Pre paid Staff Loan

Pre paid Distress Loans
Pre paid Vehicle Loans

2022	2021	2022	2021
Group	Group	SLBFE	SLBFE
Rs.	Rs.	Rs.	Rs.
122,753,469	-	122,753,469	68,900,068
16,017,377	-	16,017,377	10,884,780
138,770,846	-	138,770,846	79,784,849

13 FINANCIAL ASSETS

	2022	2021	2022	2021
Financial Assets	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Fixed Deposits - (Bureau/wwf/kuwait)	23,251,261,985	13,350,065,480	23,127,984,014	13,243,655,836
Calld Deposit	-	514,500,000	-	514,500,000
	23,251,261,985	13,350,065,480	23,127,984,014	13,758,155,836
Less : Matured within 3 month	-	(3,171,663,165)	-	(3,171,663,165)
	23,251,261,985	10,178,402,315	23,127,984,014	10,586,492,671
Short Term -Fixed Deposits	23,251,261,985	13,864,565,480	23,127,984,014	13,758,155,836
Less : Matured within 3 month	-	(3,171,663,165)	-	(3,171,663,165)
	23,251,261,985	10,692,902,315	23,127,984,014	10,586,492,671
Long Term-Fixed Deposits	-	-	-	-
	23,251,261,985	10,692,902,315	23,127,984,014	10,586,492,671

14 INVENTORIES

	2022	2021	2022	2021
Consumable Items	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
	16,054,361	9,313,467	15,781,946	9,041,052
	16,054,361	9,313,467	15,781,946	9,041,052

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

15 PREPAYMENTS & OTHER RECEIVABLES

Bureau

	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Cess Commission Receivables	192,500	192,500	192,500	192,500
Refundable Deposits	11,199,570	7,910,465	10,644,361	7,771,565
Other Receivables	118,856,824	107,965,714	105,629,068	102,784,210
Pre-payments	2,900,970	8,024,599	2,900,970	8,024,599
Salary Advances	51,971	40,971	39,971	40,971
Loan to SLFEA (Pvt) Ltd.	-	-	-	250,000
Receivable to Kuwait Fund	-	212,617,085	-	212,617,085
Advance Payment for Kahagolla land	20,034,475	20,034,475	20,034,475	20,034,475
Registration fee receivables	442,284	444,280	442,284	444,280
VAT recovery	2,459,015	2,459,015	-	-
Medical Insurance-staff	1,248,450	488,405	-	-
Advance Insurance	95,209	90,408	-	-
Sub Total	157,481,268	360,267,916	139,883,629	352,159,684
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	54,710,384	38,441,425	54,710,384	38,441,425
Amount Receivable from S/L Mission in Rome Italy	887,610	887,610	887,610	887,610
Commission Receivable SL Insur. Corporation	18,300,801	19,611,440	18,300,801	19,611,440
Rent Security Deposit-Mission	4,462,686	2,986,309	4,462,686	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	258,108	238,056	258,108	238,056
Fund Receivable from S/L Mission in Israel	845,070	914,167	845,070	914,167
Sub Total	950,725,717	934,340,064	950,725,717	934,340,064
Less: Specific Impairment Provision	(2,192,868)	(2,192,868)	(2,192,868)	(2,192,868)
	948,532,849	932,147,196	948,532,849	932,147,196

Total Prepayments & Other Receivables

1,106,014,117	1,292,415,113	1,088,416,478	1,284,306,881
----------------------	----------------------	----------------------	----------------------

16 CASH & CASH EQUIVALENTS

Bureau

Current Accounts - LKR

BOC Corporate Branch - 0000001650	(25,932,669)	30,260,816	(25,932,669)	30,260,816
Fund Managment With BOC-0088358459	228,895,357		228,895,357	
Peoples bank Battaramulla - 2081001151791068	49,683,005	13,488,470	49,683,005	13,488,470
Peoples Bank 119200163694176 (Narahenpita)	2,512	2,438	-	-
Peoples Bank 119100363694176 (Narahenpita)	25,032	102,602	-	-
Peoples Bank 119200253694176 (Narahenpita)	-	6,037	-	-
Peoples Bank A/C-100183694176	650,332	214,095	-	-
Peoples Bank A/C-100103694830(Narahenpita)	23,080,553	31,453	-	-
Peoples Bank Queens Branch-A/C-033402102466473	3,087,797	123,957	-	-
BOC A/C-9099724	53,441	53,841	-	-
BOC A/C-76882603	10,848,851	1,476,504	-	-
	290,394,212	45,760,213	252,645,694	43,749,286

Savings Accounts - LKR

NSB - Battaramulla - 100800442461	83,027,550	19,455,339	83,027,550	19,455,339
Saving Account- Peoples Bank	162,399	95,000	-	-
Saving Account- Peoples Bank	6,221		-	-
NSB-02-40494	196,563	190,373	-	-
	83,392,733	19,740,712	83,027,550	19,455,339

Cash in hand

5,000	8,233	-	3,233
5,000	8,233	-	3,233

Welfare Fund

Current Accounts - LKR

BOC Corporate Branch - 0000001672	19,228,682	19,266,615	19,228,682	19,266,615
Peoples Queens Branch - 033100161791068	-	-	-	-
	19,228,682	19,266,615	19,228,682	19,266,615

Current Accounts - Foreign Currency

BOC offshore Banking Unit - 0000002305	55,999,739	168,273,566	55,999,739	168,273,566
	55,999,739	168,273,566	55,999,739	168,273,566

Savings Account

Savings A/C 2620212743/0204200180097762 Siyatha	-	-	-	-
Savings A.C No.2620213079/0204200100097761 Videshika	-	-	-	-
A/C BOCA/C DFCA/USD/(73-394)-832	5,446,338	1,496,124	5,446,338	1,496,124
	5,446,338	1,496,124	5,446,338	1,496,124

Cash in Hand WWF-Local

Cash in Hand WWF-Overseas

467,969	446,234	467,969	446,234
-	697,871	-	697,871
467,969	1,144,106	467,969	1,144,106

SRI LANKA BUREAU OF FOREIGN EMPLOYMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As At 31 December 2022

147

	2022	2021	2022	2021
	Group	Group	SLBFE	SLBFE
	Rs.	Rs.	Rs.	Rs.
Cash & Bank Balance Foreign Missions	395,428,953	223,366,166	395,428,953	223,366,166
	395,428,953	223,366,166	395,428,953	223,366,166
Total Cash & Bank Balance	850,363,625	479,055,736	812,244,924	476,754,436
Investments to be matured within 03 months	-	3,171,663,165	-	3,171,663,165
	850,363,625	3,650,718,901	812,244,924	3,648,417,601

A cash shortage of Rs.1,149,258 was reported in the labour section of Abudhabi mission due to non banking of the collections by the officer incharge . A complain was made to CID for the Investigation this and take legal action on this matter.

A Cash shortage of Rs.1,828,596.51 was reportd in the Israel mission due to misuse of daily collection. NIS 21,300 equivalent to Rs.1,102,314.00 has recovered up to 31.12.2022

17 Prior Year Adjustment

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)	-	

NATURE OF THE ERROR	GROUP 2022-Rs.	BUREAU 2022 -Rs.	LINE ITEM AFFECTED
Payment relevant to previous year Insurance	1,387,000	1,387,000	Accumulated Fund & Insurance payable
Bank Balance Understatment	766,006	766,006	Accumulated Fund & Bank Account
Adjustment of under provision Expenses	187,186	-	
Balance as at 31.12.2022	2,340,192	2,153,006	

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

As At 31 December 2022

18 TAX PROVISION

18.1 DEFERRED TAX PROVISION

Opening balance as at 1st January
Add: Provisions for the year

2022	2021	2022	2021
Group	Group	SLBFE	SLBFE
Rs.	Rs.	Rs.	Rs.
(16,081,210)	172,078,752	(15,816,557)	172,343,405
(20,275,295)	(188,159,962)	(20,275,295)	(188,159,962)
(36,356,505)	(16,081,210)	(36,091,851)	(15,816,557)
(36,356,505)	(16,081,210)	(36,091,851)	(15,816,557)

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

2022	2021	2022	2021
Group	Group	SLBFE	SLBFE
Rs.	Rs.	Rs.	Rs.
(39,830,516)	169,530,386	(37,864,104)	171,496,799
32,674	34,319,606	32,674	34,319,606
1,735,345,044	(72,183,709)	1,727,644,278	(72,183,709)
1,695,547,202	131,666,283	1,689,812,848	133,632,695
(551,663,573)	(171,496,799)	(551,663,573)	(171,496,799)
1,143,883,629	(39,830,516)	1,138,149,275	(37,864,104)

18.3

	<u>Group</u>		<u>SLBFE</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit before tax	7,835,726,697	617,464,922	7,790,334,318	632,791,840
Income not liable for income tax	-	(5,731,386)	-	-
Adjusted Profit	7,835,726,697	611,733,536	7,790,334,318	632,791,840
Amount considered as Investment income	(1,901,027,014)	(532,647,224)	(1,888,162,823)	(532,647,224)
Disallowable expenses	297,456,643	247,263,012	291,561,484	241,461,906
Capital Allowances	(141,346,734)	(131,638,012)	(140,416,506)	(131,136,599)
Gratuity payments	(18,621,043)	(17,792,345)	(18,621,043)	(17,792,345)
Accounting profit on disposal of Fixed Assets	(214,987)	(15,800,999)	(214,987)	(15,800,999)
Assessable charges/Balancing allowance	87,877	15,978,003	87,877	15,978,003
Loss Claimable	-	(192,707,967)	-	(192,854,583)
Assessable Income from Business	6,072,061,439	(15,611,996)	6,034,568,320	(0)
Interest Income	1,577,079,108	567,957,915	1,564,235,207	562,229,196
Loss Claimable	-	(313,076,093)	-	(313,076,093)
Loss B/F	(15,333,539)	(5,303,239)		-
Investment Income	1,561,745,569	249,578,583	1,564,235,207	249,153,103
Qualifying payments	(1,200,000,000)		(1,200,000,000)	
Taxable Income/Loss	6,433,807,008	249,578,583	6,398,803,528	249,153,103
B/F Income tax overpaid				-
Income Tax on Taxable Income	1,735,345,044	25,477,139	1,727,644,278	25,477,139
Income Tax on Taxable Income (Kuwait Fund)	32,674	34,319,606	32,674	34,319,606

Deferred Tax Expenses/Income

	<u>2022</u>	<u>Group</u> <u>2021</u>	<u>2022</u>	<u>SLBFE</u> <u>2021</u>
Origination /(Reversal) of temporary differences				
Arising from Property, Plant and Equipment	978,944,211	1,064,621,410	978,945,211	1,064,621,410
Tax written down value	(841,773,124)	(900,214,395)	(841,773,124)	(900,214,395)
Provision for gratuity	(270,845,610)	(230,309,332)	(270,845,610)	(230,309,332)
Net differences	(133,674,523)	(65,902,317)	(133,673,523)	(65,902,317)
Tax charged at standard rate at 24%	(16,040,943)	(15,816,556)	(16,040,823)	(15,816,556)
Tax charged at standard rate at 30%	(20,051,028)	-	(20,051,028)	-
Provision for deferred tax	(36,091,971)	(15,816,556)	(36,091,851)	(15,816,556)

19 ACCRUALS AND OTHER PAYABLES

Bureau

	2022	2021	2022	2021
	Group	Group	Bureau	Bureau
	Rs.	Rs.	Rs.	Rs.
Deposit for salaries & Settlement of complaints	27,193,276	27,331,543	27,193,276	27,331,543
Retention Money Payable	44,490,054	43,262,281	44,490,054	43,262,281
Refundable Tender Deposit	5,641,059	1,942,185	5,641,059	1,942,185
Guarantee Money From Cashiers	25,000	25,000	25,000	25,000
Deposit for Korean Visa Fees	24,608,119	28,063,760	24,608,119	28,063,760
VAT	63,443,694	45,814,853	63,443,694	45,814,853
Sundry Creditors	44,709,154	18,530,135	10,584,959	6,953,197
Tender Creditors	142,868,453	90,992,317	142,868,453	90,992,317
Stamp Duty	142,825	115,150	142,825	115,150
Lease Liabilities Land	38,437,995	38,434,847	38,437,995	38,434,847
Amount Payable to Kuwait Fund	-	212,617,085	-	212,617,085
Social Security Contribution Levy	45,122,287	-	45,122,287	-
Payee Tax	504,697	-	504,697	-
Re-entry Korean charges	3,204,125	3,204,125	3,204,125	3,204,125
Collection of Air Ticket	6,167,799	8,596,253	6,167,799	6,023,188
Incentive of japan Programme	51,571,130	6,309,661	51,571,130	6,309,661
Deposit of Isral Placement Bureau	3,528,288		3,528,288	
Israel Traning Programme of care Giving	74,750		74,750	
Unpresented Cheque	83,310	83,310	-	-
Other Payable	-	3,275,070	-	-
Death claim payable	6,289,993	7,089,993	-	-
Korean Contracts	15,440,000	15,890,000	-	-
Israel deposit	15,100,000	15,100,000	-	-
Insurance payable	160	160	-	-
Advance Account	-	958		
Advance Recruitment Fee	2,621,056	215,000		
Sub Total	541,267,221	566,893,685	467,608,507	511,089,191

Welfare Fund

Insurance claim received & payable to claimants	46,708,098	55,788,863	46,708,098	55,788,863
Insurance Claim Payable (Union Insurance)	5,100,937	3,850,978	5,100,937	3,850,978
Refundable Deposit Female Domestic Wokers	1,306,502,858	705,423,013	1,306,502,858	705,423,013
Refundable Tender Deposit	10,376,797		10,376,797	
Refundable Deposit Cyprus	9,300,000	10,200,000	9,300,000	10,200,000
Safe Accounts – Overseas	81,728,897	58,930,107	81,728,897	58,930,107
Deposit for Repatriation Cost	37,301,213	21,516,713	37,301,213	21,516,713
Deposit for Kuwait Insurance	15,460	15,460	15,460	15,460
Sub Total	1,497,034,259	855,725,134	1,497,034,259	855,725,134

Total Accruals and Other Payables

2,038,301,480	1,422,618,819	1,964,642,766	1,366,814,325
----------------------	----------------------	----------------------	----------------------

As At 31 December 2022

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. During the year SLBFE paid Rs.1,200 Million to the Consolidate Fund.

21 RELATED PARTY DISCLOSURE

Details of significant related party disclosures are as follows:

21.1 Transactions with related entities

SLBFE

As At 31.12.2022 As At 31.12.2021
Rs Rs

(i) Loan balance receivable from Sri Lanka Foreign Employment Agency (SLFEA)

250,000

(ii) 70% Agency commissions paid to SLFEA

2,152,500

1,165,500

(iii) The Licensees of the following Foreign Employment Agencies served as board members of the Sri Lanka Bureau of Foreign Employment in year 2022. 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-2022	Recivable as at 31.12.2022
Mr.W.S.H.Sapumohotti - Emerald ISLE Manpower & Travel Service	409,500	16,768,500	1,973,693	173,162
Mr.M.F.M.Arshad - Ibrahim Enterprises	333,710	8,032,500	3,837,067	(5,214)
Mr.A.L.A.Hazaam-Al Akeem Enterprises	10,500	7,234,500	4,463,369	1,775,015
Mr.M.R.M.Fazly-Trans Gulf Kurunegala	850,500.0	18,669,000	21,060,393	1,546,063

SLFEA

21.2 Transactions with Key Management Personnel

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

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

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 2022

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.
89883354	BOC	100,284,931.50
204-60-01-000304290	Peoples Bank	49,066,952.05
SMIB-IFD-001203	SMIB	110,102,846.30
SMIB-IFD-001201	SMIB	18,405,600.70
SMIB-IFD-001200	SMIB	18,506,104.95
		296,366,435.50

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.

24 Events after the end of Reporting Period

Sri Lanka Bureau of Foreign Employment paid Rs.3,000,000,000 to the consolidated Fund during the month of January 2023 as per the request made by the Department of Public Enterprises General Treasury.

Auditor General's Report

VOT/C/SLBFE/FA/01/22/01

July 2023

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 subsidiaries for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Bureau of foreign Employment and its subsidiary ("Group") for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 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 report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements of the Bureau and the Group give a true and fair view of the financial position of the Bureau and the Group as at 31 December 2022 and of their financial performance and their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) Although paragraph 32 of Sri Lanka Accounting Standard 1 requires an entity not to offset assets and liabilities except when required or permitted by a standard, due to the deduction of the unfavorable balance of Rs.25,932,669 in the current account by cash and cash equivalents, the cash and cash equivalents was understated by that amount as at 31 December 2022.
- (b) Although the current assets and non-current assets should be distinguished according to paragraph 60 of Sri Lanka Accounting Standard 1, the interest income to be received at the amount of Rs. 2,089,671,823 as at 31 December 2022 and the value of fixed deposits at the amount of Rs. 21,038,312,191 had been stated in the statement of the financial position under the non-current assets as a total of Rs. 23,127,984,014 without distinction among current and non-current assets.
- (c) Even though, only unrealized losses and gains arising from changes in exchange rates of foreign currencies should be recognized as cash flows according to paragraph 28 of Sri Lanka Accounting Standard 7. The bureau had adjusted the total foreign exchange gain of Rs.1,606,547,459 to the profit before tax when calculating the cash flows generated by the operational activities.
- (d) The amount of Rs. 209,375,755 which was not included in other creditors in the statement of financial position had been adjusted while adjusting working capital change in cash flow generated from operating activities.
- (e) The purchases and sales of investments should be shown as cash inflows and cash outflows in the statement of cash flows, under investing activities, but it had been stated the difference between the opening and closing balances of the investments in the year.
- (f) **The** deferred tax assets were understated by Rs.4,010,206 in the statement of financial position due to the deferred tax has not been calculated as per the tax rate at the end of the reporting period according to the paragraph 47 of Sri Lanka Accounting Standard

12. Accordingly, although the income tax for the year was Rs.1,700,711,809, the calculated tax value was Rs.1,704,722,015.

- (g) Although the property, plant and equipment items should be revalued every 03 or 05 years according to paragraph 34 of Re Lanka Accounting Standard 16, the fair value of fixed assets was not reflected in the financial statements as the Bureau had not carried out revaluation of the assets after 2010.
- (h) Assets costing of Rs.1262.16 million were fully depreciated but continued to be in use due to not conducting annual review of residual value and useful life of assets in accordance with paragraph 51 of Sri Lanka Accounting Standard 16. Accordingly, the estimated error on the useful life of the assets had not been revised in accordance with Sri Lanka Accounting Standard 8.
- (i) An amount of Rs.2,846,025 payable to the Tertiary and Vocational Education Commission had not been accounted for the period from 2017 to 2022 for the printing of National Vocational Qualification Certificates (NVQ) issued to migrant workers.
- (j) The amount of Rs. 44,490,054 had been stated in the financial statements as retention money payable as at 31 December 2022 ,that balance was accounted at the amount of Rs. 3,172,467 in the department of procurement. Therefore, the retention money had been over stated by Rs. 41,317,857 in the statement of financial position.
- (k) The foreign exchange gain had been understated by Rs.5,581,297 due to non-recognition of foreign exchange gain or loss during the maturity and reinvestment of fixed deposits related to Labor Welfare Fund and Kuwait Compensation Fund as per the prevailing foreign exchange rate on that day and the surplus for the year also had been understated by that amount due understatement of exchange gain of the year under review.
- (l) It had not been possible to confirm the balances of 1576 creditor balances with a total value of Rs.376,748,580 as mentioned in the financial statements that payable to foreign employment agencies.

- (m) The amount of Rs. 3,708,962 which had been paid already, was included in the payable balances of welfare fund in the financial statement and the balances of the accruals and other payables had been overstated by that amount due to above amount including in the repatriation deposits.
- (n) The amount of Rs.2,951,091 incurred by the Bureau as air fares of 14 expatriates who worked in Kuwait in the year 2020 had been stated in the statement of financial position to be paid instead of matching to the consolidated fund during the reimbursement from the Gulf Insurance Company in the year 2021.
- (o) Although a commission of 15 percent is to be received as administrative expenses to the bureau, according to paragraph 4 of the agreement reached with the Sri Lanka Insurance Corporation for the free insurance provided to the workers who are registered with the Foreign Employment Bureau of Sri Lanka, the income and receivables for the year had been understated by that amount due to that the insurance commission of Rs.60,267,876 to be received from the Sri Lanka Insurance Corporation had not accounted for out of the premium amount of Rs.444,490,978 paid for the year 2022.
- (p) The written evidence were not submitted to the audit in relation to the verification of the balances related to the deposit of Rs.1,000,000 in the People's Bank and the balance of Rs.869,955,802 stated as receivable from the General Treasury for the purpose of providing loans to expatriate workers as stated under other receivables in the statement of financial position of the year under review.
- (q) The financial statements had not been prepared so that the income and expenditure of the Labour welfare fund could be identified separately according to the recommendations of the Committee of public enterprises held on 08 December 2022. Furthermore, the information was not submitted to the audit in related to Rs. 1,512,657,528 which was stated as receivable from the welfare fund under current assets in the statement of financial position of the bureau.

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 opinion.

1.3 Other information included in the Group's 2022 Annual Report.

The other information comprises the information included in the 2021 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 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management

either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Bureau and the Group are required to maintain proper books and records of all their income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Bureau and 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 skepticism 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 internal control of the Bureau and the Group.

- 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's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 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 requirements of 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.

Reference to law/ direction	Observation
(a) Sri Lanka Bureau of Foreign Employment Act No. 21 of 1985.	
(i) Section 17(2) and Section 45(2)	The revenue of the Bureau which should have been collected in the Bureau fund had been collected in the Workers Welfare Fund, contrary to the provision of the Act. The sum of those revenues was Rs.3,494,022,254 In the year under review.
(ii) Section 17(3) and Section 48(1)	A sum of Rs.684,351,761 had been paid from the Labor Welfare Fund for the salaries and other allowances related to the Bureau staff assigned for the service of the foreign missions during the year under review, which have been to paid from the Bureau Fund, contrary to the provision of the Act.
(b) Section xi of the Finance Act No. 38 of 1971 and Section 6.1(ii) of Public Enterprises Circular No. 01/2021 dated 16 November 2021	i. The amount of Rs.21,038,312,191 had been invested in fixed deposits of the year under review as at 31 December without obtaining the approval of the Minister of Finance and the Minister concerned. ii. The financial authority has been delegated to the Chairman, General Manager and Additional General Managers for transfer, withdrawal and investment of funds in fixed deposits According to the internal

instruction paper of the Deputy General Manager (Finance) No. 01/2022 dated 01 January 2022 but it had not been enforced the financial limitations. Accordingly, it was revealed during the sample check carried out by the audit that the one-time money transfers and investments in fixed deposits taken high value in the range of Rs. 10 million to Rs. 250 million.

(c) Public Administration Circular No. 30/2008 dated 31 December 2008 and Letters dated 14 October 2021 and 10 February 2022 of the Department of Public Enterprises.

The Bureau had taken action to pay 12 times the gross salary including allowances as distress loan on the basis of a board decision taken in the year 2002, contrary to the circular and a total of Rs. 67,673,231 had been paid as distress loan to 525 officers by exceeding the limit during the year under review. Furthermore, a total amount of Rs. 3,826,900 had been paid as instant loan to 107 officers equivalent to an officer's monthly salary under the interest rate of 4.2 percent as at 31 December of the year under review.

(d) Section 12 of Chapter XLV(III) of the Establishment Code.

Although disciplinary investigation was being conducted against two officers working in the Bureau, contrary to the provisions of the Establishment Code, they had been recruited for the positions of adviser and first secretary respectively in the countries of Dubai and Kuwait to work in the welfare department of foreign missions in the year 2021.

(e) Public Enterprises Circular No.

Although the financial statements are to be submitted

by delaying 52 days.

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.

**Reference to the Powers,
Duties and Functions of the
Bureau.**

Non-Compliance

(a) Section 15 (a), (o), (p) of
the Sri Lanka Bureau of
Foreign Employment Act

Action had not been taken to establish and maintain an information data bank until the end of the year under review.

(b) Section 31 (1) of the Sri
Lanka Bureau of Foreign
Employment Act

Despite the fact that 04 licensed agencies have gone through blacklisting during the period from 2015 to 2022 and although 315 complaints have been received to those agencies, the management had not taken action to cancel the licenses of those agencies.

(c) Chairman's Circular No.
01/2020 dated 14
January 2020.

- i. An officer of the Bureau, had been appointed to the post of Counselor in the Labor Welfare Section of the Dubai Embassy who had been a member of the interview panel and had rejected applications for foreign mission service based on the circular conditions.
- ii. An applicant who did not meet the minimum age limit to apply according to the circular and did not meet the required qualifications had been recruited

for the post of Counselor in the Welfare Section of the Singapore Embassy.

- 2.2.4 to state that the resources of the Bureau had not been procured and utilized 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 Labor Welfare Fund had allocated Rs. 9,600,000 to build 04 houses in the period from 2019 to 2022 for the construction of houses worth one million for fully disabled immigrants, the construction of 03 houses had not been completed by 31 December 2022 and an amount of Rs. 2,222,650 had been spent.
- (b) In the compensation fund given to Sri Lanka by the United Nations Compensation Commission to compensate those who lost their jobs in the Gulf War in 1990 and 1991, although the compensation should end on 31 December 1994, the amount of Rs. 251,453,848 should have to be paid as compensation to 948 people by 31 December 2022. This compensation fund has been invested as fixed deposits and earned an income of Rs.4,960,937,306 for the period from 1997 to 2022 and the compensation fund had been at Rs.5,212,391,154 as at 31 December 2022. However, these compensations had not been paid to those who were to be compensated even by 31 December 2022.
- (c) An expatriate worker applied for compensation from the Kuwait Compensation Fund on 19 November 2007 and all documents were approved by the Compensation Recommendation Committee and in spite of submitting evidence to confirm that he served in Kuwait during the Kuwait War in 1991, action had not been taken in this regard even though 15 years have passed since the application for compensation was submitted in the year under review.

- (d) Although the bureau stated that the housing loan schemes are being implemented by custodian of 07 fixed deposits total of Rs.397,366,435 belong to the Bureau as bank guarantees, the information in relating to the progress was not submitted to the audit.
- (e) The recommendations had been given to prepare a formal procedure according to the instructions of the Department of Management Services regarding the method of selecting officers for foreign missions by the meeting of the public Enterprises held on 18 January 2023, the procedure had approved on 17 January 2023, but it had been rejected by the bureau stating that there were deficiencies.
- (f) The period of the memorandum of understanding had expired on 29 September 2019 which was signed by the government intervened in relation to the sending of Sri Lankan workers to the South Korea under the Employment Permit System and 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 according to the agreement. But the agreement had not been updated by 27 June 2023. The number of 20,667 workers had referred for employment by the bureau in the last 6 years under this agreement.
- (g) Total amount of Rs. 47,719,684 had been spent for acquiring land in Homagama and Kahagolla on lease basis and Rs. 46,000,000 has paid as advance payment of and Rs. 1,719,680 has paid as other expenses. Due to the idleness of the respective lands, other institutions were taking action to reacquire the said lands, but the Bureau had not taken action to recover the advance amount paid.
- (h) Although Rs.302,112,904 and Rs.153,686,495 had been spent for the construction of buildings at Tangalle and Matugama Migrant Resource Centers respectively, the Bureau had failed to legally take over the ownership of the land..
- (i) Action had not been taken to recover the amounts which had been occurred by the irregularity of Rs.1,149,258 done by a staff member of the labor welfare section of the Abu Dhabi Embassy and the misappropriation of Rs.3,638,368 done by a Bureau Manager ,although 9 years have passed by the end of the year under review.
- (j) A qualified third secretary was not appointed until 20 June 2023 after the official who served as Third Secretary of the Labor Welfare Section of the Embassy of Oman was suspended due to irregularities and arrived in Sri Lanka on 29 November 2022. An

immediate action had not been taken to appoint another officer instead although the ambassador informed the chairman on 31 January 2023 that the guardian of the care home has not maintained the documents related to the care home, who has been accused in the embassy.

- (k) Although An amount of Rs. 21,649,779 recovered after investigating the complaints received by the Special Investigation Unit of the Bureau in relation to the period from 2012 to 2022, by the people who defrauded the money to be paid to the complainants and from the employment agencies, had been retained in the account of the Bureau without being paid to the complainants. There were Rs. 20,079,603 balances from a period between 2 years and 09 years. The audit revealed that the reason for this was, the complaints were completed without informing the complainants that the money had been received.
- (l) The amount of Rs. 47,995,092 had received from Sri Lanka Insurance Corporation for death compensation to 157 expatriate workers who died from 2016 to 2022 had been stated in the welfare fund as payables. Furthermore, the Welfare Division did not have information related to the 81 claims at the amount of Rs. 22,539,765 which had been received by the Accounts Division for the period from 2018 to 2022 due to the lack of coordination between the Accounts Division and the Welfare Division and The information had not been in the accounts department in related to Rs. 4,282,435 for 9 death compensations received to the welfare department.
- (m) The money they own and received from the resident they worked was deposited in the safe account at the time of accepting the workers to the safe houses and should be paid after arriving in Sri Lanka. But the balance of Rs. 81,728,897 had been retained in that account without paying as at 31 December 2022.
- (n) The bureau had signed a memorandum of understanding for 5 years to jointly implement a home loan program with the Sri Lanka Samurdhi Authority according to the decisions of the Ministers of Cabinet dated 24 January 2013 and the Bureau had paid an amount of Rs. 100,000,000 on 08 March 2013 to the Samurdhi Authority and the amount had deposited in a fixed deposit in the name of Samurdhi Authority. The information about

the loan according to the project was not submitted to the audit although the validity period of the MoU has ended on 07 March 2018 and the interest income had not been received from the year 2014 until to the year under review.

- (o) Action had not been taken to repay the balance of Rs. 1,451,490 which had been deposited on 08 November 2019 for return the person to Sri Lanka a labour who had an accident in South Korea even though 3 years have lapsed.

W.P.C. Wickramratne

Auditor General

Chairman's Observations on Auditor General's Report

Report of the Auditor General pursuant to Section 12 of the National Audit Act No. 19 of 2018 on the financial statements and other
legal and regulatory requirements of the Sri Lanka Bureau of Foreign Employment for the year ended 31 December 2022
(Final Report)

Report of the Auditor General	Comments of the Mnagement
1.2 Basis for Qualified Opinion. (a) Although paragraph 32 of Sri Lanka Accounting Standard 1 requires an entity not to offset assets and liabilities except when required or permitted by a standard , due to the deduction of the unfavorable balance of Rs.25,932,669 in the current account by cash and cash equivalents, the cash and cash equivalents was understated by that amount as at 31 December 2022.	A fund management account is upheld at the Bank of Ceylon, predicated on the current balance of account number 1650. In the event of an adverse balance in this account, it is offset by the balance in the fund management account, ensuring that such occurrences are precluded. The valuation of cash and cash equivalents has not been subtracted, as the pertinent balance is determined on the grounds of existing funds within the same account, and meticulous accounting practices have been maintained.
(b) Although the current assets and non-current assets should be distinguished according to paragraph 60 of Sri Lanka Accounting Standard 1, the interest income to be received at the amount of Rs. 2,089,671,823 as at 31 December 2022 and the value of fixed deposits at the amount of Rs. 21,038,312,191 had been stated in the statement of the financial position under the non-current assets as a total of Rs. 23,127,984,014 without distinction among current and non-current assets.	The interest income receivable constitutes a component of financial assets and is distinct from other income receivable. Consequently, the presentation of interest income receivable as part of financial assets has been consistently maintained in all preceding years. Furthermore, it is delineated in the statement of financial position under current assets, given that the fixed deposit's maturity period does not exceed one year in compliance with Section 60 of Sri

	Lanka Accounting Standard 1. In accordance with this, the Bureau has accurately recorded the measurement in its accounts.
(c) Even though, only unrealized losses and gains arising from changes in exchange rates of foreign currencies should be recognized as cash flows according to paragraph 28 of Sri Lanka Accounting Standard 7., the bureau had adjusted the total foreign exchange gain of Rs.1,606,547,459 to the profit before tax when calculating the cash flows generated by the operational activities.	Efforts will be undertaken in 2023 to address and rectify the observations outlined in the audit report, with the aim of preparing accurate cash flow statements.
(d) The amount of Rs. 209,375,755 which was not included in other creditors in the statement of financial position had been adjusted while adjusting working capital change in cash flow generated from operating activities.	Efforts will be made in 2023 to prepare the cash flow statements by addressing and correcting the observations highlighted in the audit report.
(e) The purchases and sales of investments should be shown as cash inflows and cash outflows in the statement of cash flows, under investing activities, but it had been stated the difference between the opening and closing balances of the investments in the year.	In 2023, steps will be taken to prepare the cash flow statements by addressing and rectifying the observations identified in the audit report.
(f) The deferred tax assets were understated by Rs.4,010,206 in the statement of financial position due to the deferred tax has not been calculated as per the tax rate at the end of the reporting period according to the paragraph 47 of Sri Lanka Accounting Standard 12. Accordingly, although the income tax for the year was Rs.1,700,711,809, the calculated tax value was Rs.1,704,722,015.	In the current fiscal year's computation of deferred tax asset/liability, the calculation for the deferred tax asset was based on a tax rate of 24% for the first half-year and 30% for the latter half-year. This methodology mirrored the changes in income tax rates throughout the year 2022. However, in accordance with LKAS 12 standards, deferred tax should be computed using the year-end tax rate. Consequently, the recorded amount for deferred tax assets is understated by Rs. 4,010,206. This discrepancy represents an error in tax allocation for the current year, and

appropriate corrections will be made in the subsequent year.

The reported value of Rs. 26,932,469/- as deferred income tax exemption in the audit query necessitates correction, as follows. Additionally, the value of Rs. 1,700,711,809 listed as income tax in the audit query requires the following correction. Consequently, the variance should be Rs. 4,010,206/=.

<u>As per Note no.08</u>	Rs.
Deferred Tax on Actuarial (Loss/Gain)	2,646,968.00
Deferred Income Tax (release)/Charges	<u>(22,922,264.00)</u>
	(20,275,296.00)
Deferred tax adjustment as per audit query	<u>(4,010,206.00)</u>
Total differed tax as at 31.12.2022	<u><u>(24,285,502.00)</u></u>

<u>As per Note no.08</u>	Rs.
Current tax on profit for the year	1,727,644,278.00
Deferred Tax on Actuarial (Loss/Gain)	2,646,968.00
Deferred Income Tax (release)/Charges	<u>(22,922,264.00)</u>
	1,707,368,982.00
Deferred tax adjustment as per audit query	<u>(4,010,206.00)</u>
Corrected income tax for the year	<u><u>1,703,358,776.00</u></u>

It has been highlighted that there is a discrepancy of Rs. 2,646,968 between the computed income tax, as per Note No. 8, and the

	income tax value presented in the income statement. This variance is accounted for under other comprehensive income as deferred tax on actuarial valuation and has not been taken into consideration in the audit.
(g) Although the property, plant and equipment items should be revalued every 03 or 05 years according to paragraph 34 of Re Lanka Accounting Standard 16, the fair value of fixed assets was not reflected in the financial statements as the Bureau had not carried out revaluation of the assets after 2010.	Despite efforts to engage the services of the government assessor for this valuation, it proved ineffective. Consequently, steps will be taken to enlist the assistance of an external party, and this process is expected to be concluded within the current year. Meanwhile, the Technical Evaluation Committee is actively assessing the submitted bids.
(h) Assets costing of Rs.1262.16 million were fully depreciated but continued to be in use due to not conducting annual review of residual value and useful life of assets in accordance with paragraph 51 of Sri Lanka Accounting Standard 16. Accordingly, the estimated error on the useful life of the assets had not been revised in accordance with Sri Lanka Accounting Standard 8.	The Bureau possesses significant fixed assets at both the head office and branch offices. It is important to note that the procurement process for asset valuation has commenced, and activities are in progress to engage a recognized institution for this purpose. Concurrently, the Technical Evaluation Committee is actively assessing the submitted bids. Following the valuation process outlined above, relevant accounting adjustments will be implemented.
(i) An amount of Rs.2,846,025 payable to the Tertiary and Vocational Education Commission had not been accounted for the period from 2017 to 2022 for the printing of National Vocational Qualification Certificates (NVQ) issued to migrant workers.	On May 4, 2023, the institute notified the Bureau that a payment of Rs. 1,501,875 is due to the Tertiary and Vocational Education Commission for the printing of National Vocational Qualification Certificates (NVQ). Since the final accounts were prepared by the relevant date and this information was received post-submission, it is not feasible to include notes in the accounts for the year 2022.

	The necessary steps will be taken to account for this in the year 2023. Consequently, this does not constitute an accounting deficiency, and the bureau has maintained proper accounting practices.
(j) The amount of Rs. 44,490,054 had been stated in the financial statements as retention money payable as at 31 December 2022 ,that balance was accounted at the amount of Rs. 3,172,467 in the department of procurement . Therefore, the retention money had been overstated by Rs. 41,317,857 in the statement of financial position.	The sum of Rs. 44,490,054 has been recorded in the account as retention money for construction contracts from 2011 to 2022, consistent with the terms of the contractual agreement. Release of the retention money is contingent upon adherence to the contract terms. Although the audit indicates a payable retention balance of Rs. 18,142,998, it should be accurately reflected as Rs. 3,172,467.38, as the relevant institute has not fulfilled its obligations according to the agreement. In 2023, measures will be taken to account for the income from the remaining amount of Rs. 41,317,586.62.
(k) The foreign exchange gain had been understated by Rs.5,581,297 due to non-recognition of foreign exchange gain or loss during the maturity and reinvestment of fixed deposits related to Labor Welfare Fund and Kuwait Compensation Fund as per the prevailing foreign exchange rate on that day and the surplus for the year also had been understated by that amount due understatement of exchange gain of the year under review.	The foreign exchange profit recorded by the Bureau is accurate.
(l) It had not been possible to confirm the balances of 1576 creditor balances with a total value of Rs.376,748,580 as mentioned in the financial	As of December 31, 2022, the balance confirmation letters have been dispatched.

statements that payable to foreign employment agencies.	
(m) The amount of Rs. 3,708,962 which had been paid already, was included in the payable balances of welfare fund in the financial statement and the balances of the accruals and other payables had been overstated by that amount due to above amount including in the repatriation deposits.	Efforts are underway to resolve these balances and rectify accounting errors.
(n) The amount of Rs.2,951,091 incurred by the Bureau as air fares of 14 expatriates who worked in Kuwait in the year 2020 had been stated in the statement of financial position to be paid instead of matching to the consolidated fund during the reimbursement from the Gulf Insurance Company in the year 2021.	The corrections have already been implemented.
(o) Although a commission of 15 percent is to be received as administrative expenses to the bureau, according to paragraph 4 of the agreement reached with the Sri Lanka Insurance Corporation for the free insurance provided to the workers who are registered with the Foreign Employment Bureau of Sri Lanka, the income and receivables for the year had been understated by that amount due to that the insurance commission of Rs.60,267,876 to be received from the Sri Lanka Insurance Corporation had not accounted for out of the premium amount of Rs.444,490,978 paid for the year 2022.	According to the agreement between the Sri Lanka Insurance Corporation and the Sri Lanka Bureau of Foreign Employment, a commission of 15% of the insurance premium is paid to the Bureau for administrative purposes. The audit noted a commission amount of Rs. 60,267,876, but this should be corrected to Rs. 25,562,964.93, as confirmed on July 5, 2023. The absence of a specific confirmation for this value until that date led to its exclusion as income and a receivable balance in the financial statements. As tax payment is contingent on the stated amount, it has not been accounted for due to the lack of specific identification.

(p) The written evidence were not submitted to the audit in relation to the verification of the balances related to the deposit of Rs.1,000,000 in the People's Bank and the balance of Rs.869,955,802 stated as receivable from the General Treasury for the purpose of providing loans to expatriate workers as stated under other receivables in the statement of financial position of the year under review.	An outstanding balance of Rs. 1,000,000 related to miscellaneous deposits with People's Bank has been reflected since before the year 2011. In 2016, the Bureau credited an unidentified balance of Rs. 8,484,160.58 with People's Bank to income, as approved by the board of directors. It has been verified that the outstanding balance corresponds to the aforementioned amount. Consequently, relevant accounting adjustments will be made in the year 2023, and this has been accounted for as of September 30, 2023. On August 22, 2023, a letter, bearing the signature of the General Manager, was sent to the Department of Public Enterprises addressing the matter of Rs. 869,955,802.00.
(q) The financial statements had not been prepared so that the income and expenditure of the Labour welfare fund could be identified separately according to the recommendations of the Committee of public enterprises held on 08 December 2022. Furthermore, the information was not submitted to the audit in related to Rs. 1,512,657,528 which was stated as receivable from the welfare fund under current assets in the statement of financial position of the bureau.	The Bureau was established as a legal entity through the Bureau Act No. 21 of 1985, which outlines the creation of a Bureau Fund under Section 17 and a Workers Welfare Fund under Section 45. Accounts are prepared in consolidation under the name of the Bureau, treating it as one legal entity. Consequently, a single ledger is maintained for Bureau accounting, encompassing accounts related to the Bureau Fund and Welfare Fund. This approach facilitates the preparation of a balanced consolidated balance sheet. In a similar vein, a credit balance of Rs 1,512,657,528/- appears as the discrepancy in the trial balance when prepared for the welfare fund. Despite the requirement for two separate trial balances for

	audit purposes, the Bureau maintains only one trial balance as per its ledger accounts. The resulting balance is unavoidable when preparing separate trial balances, and it is acknowledged in the memorandum account balance note. This amount is denoted as receivable to the Bureau Fund and payable to the Welfare Fund, contributing to the balance when consolidated. This balance represents funds remitted by the Bureau Fund to the Welfare Fund in necessary cases, and the aforementioned amount is considered an outstanding balance to the Bureau from the Welfare Fund since the inception of the Bureau.
2. Report on Other Legal and Regulatory Requirements. Reference to law/ direction Observation	

(a) Sri Lanka Bureau of Foreign Employment Act No. 21 of 1985 (i) Section 17(2) and Section 45(2)	The revenue of the Bureau which should have been collected in the Bureau fund had been collected in the Workers Welfare Fund, contrary to the provision of the Act. The sum of those revenues was Rs.3,494,022,254 In the year under review.	(i) These accounts are maintained in accordance with the Bureau Act and Cabinet approval No. 98/783/32/017 dated 03.06.1998 and as per the Accounting Circular No. 01 OF 1999 issued by the Ministry of External Affairs.
(ii) Section 17(3) and Section 48(1).	A sum of Rs.684,351,761 had been paid from the Labor Welfare Fund for the salaries and other allowances related to the Bureau staff assigned for the service of the foreign missions during the year under review, which have been to paid from the Bureau Fund, contrary to the provision of the Act.	(ii) It has been inquired by the Department of Public Enterprises, whether the accounting should be conducted according to the provisions mentioned in the circular further or whether it should be withdrawn.
(b) Section xi of the Finance	(i) The amount of Rs.21,038,312,191 had been	(b) It may invest in fixed deposits and realize in accordance with the financial authority assigned to the Chairman by the Board of Directors according to Section 16 of the Bureau Act. Accordingly,

Act No. 38 of 1971 and Section 6.1(ii) of Public Enterprises Circular No. 01/2021 dated 16 November 2021.

invested in fixed deposits of the year under review as at 31 December without obtaining the approval of the Minister of Finance and the Minister concerned.

(ii) The financial authority has been delegated to the Chairman, General Manager and Additional General Managers for transfer, withdrawal and investment of funds in fixed deposits According to the internal instruction paper of the Deputy General Manager (Finance) No. 01/2022 dated 01 January 2022 but it had not been enforced the financial limitations. Accordingly, it was

the surplus funds have been invested only with the state banks since the establishment of the Bureau and the surplus funds are being invested by investment committee.

The Fund Managed Savings Account launched on 01.12.2021 merely keeps the surplus in current accounts at an optimal level temporarily. and It is not an investment of money unless there is a method to generate additional interest income for the Bureau.

(ii) From the account number of 100800442461 bearing in the National Saving Bank only collecting the money and not make payment through that account. An initiation of fixed deposits and transfer of funds to other current accounts as and when required by the financial requirements of the Bureau and the financial authority for that purpose have been delegated by the Board of Directors to the Chairman in terms of Section 16 of the Bureau Act. All the above fund transfers have been done in the manner authorized by the Board of Directors with the approval of the Chairman.

revealed during to the sample check carried out by the audit that the one-time money transfers and investments in fixed deposits taken high value in the range of Rs. 10 million to Rs. 250 million.

(c) Public Administration Circular No. 30/2008 dated 31 December 2008 and Letters dated 14 October 2021 and 10 February 2022 of the Department of Public Enterprises.

The Bureau had taken action to pay 12 times the gross salary including allowances as distress loan on the basis of a board decision taken in the year 2002, contrary to the circular and a total of Rs.67,673,231 had been paid as distress loan to 525 officers by exceeding the limit during the year under review. Furthermore, a total amount of Rs.3,826,900 had been paid as instant loan to 107 officers equivalent to an officer's monthly salary under the interest rate of 4.2

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

The Employee Welfare Loan Scheme will be implemented by fulfilling the aims and objectives of the Bureau mentioned in the said Act and the distress loan amount is given to the staff from 01.05.1995 on the approval of the board of directors according to the powers received in terms of 16 (2) e, f and sub-sections of the Bureau Act passed by the Parliament for that.

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

Therefore, a letter has been sent to the Public Administration on

	percent as at 31 December of the year under review.	26.10.2022 to provide an explanation as to whether the Public Administration Circular can be applied to State Corporations and Statutory Boards in the same manner.
		Therefore, the distress loan is being given to the staff on the approval of the board of directors since 1995.05.01.
(d) Section 12 of Chapter XLV(III) of the Establishment Code.	Although disciplinary investigation was being conducted against two officers working in the Bureau, contrary to the provisions of the Establishment Code , they had been recruited for the positions of adviser and first secretary respectively in the countries of Dubai and Kuwait to work in the welfare department of foreign missions in the year 2021.	(d) It will be examined whether any of the officers who have applied for the recruitment of staff for foreign missions have been subject to disciplinary charges after inviting applications. Officers who are found to have such disciplinary charges will not be assigned to those positions. Accordingly, there were not any disciplinary charges against the two concerned officers at the time of calling application and therefore, they were assigned to the mission service.
(e) Public Enterprises Circular No. 01/2021 dated 16	Although the financial statements are to be submitted to the Auditor	These accounts were presented on 06.04.2023 when the first Board of Directors meeting was held after the final accounts were

November 2021.	General within 60 days of the end of the financial year, the bureau had submitted the financial statements to the Auditor General on 21 April 2023, by delaying 52 days.	completed of the year 2022 and Following this, the final accounts has been submitted to the Government Audit Division on 21.04.2023 with the necessary documents.
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.		
Reference to the Powers, Duties and Functions of the Bureau.	Non-Compliance	
-----	-----	
(a) Section 15 (a), (o), (p) of the Sri Lanka Bureau of Foreign Employment Act.	Action had not been taken to establish and maintain an information data bank until the end of the year under review.	The computer programs and information in related to the field of foreign employment is being maintained and updated by the "Information Technology" section under a data system since 1985. The complete computer facilities are provided to the labor

departments located in the head office of the bureau, branch offices, embassies and consular offices for entered to the data system of the Bureau after obtained the registration the expatriate workers who leaving the Sri Lanka according to the relevant sections of the Bureau Act.

Also, a computer program is being implemented to exchange data between the Bureau and the Department of Immigration to obtain the details of migrant workers who return to their homeland after completing their service.

The information in relating to , whether the migrant worker left Sri Lanka, the flight number, date, time and destination of his departure and on his return, the airport from which he took off, the flight number, the time and date of arrival are entered into the data system. A request have been made to the Immigration Department for further updating of this system and The Informatics (Pvt) Ltd company who providing the computer services to Department of Immigration has been submitted an estimate for that purpose. This estimated amount is not acceptable due to the nature of the system being updated and further discussions are conducting. The discussions are being held with the IMO to provide financial facilities for this.

It is not possible for the incoming migrant workers to enter any data

after asking them in this system Since this data exchange is operated 100% automatically.

However, the following procedure is followed in the incidents of migrant workers who are disabled.

- The details are obtained from such disabled returning migrant workers using the form attached hereto through the office window established at the return terminal.
- Then the facilities will be provided to go to the airport medical center / Negombo Hospital / any other suitable hospital or the home of the migrant worker depending on the condition of the migrant workers.
- Here the traveling expenses of the migrant worker are provided.

Furthe,

- The information of disabled migrant workers who returning to the motherland are obtained by the bureau unit established at the arrival terminal of the airport by using a form and the information are entered into the computer system at that location.
- The data will be entered into the computer system for obtaining insurance claims of the welfare department when applying for the insurance of disabled migrant workers returning to the motherland with valid registration in the bureau.

- The expatriate workers will be directed to the Employees' Welfare Fund who return to the motherland after becoming disabled within 05 years of registration with the Bureau. That information is entered into a data file.

The Bureau has information on migrant workers arriving with disabilities.

(b) The Bureau does not blacklist a foreign employment agency. The bureau makes suspensions of the approval of a foreign employment agency only. Suspensions of the approval of a foreign employment agency is a temporary action. It is done by considering the following circumstances relating to the complaints registered by the Bureau against a particular foreign employment agency.

1. When the total monetary value of the complaints registered against a particular foreign employment agency exceeds the value of the bank guarantee.
2. When the licensee does not participate to the in investigation of complaint without mentioning reasonable cause.
3. When failure to action taking according to the agreements reached in the investigation of the complaint in relation to a complaint.

The suspension of approvals of any foreign employment agency

(b) Section 31 (1) of the Sri Lanka Bureau of Foreign Employment Act

Despite the fact that 04 licensed agencies have gone through blacklisting during the period from 2015 to 2022 and although 315 complaints have been received to those agencies, the management had not taken action to cancel the licenses of those agencies.

will happen due to one or more reasons as above This is done with the intention of persuading the licensee to provide relief to the complainants.

The approvals of the foreign employment agency will be reactivated after the licensee taking actions to settles the complaint/complaints after the suspension of the approvals. Suspension of approvals of any foreign employment agency is done after successful investigation of the complaint/complaints reported against the said foreign employment agency and after confirming the facts that the relevant foreign employment agency is directly responsible for the said complaint/complaints.

The complaints may be filed after the suspension of approvals of a foreign employment agency also. The final decision regarding the complaints will be taken after successful investigation of the said complaints.

Furthermore, the bureau will also take over the bank guarantee of the relevant agency, if it is disclosed that a foreign employment agency is committing fraud by charging money in excess of the value of the bank guarantee.

The prosecution will be conducted as per section 64 (a) of the Bureau Act, if a licensee said to provide foreign employment and collects money and does not provide the promised foreign

employment without any justifiable reason and does not return the amount collected.

- (i) The officer related to the incident was selected for the second time to the mission service after appearing for the interview held in the year 2018. The officer has involved as a member of the interview panel in the year 2020 but has not involved as a member of the interview panel in the year 2018.

The relevant officer has been assigned to the foreign mission service who was elected in the year 2018 with the consent of the minister in charge under the approval of the board of directors given on 22.06. 2022.

- (ii) Mr. N.M. Thibbutumunuwa had been acquired his minimum age limit on the date of his appointment (date of appointment letter 21.05.2021) who selected for the post of Counselor in the Employment and Welfare Department of the High Commission of Sri Lanka in Singapore

(c) Chairman's Circular No. 01/2020 dated 14 January 2020. (i) An officer of the Bureau, had been appointed to the post of Counselor in the Labor Welfare Section of the Dubai Embassy who had been a member of the interview panel and had rejected applications for foreign mission service based on the circular conditions. (ii) An applicant who did not meet the minimum age limit to apply according to the circular and did not meet the required qualifications had been recruited for the post of Counselor in the Welfare Section of the Singapore Embassy.	
2.3 Other Matters. (a) Although the Labor Welfare Fund had allocated Rs. 9,600,000 to build 04	According to the steps taken to construct the houses under the supervision of the District Secretaries with the support of the

houses in the period from 2019 to 2022 for the construction of houses worth one million for fully disabled immigrants, the construction of 03 houses had not been completed by 31 December 2022 and an amount of Rs. 2,222,650 had been spent.

technical officers of the respective Divisional General Secretariats due to the continuous delays in the construction of houses by the National Housing Development Authority and action are taken to construct following 02 houses under the supervision of the Technical Officer, Development Officer (Foreign Employment) and the Senior Manager of the Bureau of the relevant Divisional General Secretariat Offices..

- i. The construction money has been released according to the completion of the respective stages for the house to be built for Mrs. T. W. Nilanthi Hemamala, a disabled migrant worker at the address No. 464, Ambagaswewa, Hidogama, Pahala Veva . according to an agreement reached with the Nachchiaduwa District Office. However, the relevant beneficiary lady verbally informed that the remaining work could not be done at the estimated cost due to the recent increasing of the building and labor charges. Therefore, it is expected to be completed remaining work of house soon, after an assessment of the quantity of construction that has been completed and the quantity to be completed.
- ii. The construction money has been released according to the completion of the respective stages for the houses being built for Mrs. K. M. Kanthirathne Menike, a disabled migrant worker at the address No. 129/E, Magandanamulla, Monaragala according to the agreement reached with the respective

	Divisional secretariats. However, the relevant beneficiary lady verbally informed that the remaining work could not be done at the estimated cost due to the recent increasing of the building and labor charges. it is expected to be completed remaining work of house soon, after an assessment of the quantity of construction that has been completed and the quantity to be completed. • The construction of 02 houses was started with the support of Housing Development Authority which was the state construction firm for the construction of houses under the relief housing project (according to the agreement).. i. The house of Mrs. Sujeeva Malkanti was a partially completed, who was a disabled migrant worker residing at the address of No. 1165/1A, Tissamaharamaya, Ekamutugama, and an estimate was obtained regarding to that could be built under 01 million. Accordingly, the amount of Rs. 822,655.60 has been given to the National Housing Development Authority which requested to construct the roof according to the estimate obtained for the completion of a part of the roof, a room and a bathroom. The National Housing Development Authority has given an amount of Rs.200,000.00 out of that amount to the migrant worker as a basic cost to start the roof work.
--	--

The above mentioned lady has moved to another person house due to a dispute between the said woman and her family, and the completion of the work of the house proposed to the said lady has become a restriction and so the release of the money to the said lady has been temporarily stopped. The remaining amount is expected to be recovered to the Bureau by the National Housing Development Authority.

ii. The construction of the house has been completed which built under the supervision of the district office of Kurunegala National Housing Development Authority under the subsidized housing program for Mrs. A. A. Dhammi Wijayanthi Amarasinghe, a disabled migrant worker at Welipannagahamula,, Horathapola and the permission has been given also to resident there on the request of the home beneficiary. The funds will be allocated for the use of disabled migrant workers as needed according to the action plan of the bureau. To get this information

Bureau,

- Information by Katunayake Airport Division
- From Development Officers at Divisional Secretariat level
- By Regional Officers of the Bureau Office
- By informing of the public.

	On the website of the Bureau as well as through printed handouts.
(b) In the compensation fund given to Sri Lanka by the United Nations Compensation Commission to compensate those who lost their jobs in the Gulf War in 1990 and 1991, although the compensation should end on 31 December 1994, the amount of Rs. 251,453,848 should have to be paid as compensation to 948 people by 31 December 2022. This compensation fund has been invested as fixed deposits and earned an income of Rs.4,960,937,306 for the period from 1997 to 2022 and the compensation fund had been at Rs.5,212,391,154 as at 31 December 2022. However, these compensations had not been paid to those who were to be compensated even by 31 December 2022.	Approximately 120,000 Sri Lankans were employed in Kuwait during the 1990-1991 Kuwait-Iraq War and suffered loss of jobs and property. The United Nations Compensation Commission (UNCC) had given the opportunity to claim compensation till 31.12.1994 for the victims of these disasters. The number of 94,820 compensation claims were received during the above-mentioned period. The United Nations Compensation Commission has approved compensation payments for 88,875 claims. The Sri Lanka Foreign Employment Bureau has set up a separate division (Kuwait Compensation Division) for Kuwait compensation operations under the supervision of a Deputy General Manager. An amount of US\$ 308 million (Rs. 20,900 million) has been approved as compensation by the United Nations Compensation Commission. The Bureau has paid compensation to number of 87,934 people who have submitted sufficient documents and confirmed their claim for compensation according to the reports of the Bureau. .. There are number of 948 compensation beneficiaries for further payment only and the compensation amount to be paid for them is 251 million rupees. Accordingly, the number of compensation

beneficiaries who did not appear is about 1% of the total approved number and it was 2% only of the total approved compensation. Although the Bureau has informed the claimants of compensation through newspaper notices and letters in many occasions, these persons have not been able to get compensation due to reasons such as migrating abroad for work, change of residence, and not submitting sufficient documents.

The amount received from the compensation commission was retained in temporary deposits until the payment process started and, an interest income has been earned and credited to the relevant account by doing so. The requests are consistently submitted to the Bureau asking for compensation by the claimants (5945) who have been rejected by the United Nations Compensation Commission. The Payments have been made on 25.09.2002 to number of 1692 applicants whose information was verified on the approval of the Cabinet for compensate using the interest money earned.

The Bureau has conducted a survey in the year 2002 to identify the applications received after 31.12.1994 and the claimants who were rejected in both the above ways and those who did not claim and it has collected the information of about number of 15,500 people.

An amount of Rs. 75,000 has been approved to pay in the cabinet meeting held on 11 July 2007 for payment to one indemnifier who can prove the correctness of the compensation claims by using interest earned. Accordingly, number of 5,472 compensation applicants have been compensated and action are being taken to payment for the compensation beneficiaries who are presented.

The above account has a amount of Rs.5,212,391,154 balance as at 31.12.2022 and the breakup of above balance as follows.

Rs.

Kuwait compensation payable(for 948beneficiaries) 251,453,848

Balnce of Earned interest from 1997 to 2022 - 4,960,937,306

Balnce as at 2020.12.31 5,212,391,154

The Bureau has not incurred the expenses and consider as an income of the Bureau, although the above money was beside in the

203

	Bureau.
(b) An expatriate worker applied for compensation from the Kuwait Compensation Fund on 19 November 2007 and all documents were approved by the Compensation Recommendation Committee and in spite of submitting evidence to confirm that he served in Kuwait during the Kuwait War in 1991, action had not been taken in this regard even though 15 years have passed since the application for compensation was submitted in the year under review.	The United Nations Compensation Commission (UNCC) had given the opportunity to claim compensation claims for the victims of the 1990-1991 Kuwait-Iraq war until to 31.12. 1994. However the worker that you have mentioned does not fall within the relevant period for compensation. The requests are consistently submitted to the Bureau asking for compensation by the claimants (5945) who have been rejected by the United Nations Compensation Commission. The Payments have been made on 25.09.2002 to number of 1692 applicants whose information was verified on the approval of the Cabinet for compensate using the interest money earned. However, the worker that you have mentioned does not fall within the relevant period for compensation. The Bureau has conducted a survey in the year 2002 to identify the applications received after 31.12.1994 and the claimants who were rejected in both the above ways and those who did not claim and it has collected the information of about number of 15,500 people. An amount of Rs. 75,000 has been approved to pay in the cabinet meeting held on 11 July 2007 for payment to one indemnifier who can prove the correctness of the compensation claims by using interest earned. Accordingly, number of 5,472 compensation

	applicants have been compensated and action are being taken to payment for the compensation beneficiaries who are presented. The worker that you have mentioned does not fall within the relevant period for compensation. Therefore, there is no possibility of payment for such requests from this fund.
(d) Although the bureau stated that the housing loan schemes are being implemented by custodian of 07 fixed deposits total of Rs.397,366,435 belong to the Bureau as bank guarantees, the information in relating to the progress was not submitted to the audit.	The borrowing is limited because of the current interest rates are extremely high and the above secured loan schemes are not actively operated at present. Therefore, the Cabinet has given approval to implement a new loan scheme through the representation of the Central Bank and the opinions of representatives of commercial banks. The above loan scheme is implemented in accordance with the recommendations given in the Committee of Public Enterprises to implement program for the welfare of expatriates by the Kuwait Fund. Further, the objective of setting up the respective fund is confirmed by the fact that the number of non-presented compensation beneficiaries is 1% of the total approved number and the total unpaid amount is about 2% of the approved compensation amount.
(e) The recommendations had been given to prepare a formal procedure according to the instructions of the Department of Management Services regarding the method of selecting officers for foreign missions by the meeting of the public Enterprises held on 18 January 2023, the	The recruitment procedure for the recruitment of staff required for foreign missions has been approved and handed over to the Bureau by the Department of Management Services on 17.01.2023. However, an employee protest was raised by the officers of JM 1-2

procedure had approved on 17 January 2023, but it had been rejected by the bureau stating that there were deficiencies.	grade as they have lost the opportunity to apply under the said recruitment procedure. The letters have been referred to the Department of Management Services in several occasions through the Line Ministry in order to solve the problem. The recruitment will be taken place in the future under the same recruitment procedure as soon as the problem is resolved.
(f) The period of the memorandum of understanding had expired on 29 September 2019 which was signed by the government intervened in relation to the sending of Sri Lankan workers to the South Korea under the Employment Permit System and 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 according to the agreement. But the agreement had not been updated by 27 June 2023. The number of 20,667 workers had referred for employment by the bureau in the last 6 years under this agreement.	The MOU has been forwarded by the Ministry of Labor and Foreign Employment to the Attorney General's Department on 03.02.2023 as per the recommendations of the Cabinet of Ministers. The Ministry of Labor and Foreign Employment has forwarded the amended agreement to the Ministry of Foreign Affairs to obtain the concurrence of the Korea by including the relevant recommendations in the said agreement, since the Attorney General's recommendations have been received by now. The current situation was inquired from the legal department of the Ministry of Foreign Affairs over the phone on 09.08.2023 and it was Confirmed that the revised agreement was forwarded to the relevant department to be forwarded to the Korea on 2023. 08.08. However, There will not be arisen a matter in relation to loss of employment as the validity of the signed agreement remains until the signing of the new agreement as per Clause No. 17 of the Memorandum of Understanding dated 17.11.2017.

(g) Total amount of Rs. 47,719,684 had been spent for acquiring land in Homagama and Kahagolla on lease basis and Rs. 46,000,000 has paid as advance payment of and Rs. 1,719,680 has paid as other expenses. due to the idleness of the respective lands, other institutions were taking action to reacquire the said lands, but the Bureau had not taken action to recover the advance amount paid.	The land of Homagama Mahenwatta was acquired on 26 February 2010 on the basis of rent for a period of 50 years and 26 million rupees was paid on the relevant date from the estimated rent value of 52 million rupees and then the rent value was 64 million. The reasons why the Bureau has not carried out any development activities are given below. • Cut off the all non-essential expenses including expenditure on building facilities according to the Budget Circular No. BD/CBP/01/01/03-2019 dated 07/2019 and 2019/12/04 issued by the Ministry of Finance, Economy and Policy Development. • It has been informed that action should be taken to postpone the construction of new buildings for government institutions by 02 years according to the Circular No. BD/CBP/01/01/06-2020 of the Ministry of Finance and Circular No. 05/2020 dated 09/03/2020 of the National Budget. • The Covid-19 epidemic situation and restrictions of movement in the country. • Adverse financial condition of the Bureau in 2020. The Bureau could not be able to commence the development activities of this land due to above such factors. The project proposal for the construction of Homagama land has been examined and the matters to be asked further have been asked
--	---

from the Ministry Secretary on 07.06.2023 as the financial situation of the bureau is good at the moment. The relevant amendments have been made and the project proposal has been submitted to the Ministry of Labor and Foreign Employment on 14.09.2023.

The relevant amendments have been made and the project proposal has been re submitted to the Ministry of Labor and Foreign Employment and the National Planning Department on 17.10.2023.

It is true that a complaint has been filed in Homagama Police on 17 March 2023 and the complaint was filed in connection with the construction of an unauthorized fence.

It has been informed to the Urban Development Authority that it can be agreed to give the relevant land to the Electricity Board after taking action to provide a suitable plot of land for an office environment in the vicinity of Battaramulla or Malambe instead of that plot of land and subject to payment of the variable rent value, in the discussion held with the Urban Development Authority on 04.05.2023. The amount of 20 million rupees has been paid in advance for the Kahagolla land and the possession is of it with the Bureau. This land has been temporarily acquired by the 06th Engineer Regiment of the Sri Lanka Army for the establishment of a Covid treatment center according to the letter of the Commissioner General of Lands dated 02/01/2018 and it has been

	informed to the Secretary, Ministry of Telecommunications, Foreign Employment and Sports on 03/01/2019, to inform the State Resource Management Corporation to reimburse the advance amount paid before handing over the land. Although, it has been informed several occasions to the headquarters of security force to take over the land immediately after given the amounts to the bureau and, but the relevant amount has not been received so far. it has been informed on several occasions so far to carry out the necessary activities to take over the land immediately by given this amount to bureau as soon as possible and the relevant amount has not been received up to now even though the security force headquarters has been informed on 26.10.2022
(h) Although Rs.302,112,904 and Rs.153,686,495 had been spent for the construction of buildings at Tangalle and Matugama Migrant Resource Centers respectively, the Bureau had failed to legally take over the ownership of the land.	The relevant surveys have been completed for the land where the Tangalle Migrant Resource Center is located and the plot has been prepared and handed over to the Hambantota Divisional District Surveying Authority on 04.10.2023. The land which the Matugama Migrant Resource Center built is a government land and has been transferred by the Matugama Divisional Secretary to the Bureau through a Certificate of Grant of Land to Government Departments.
(i) Action had not been taken to recover the amounts which had been occurred by the irregularity of Rs.1,149,258 done by a staff member of the labor	The charge sheets have been prepared against the concerned persons in connection with a financial irregularity committed by a

welfare section of the Abu Dhabi Embassy and the misappropriation of Rs.3,638,368 done by a Bureau Manager ,although 9 years have passed by the end of the year under review.

staff member who worked in the employment and welfare section of the Sri Lanka Embassy in Abu Dhabi and the file has been forwarded to the Magistrate's Court in Colombo.

According to the discussions held on 20.07.2023 with the government lawyer of Mrs. Lakmini Girihagama regarding this file, it has been forwarded to No. 01 of the Colombo High Court After preparing the charge sheets against the Priyankara Manoj Bandara and H. K. R. Nishamani Silva, and it has been reported under the Fort Magistrate's Court No. B/1977/15 and it has not been received a relevant case number in relation to this incident and Meanwhile, as revealed that the suspect named H.K.R. Nishamani Silva went abroad to Dubai on 05.09.2019 who resident of the address No. 39/3, Vedicanda, Ratmalana and the Department Immigration nd Emigration has reported that she has not returned the island so far.

The other suspect name of Priyankara Manoj Bandara was released on 28.10.2021, on bail after considering the issues raised by the lawyers for the defense when the case was called in the Fort Magistrate's Court.

It was further informed that Priyankara Manoj Bandara has been banned from traveling abroad under N2966004.

The government lawyer has further informed that the Criminal Investigation Department has been instructed to present the facts to

the government lawyer along with the statements made after the arrest of H. K. R. Nishamani Silva.

Misappropriation of Rs.3,638,368 by the Manager of the Bureau.

1. After the completion of the formal disciplinary investigation against Mr. S. Suresh Kumar, the Disciplinary Authority of the Bureau has dismissed him from the service of the Bureau by taking into account the recommendations of an investigation report dated 10.01. 2022.
2. It had to be collected the following amounts to the Bureau from Mr. Suresh Kumar who has been dismissed from the Bureau By the letter dated 10.01. 2022.

Distress Loan	- රු.	278,762.00
---------------	-------	------------

Vehicle Loan	- රු.	40,000.00
--------------	-------	-----------

For nopay leave of 2 ½	- රු.	4569.02
------------------------	-------	---------

Receivable amount for telephone bills	- රු.	552.08
---------------------------------------	-------	--------

Unsettled advances

2015.01.01 – 03/W/15	- රු.	2,236,000.00
----------------------	-------	--------------

2015.01.07 – 08/W/15	- රු.	1,726,350.00
----------------------	-------	--------------

Total	- රු.	4,286,233.10
--------------	-------	---------------------

	===== 3.Action was taken to deduct the unsettled advnces at the amount of Rs.647,865 from the gratuity payment which have not been settled by the Mr.Suresh Kumar. Accordingly, as an amount of Rs. 3,638,368.10 is due from him further and it has been directed to the Attorney General's Department on 23.02.2023 to take legal action to recover that amount and relevant legal action is being taken in this regard.
(j) A qualified third secretary was not appointed until 20 June 2023 after the official who served as Third Secretary of the Labor Welfare Section of the Embassy of Oman was suspended due to irregularities and arrived in Sri Lanka on 29 November 2022. An immediate action had not been taken to appoint another officer instead although the ambassador informed the chairman on 31 January 2023 that the guardian of the care home has not maintained the documents related to the care home, who has been accused in the embassy	An officer of the Bureau has been appointed for the vacant position of Counselor at the Diplomatic level of that Embassy on 17.06.2023, after the Third Secretary who was working in the Employment and Welfare Department of the Embassy of Sri Lanka in Oman was brought back to Sri Lanka. Also, the accused Warden of the “Suraksha” House has been recruited through the interview conducted in the year 2020 according to the qualifications included in the approved recruitment procedure of the Bureau. Furthermore, the nominations have been forwarded to the Ministry of Foreign Affairs through the Line Ministry to appoint a successor officer in place of that officer on 19.12. 2022, after receiving the

	recommendation of the ambassador to bring her back to Sri Lanka according to the allegations. A considerable time has been spent by the issuing institutions for the initial formalities like obtaining police clearance reports, medical reports and visas after sending the nominations. However, a new Warden to the “Suraksha” House has been sent instead of that officer to Sri Lankan Embassy in Oman on 01.07.2023.
(k) Although An amount of Rs. 21,649,779 recovered after investigating the complaints received by the Special Investigation Unit of the Bureau in relation to the period from 2012 to 2022, by the people who defrauded the money to be paid to the complainants and from the employment agencies ,had been retained in the account of the Bureau without being paid to the complainants. There were Rs. 20,079,603 balances from a period between 2 years and 09 years. The audit revealed that the reason for this was, the complaints were completed without informing the complainants that the money had been received.	The existing balance is Rs.21,943,935 as at 30.06.2023 in relating to the period from the year 2012 to the year 2022. This amount is kept in accounts as a balance to be paid after the grievances of the complainants are settled. The approval of the Board of Directors has been obtained to take to the revenue in the year 2023 out of the above balances from the unsettled balances until the year 2018. The above approval is given on the basis of verification of documents and verification of accuracy in case of any request for payment of outstanding balances. Necessary arrangements are being made with the investigation department to settle other balances. But since those balances have changed now (Exchange rate running through the software/ further corrected according to the evidence in the balances) action are being taken to get the approval of the President again.

	An age analysis is being conducted to confirm further relevant balances with the investigation department to settle other balances.
(1) The amount of Rs.47,995,092 had received from Sri Lanka Insurance Corporation for death compensation to 157 expatriate workers who died from 2016 to 2022 had been stated in the welfare fund as payables. Furthermore, the Welfare Division did not have information related to the 81 claims at the amount of Rs.22,539,765 which had been received by the Accounts Division for the period from 2018 to 2022 due to the lack of coordination between the Accounts Division and the Welfare Division and The information had not been in the accounts department in related to Rs. 4,282,435 for 9 death compensations received to the welfare department.	Although the information is given in the audit report about 157 files Form the year 2016 to the year 2022, but the accurate number is 146 claims and its value should be Rs. 44,541,837.90. The summary report prepared up to 28.08.2023 incorporating with the current status of the respective claims is enclosed herewith (Annexure 01). It contains the following information. • The entitlements paid to beneficiaries are given in column 06. • The amount to be credited to the Bureau account is given in column 07. • The newspaper advertisements on 27.08.2023 for 38 death compensation claims, for which the rightful owners cannot be found, are given in column 08. • Claims observed to have traveled abroad on a passport prepared under a different name are given in column 09. • The compensation for persons who have not been able to produce the documents to be submitted for claiming specifies in Column 10. Actions taken regarding those claims are as follows.

- A newspaper advertisement has been published in Sinhala and Tamil media (on 27.08.2023) in weekend newspapers (Lankadeepa and Weerakesari) to find heirs for 38 death compensation claims for which the respective legal heirs cannot be found (column 08 of Annexure 01)
- The files where there are heirs but it was not possible to confirm the legality to grant the rights were re-examined and referred to the legal department for legal advice and the letters have been sent to the concerned parties by registered mail to file a special case in the district court and deliver the relevant case decision to the file in order to confirm the legality of the heir as per the legal advice.
- The Bureau has been credited to the account of the Bureau which the amount confirmed to be due.
- Actions have been taken add the compensation amount which cannot be paid (from the year 2009 to the year 2018) to the income of the Bureau by Journal No. JRE-23-10-0015 as per the approval of the Board of Directors obtained on 23.02.2023. after taking all the above actions and the payment will be made when a party presented to claim the title in the future.

The audit report stated that the information related to 09 death compensation was available in the welfare department and the information about it was not available in the financial department,

	but the document presented by the National Audit Office in relation to that mentions the information of 05 compensation claims only. (Annexure 03) The reason that the information related to the 05 compensation claims is not available in the finance section of the bureau that the related compensation money is in the custody of the Sri Lanka Foreign Employment Agency. The Sri Lanka Foreign Employment Agency has informed to the Bureau according to the letter dated 20.07.2023 that the action will be taken to settle the correct balance in the first week of November 2023 by adjusting the insurance compensation balance of Rs. 5,889,989.49 with the total insurance compensation balance.
(m) The money they own and received from the resident they worked was deposited in the safe account at the time of accepting the workers to the safe houses and should be paid after arriving in Sri Lanka. But the balance of Rs. 81,728,897 had been retained in that account without paying as at 31 December 2022.	The amount of Rs.81,728,897.00 stated in the audit query as the balance due on 31.12.2022 agrees with the final accounts. It has not been accounted in understating as mentioned by the audit.
(n) The bureau had signed a memorandum of understanding for 5 years to jointly implement a home loan program with the Sri Lanka Samurdhi Authority according to the decisions of the Ministers of Cabinet dated 24 January 2013 and the Bureau had paid an amount of Rs.100,000,000 on 08 March 2013 to the Samurdhi Authority and the amount had	➤ An amount of 100 million rupees should be deposited in the Samurdhi Bank in the name of the Sri Lanka Foreign Employment Bureau according to A 10 of the MOU written in English dated 03.07.2013,,but the amount of 100 million has been deposited in Bank of Ceylon Battaramulla branch in own

deposited in a fixed deposit in the name of Samurdhi Authority. the information about the loan according to the project was not submitted to the audit although the validity period of the MOU has ended on 07 March 2018 and the interest income had not been received from the year 2014 until to the year under review.

name of Samurdhi Authority contrary to the approval of the Cabinet. The relevant deposit certificate has been issued on 11.03. 2013. an interest amount of Rs.11,153,425 has been received in the year 2014 in relation to that. The Balance confirmation letters are provided to the Bureau every year in respect of the Bureau deposit.

- A discussion was held on 25.07.2023 at 2.00 in the Department of Samurdhi Development under the chairmanship of the Honorable Minister of State for Social Empowerment Mr. Anupa Pascual(P.M) with the aim of getting amount which due to the fact that the deposit of 100 million rupees given by the Bureau to the Samurdhi Authority has not been returned to the Bureau so far, despite the completion of the project.
- As discussed there, the Samurdhi Authority has sent the names of the people who have taken “Rata Wiru” home loans and other information to the Bureau by e-mail on 26.07.2023.
- However, the Bureau sent a letter to the Director General of Samurdhi Authority on 23.08.2023 asking for further clarified information due to the information contained in the documents sent is not sufficient to carry out further work in this regard.
- The answers have not been given so far even follow-up was done to get answers for it. Therefore, a letter signed by the General Manager of the Bureau has been sent to the Secretary

	of the Ministry on 25.09.2023 exploring advice in this regard.
(o) Action had not been taken to repay the balance of Rs. 1,451,490 which had been deposited on 08 November 2019 for return the person to Sri Lanka a Labour who had an accident in South Korea even though 3 years have lapsed.	The amount of 9,851,200 Korean Won (KRW) (Rs. 1,532,846.72) has been deposited to the account of Bureau by his brother on 08.11.2019. An amount of Rs. 1,434,059.34 has been spent on bringing the Mr.Hasindu Dinuka to Sri Lanka out of the money deposited. The remaining amount of Rs.98,786.66 in the bureau account has been deposited to the account number 101057883449 of Mr. Hasindu Dinuka at Sampath Bank, Matara branch.



Sri Lanka Bureau of Foreign Employment

No.234, Denzil Kobbakaduwa Mawatha, Koswatta, Battaramulla.

Tel- +94 11 286 4101/ +94 11 288 0500 Email- info@slbfe.lk

web- www.slbfe.lk Hotline- 1989