ANNUAL REPORT

2022

SRI LANKA EXPORT DEVELOPMENT BOARD

No. 42, NDB/EDB Building, Nawam Mawatha, Colombo 02

20.12.2023

Minister of Investment Promotion
Ministry of Invetsment Promotion
“Suhurupaya”, Battaramulla.

Hon. Sir

Annual Report and Statement of Accounts – 2022

I am pleased to present on behalf of the Board of Directors, the Annual Report of the Sri Lanka Export Development Board (EDB) together with the following documents for 2022 in term of section 13 (2) of the Finance Act No.38 of 1971.

- Chairman’s Statement
- Statement of Accounts
- Auditor General’s Report

Yours faithfully,

SRI LANKA EXPORT DEVELOPMENT BOARD

……………………………
Dr. Kingsley Bernard
Chairman & Chief Executive Officer

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MESSAGE OF CHAIRMAN & CHIEF EXECUTIVE

Sri Lanka Export Development Board (EDB) is the country's apex Trade Promotion Organization (TPO) – as mandated by the legislation. It functions as an umbrella organization for all the matters pertaining to global trade.

Ever since its establishment, EDB has dedicated itself to realizing its goal of augmenting exports, broadening the export portfolio and export markets, bringing in innovation, and creating job opportunities that guarantee the nation's sustained, improved economic growth. We have been working tirelessly to encourage exports and support the exporter community by fostering an atmosphere that encourages export led investments in Sri Lanka.

For Sri Lanka to thrive, export growth must be sustained, especially considering the small size of the national economy. Utilizing our competitive advantages is essential. We need to convert Sri Lanka's comparative advantages into competitive advantages in the light of growing globalization and integration.

The government's goal is to turn Sri Lanka into a rich country by growing the export economy through the development of SMEs and startups, boosting the share of value added sectors, and diversifying the market while concentrating on specialized markets.

With Sri Lanka's growing export potential, the Export Development Board (EDB) plays a variety of key functions in growth, promotion, and facilitation of exports, acting as a catalyst and promoter. Supporting current exporters to increase their exports, promoting new exports from Sri Lanka to change the country's current export basket, diversifying into new markets, improving capacity building, and attracting export-led foreign investment are our main strategic pillars. These new initiatives prompt us to accelerate our strengths to achieve the targeted Foreign Exchange Earnings.

I would express my gratitude to the EDB Board of Directors for their invaluable efforts. Appreciation also goes to EDB's management and staff for their strong commitment and dedication to achieve the goals of the organization.

……………………………

Dr. Kingsley Bernard

Chairman & Chief Executive

Sri Lanka Export Development Board

SRI LANKA EXPORT DEVELOPMENT BOARD (EDB)

INTRODUCTION

Sri Lanka Export Development Board (SLEDB) is Sri Lanka's premier organisation for the development and promotion of exports, established in 1979 under the Sri Lanka Export Development Act No. 40.

Vision

Position Sri Lanka as a Prominent Export Hub for exclusive Products & Services.

Mission

Enabling Sri Lanka's Exports to be globally competitive through Strategic collaboration.

Functions of the EDB

As a Government Agency responsible for the export development and promotion of Sri Lanka, we perform the following functions:

- **Facilitator** – Serving as the focal point of export development, facilitating and co-coordinating export development activities with all stakeholders
- **Promoter** -Implementing product, design, brand, market development & market promotional programmes to promote Sri Lanka's products and services
- **Knowledge Provider** – Providing advisory services and information with regard to all aspects of the export business and up to date market intelligence to the exporters
- **Monitor** – Evaluate Global & local business environment and monitor the export performance and taking appropriate measures to reach export targets.
- **Policy Adviser** – Advising the Government on national export development policies to create a conducive environment for exports

CORPORATE INFORMATION

BOARD OF DIRECTORS – 2022

			From	To
1	Mr. Suresh de Mel	Chairman and Chief Executive	11.12.2020	31.03.2023
2	Prof. K. Lakshman Jayaratne	Member	31.12.2019	31.12.2022
3	Dr. Janaka Wickremasinghe	Member	16-12-2019	16-12-2022
4	Mr. Kaushala Yahampath	Member	16-12-2019	16-12-2022
5	Mr. Chatura V. Cabraal	Member	16-12-2019	16-12-2022
6	Mr. Lalantha Watudura	Member	16-12-2019	16-12-2022
7	Mr. Ranjith Priyantha Weerasinghe	Member	31-12-2019	31-12-2022
8	Mr. N.G. Panditharatne Addl Secretary – Ministry of Industries	Member	14-09-2020	31.01.2023
9	Mrs. Nilakshi Gunasekera Addl Secretary – Ministry Agriculture	Member	Feb-2020	30.04.2023
10	Mrs. Kanthi Gunawardana Addl. Secretary – Development Ministry of Trade	Member	05-09-2020	31.12.2022
11	Mr. K.A. Vimalenthirarajah Director General – Department of Trade and Investment Policy Ministry of Finance	Member	02.03.2022	present

			From	To
12	Ms. AHS Fareeda Director General – Ministry of Fisheries and Aquatic Resources	Member	14-09-2020	present
13	Ms. Renuka M Weerakone Actg. Director General Board of Investment of Sri Lanka	Member	20.05.2022	present
14	Ms.K.N.Kumari Somaratne Additional Secretary (Development) Ministry of Ports, Shipping and Aviation	Member	14.12.2022	present
15	Mr.Sabarulla Khan Addl. Secretary – Economic Affairs Foreign Ministry	Member	25.01.2022	30.09.2022
16	Mr. I.S.H.J. Ilukpitiya Addl. Secretary – (Development) Ministry of Plantation	Member	24.01.2022	29.04.2022
17	Mr. Sunil Galagama Additional Secretary (Development) Ministry of Investment Promotion	Member	14.12.2022	30.05.2023

SENIOR MANAGEMENT STAFF 2022

1.	Chairman and Chief Executive	Mr. Suresh D de Mel
2.	Director General	Miss. Chitranjali Dissanayake [Up to 31.01.2022- On contract basis]
	Acting Director General	Mrs P.V.A.M. Baddegamage [From 01.02.2022]
3.	Addl. Director General –Development	Mrs P.V.A.M. Baddegamage
4.	Addl. Director General-Finance & Administration	Mr. S.R.P. Indrakeerthi
5.	Director – Market Developments	Ms. Anoma Premathilaka
6.	Director – Regional Development	Ms. Sepalika Jayawardena
7.	Director – Policy and Strategic Planning	Ms. O.M.C. Kumudinie
8.	Director – Export Services	Mr. L.Y.R.I. Kodikara
9.	Director – Export Agriculture	Mr. J S Badugama [From 03.03.2022]
10.	Acting Director- Finance	Mr. A.P. Wikramasekara [Up to 06.03.2022]
	Director -Finance	Mr. K D Perera [From 07.03.2022]
11.	Acting Director – Human Resources Management	Mr. U. Akmeemana
12	Acting – Director – Information Technology	Mr. D.K.D.S. Sisil
13.	Acting Director – Trade Facilitation & Trade Information	Mrs. Achini Weerawardana [From 01.04.0222]
14.	Acting Director – Industrial Products	Mrs. Manoja Dissanayaka [From 03.01.2022]
15.	Legal Officer	Ms. D.T. Wijeratne
16.	Internal Auditor	Ms. Nilmini Ranasinghe
17.	Auditors	Auditor General
18.	Bankers	Bank of Ceylon, Sampath Bank National Development Bank
19.	Registered Office	No. 42, Nawam Mawatha, Colombo 02

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EXPORT PERFORMANCE

2022

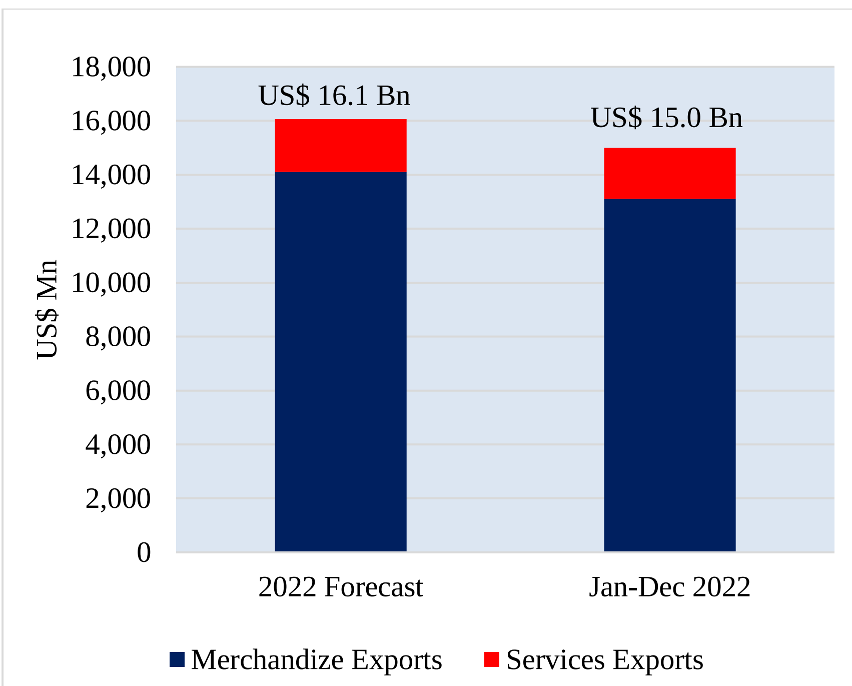
EXPORT PERFORMANCE – FROM JANUARY-DECEMBER 2022

Sri Lanka's total exports increased by 3.94 % to US$ 15.0 Billion during the period of January to December 2022 compared to the corresponding period of 2021. As per the data obtained from the Central Bank of Sri Lanka and Sri Lanka Customs, increase in exports could be witnessed in all major product and services sectors such as Apparel & Textiles, Transport & Logistics, Electronics & Electronic Components, Diamonds, Gems & Jewellery, Ornamental fish & Other Export Crops during the period under review.

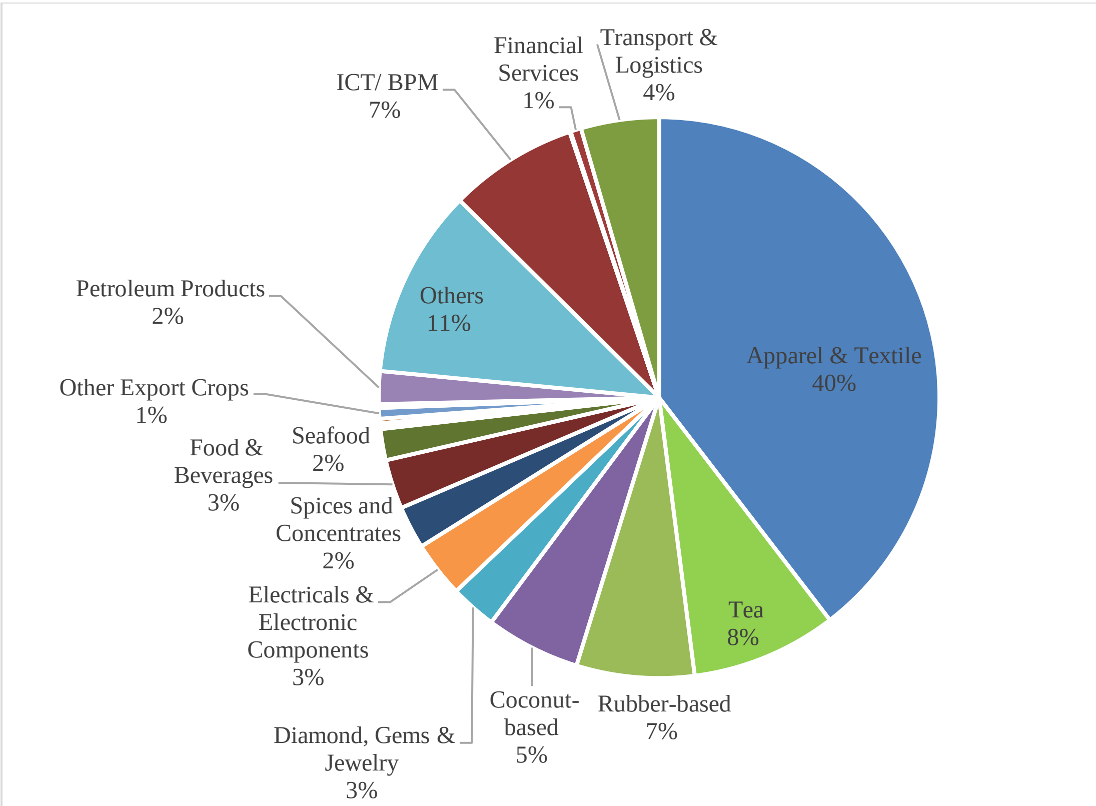
1.1 Revised Export Forecast & Achievements

The revised export forecast of the EDB for year 2022 is US$ 16.1 billion including US$ 14.1 billion from merchandise exports and US$ 2.0 billion from export services.

The total export earnings for the period of January to December 2022 was recorded as US$ 15.0 Bn achieving 93.34 % from the revised target; while reporting 92.96 % and 96.03 % achievements respectively in merchandize and service export targets.



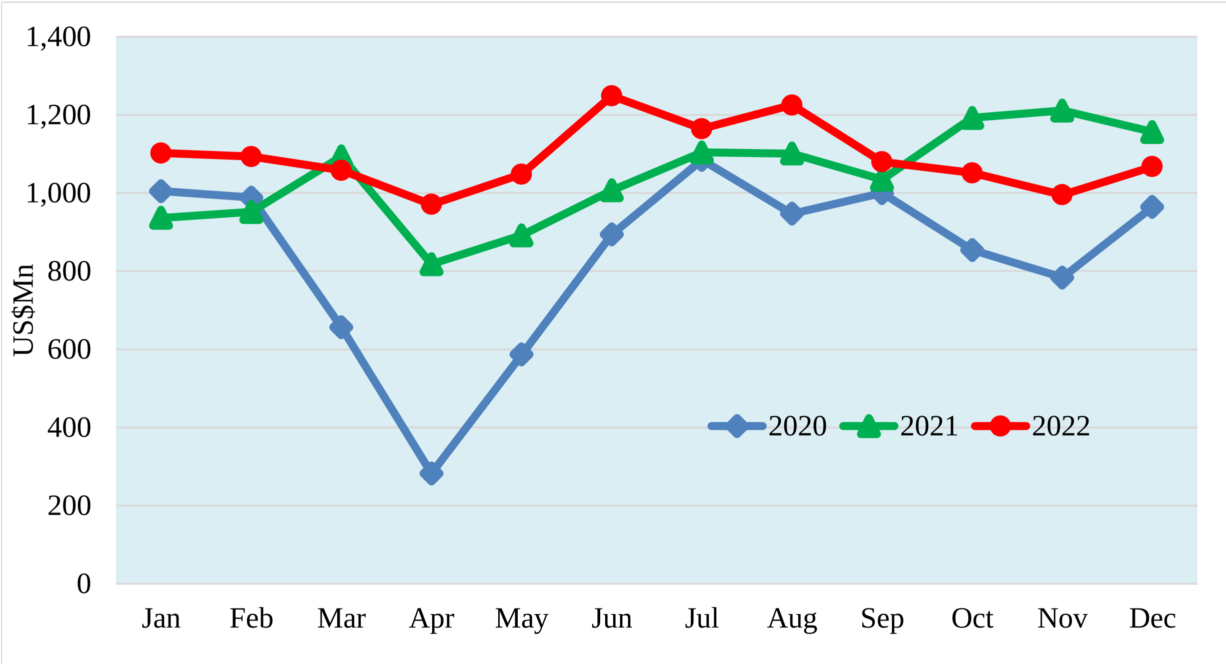
1.2 Composition of Sri Lanka's Exports during the period of Jan-Dec 2022



1.3 Sector-wise Export Forecast 2022 and Achievement 2022

Product	Export Forecast 2022 (US $ Mn)	Export earning Jan-Dec 2022 (US$ Mn)	% Achievement
Apparel	6,000	5,933.52	98.89
Tea	1,208	1,258.81	104.21
Rubber & Rubber Based	1,285	1,018.38	79.25
Coconut & Coconut Based	840	817.09	97.27
Diamond, Gems & Jewelry	361	399.77	110.74
Electronics & Electronic Components	450	483.28	107.40
Spices and Essential Oils	514	370.30	72.04
Food & Beverages	512	426.39	83.28
Seafood	316	269.02	85.13
Ornamental Fish	25	21.74	86.96
Vegetables	58	27.80	111.20
Fruits & Nuts	33	38.78	117.52
Other Export Crops	102	92.42	90.61
Flowers & Foliage	16	14.66	91.63
Boat Building	50	17.40	34.80
Petroleum Products	367	283.23	77.17
Other Merchandize Exports	1,995	1,633.81	81.90
Total Merchandize Exports	**14,132**	**13,106.40**	**92.96**
ICT/ BPM	1,500	1,112	74.13
Construction	6	9	150.00
Financial Services	75	92	122.67
Transport & Logistics	386	674	174.61
Total Services Exports	**1,967**	1,889	96.03
Total Goods & Services Exports	**16,099**	**14,993.40**	**93.34**

1.4 Monthly Merchandize Exports of Sri Lanka, 2020- 2022 (US$ Mn)



Sources: Central Bank of Sri Lanka, Sri Lanka Customs & Export Development Board

1.5 Export of Services January- December 2022

The estimated value of services exports for the period of Jan-Dec 2022 was 1,889 Million dollars, with a decrease of 2.07 % over the corresponding period of 2021. The income from export services considered by the EDB comprises of revenue earned from ICT/BPM, Construction, Financial services and Transport & Logistics sectors.

1.6 Sri Lanka's Top 15 Export Destinations

The following table indicates the comparison of exports to Sri Lanka's top 15 export destinations during the period of January to December 2021 & 2022 and almost 72 % of merchandise exports were concentrated to these top 15 markets. The USA accounted for 25.84 % of total exports as a single destination.

Values US$ Mns

	Country	**2021**	**2022**	**% Growth (21-22)**	**Export Share (%) 2022**
1	United States	3,068.80	3,319.85	8.18	25.33
2	United Kingdom	933.72	966.04	3.46	7.37
3	India	815.11	854.88	4.88	6.52
4	Germany	754.11	744.57	-1.27	5.68
5	Italy	578.91	640.18	10.58	4.88
6	Netherlands	425.72	428.27	0.60	3.27
7	Canada	312.85	361.44	15.53	2.76
8	United Arab Emirates	282.84	345.82	22.27	2.64
9	Belgium	334.32	307.68	-7.97	2.35
10	France	245.92	257.52	4.72	1.96
11	Australia	254.30	254.40	0.04	1.94
12	China	273.73	253.11	-7.53	1.93
13	Japan	223.77	226.30	1.13	1.73
14	Bangladesh	221.60	217.54	-1.83	1.66
15	Mexico	204.82	190.30	-7.09	1.45
	Others	3,568.08	3,738.50	4.78	28.52
	Total	**12,498.6**	**13,106.4**	**4.86**	**100.00**

Sources: Central Bank of Sri Lanka, Sri Lanka Customs & Export Development Board

1.7 Exports to FTA Partners

During the period of January to December 2022, exports to Free Trade Agreement (FTA) partners accounted for 7 % of total merchandise exports with an increase of 3.0 % and amounting to US$ 934.39 Mn.

Although Exports to India has increased by 4.9 % y-o-y to US$ 854.88 Mn, exports to Pakistan has decreased by 13.5 % to US$ 79.51 Mn during the year 2022 compared to the year 2021. Growth in Exports to India was mainly supported by increased exports of Animal Feed (11.75 %), Arecanuts (45.24 %), Woven fabrics (46.33%) and Wood pulp (18.06 %).

1.8 Sri Lanka's Export Regions

Following table indicates the comparison of region wise exports during the period of January to December 2021 & 2022. The USA & EU accounted for 48 % of total Sri Lanka's merchandise exports.

Values US$ Mns

Region	2021	2022	% Growth (21-22)	Export Share (%) 2022
United States	3,068.80	3,319.85	8.18	25.33
European Union (EU) excluding UK	2,948.17	3,038.59	3.07	23.18
South Asia	1,243.52	1,261.36	1.43	9.62
Middle East (excl. Cyprus & Egypt)	913.06	998.34	9.34	7.62
ASEAN	319.79	301.91	-5.59	2.30
African Countries	348.89	374.13	7.23	2.85
CIS Countries	253.54	248.85	-1.85	1.90
Others	3,402.83	3,563.37	4.72	27.19
Total Merchandise Exports	**12,498.60**	**13,106.40**	**4.86**	**100.00**

Sources: Central Bank of Sri Lanka, Sri Lanka Customs & SLEDB

During the year 2022, breakdown of exports to the top five EU markets which accounted for 78 % of Sri Lanka's total exports to the EU were; Germany US$ 744.57 Mn (decreased by 1.27 %), Italy US$ 640.18 Mn (increased by 10.58 %), Netherlands US$ 428.27 Mn (increased by 0.60 %), Belgium US$ 307.68 Mn (decreased by 7.97 %) and France US$ 257.52 Mn. (increased by 4.72 %).

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PROGRESS OF THE DEVELOPMENT PROGRAMMES CARRIED OUT DURING THE PERIOD OF JANUARY-DECEMBER 2022

During the period under concern EDB was mainly focusing on to assist the existing exporters to sustain export business by facilitating them to continue uninterrupted operations for export production and transport of goods in communication with relevant authorities to resolve issues related to fuel and electricity supply. Further EDB has implemented number of developments programmes including budget proposals to increase exports and also to develop new exporters.

Due to budgetary constraints, several export promotion programmes were implemented with the assistance of donor agencies and the contribution made by the exporters. Some of the pre-planned programmes were not implemented as per the National Budget Circular, no 3/2022 dated on 26th April 2022, controlling public expenditure issued by the Ministry of Finance.

2.1MARKET DEVELOPMENT AND BRANDING

2.1.1 Trade Fair Participation – Physical Trade Fairs

Sri Lanka participation at GULFOOD 2022 Exhibition in Dubai

The EDB organized Sri Lanka's participation at GULFOOD 2022 exhibition from 13th – 17th February 2022 at the World Trade Centre, Dubai, UAE. GULFOOD is one of the largest Food & Beverage Exhibitions in the world which connect around 5,000 exhibitors and more than 100,000 visitors from over 200 countries.

The objective of Sri Lanka's participation at GULFOOD 2022 was to showcase and promote Sri Lankan Food & Beverage products mainly to the Middle East, Africa, and South Asia (MEASA) region. 19 companies successfully participated at the event exhibiting F & B, coconut, spices, F & V products. Value of the confirmed orders received was around USD 10.40 Mn and Orders Under negotiation USD 6.3 Mn. Orders worth of USD 7.9 Mn has been executed in 2022.

ICT Spring Luxembourg Exhibition

EDB in collaboration with the Sri Lanka Embassy in Brussels organized a Sri Lanka pavilion at ICT Spring Luxembourg for the second consecutive year. The trade exhibition held from 30th June to 1st of July in Luxembourg. Five Sri Lankan companies participated at the trade exhibition and the business meetings arranged in Luxembourg. EDB organized pre-fair market awareness sessions for the participants with tech industry experts in Luxembourg and the Sri Lanka Embassy in Brussels, to raise awareness on the market and guide them in the preparatory work for the exhibition.

Parallel to the trade exhibition, EDB organized some business meetings and field visits for the participants in Frankfurt, Luxembourg and Berlin.

Two Joint venture partnerships were created by the Sri Lankan ICT companies as a result of participation at the event. One company is working on to set up an office in UK while other company is communicating with Frankfort Trade and Investment Authority (FRM) to set up operations in Frankfurt. In addition, one company is in a discussion with Parva Consulting in Luxembourg to establish an office in Luxembourg with VC funding and legal assistance for company incorporation. Company has selected a partner to represent the company in Luxembourg.

Seafood Expo Global 2022

Seafood Expo Global (SEG) 2022, identified as the flagship trade event of the global seafood industry was held from 26th to 28th of April, 2022 in Barcelona, Spain. EDB organized a Sri Lanka country pavilion at the SEG 2022 with 4 Sri Lankan exhibitors.

More than 450 Visitors attended the Sri Lankan pavilion and around 63 positive inquiries had been received. Orders valued at US$ 150,000 for Poland, US$ 100,000 for France and US$ 37,500 for South Africa are under negotiation. Participants were able to penetrate into new markets such as Poland, South Africa and New Zealand and acquire knowledge on new technology for fish processing.

India Fashion Tex 2022

With the participation of 8 Sri Lankan Apparel & Handloom manufacturing companies, EDB organized an exposure visit to the India Fashion Tex 2022 from 29-31 March 2022 in New Delhi – India.

India Fashion Tex is a sourcing exhibition for yarn and fabric for handloom and Apparel industry. During the exhibition, Sri Lankan Handloom companies were able to meet reliable suppliers to source yarn for their industry needs.

Biofach 2022

Sri Lanka exports a range of organically certified agriculture products and maintains an excellent reputation among consumers around the globe, demonstrating its great potential as a trustworthy and high-quality supplier to the international organic food market for more than two decades.

Continuing its efforts to enhance Sri Lanka's outstanding position within the industry, the EDB, together with the European Union (EU), and German institutions such as the Federal Ministry for Economic Cooperation and Development (BMZ), GIZ and Import Promotion Desk (IPD), supported the participation of 15 Sri Lankan companies at the world´s leading trade fair for "Organic Food and Natural Beauty" - BIOFACH 2022 from 26th to 29th July 2022 in Nuremberg, Germany. The selected companies participated in a series of trainings and workshops carried out by the EDB and the IPD, to advance their networking and marketing skills prior to the trade fair. The Sri Lankan companies showcased a wide range of agricultural products such as value-added coconut kernel-based products, spices and dried fruits at the Sri Lanka Pavilion.

The Pavilion was a networking hub for the participating companies to display and highlight their products, capacities, establish contacts and develop professional relationships with potential buyers and other stakeholders in Europe. More than 300 one to one focused business meeting were held with co-exhibitors, materializing around US$ 385,000 worth of confirmed orders from EU buyers.

Magic sourcing Fair in Las Vegas, USA

EDB in collaboration with the Sri Lanka Missions in the USA and the United States Department of Commerce organized a Sri Lanka Country pavilion at the 'Magic Sourcing', fair which is considered as the leading apparel trade fair in USA from 7th to 10th August 2022.

US Department of Commerce sponsored the cost of space and construction of the Sri Lanka pavilion with 10 stalls and 9 apparel companies participated including an information booth maintained by the EDB.

Magic sourcing fair was the first international fair participated by the Sri Lanka Apparel sector in the new normal environment. The SME participant companies were able to attract startups and online customers to their stalls and have received confirm orders worth of US$ 50,000. It is expected to realize more business through the ongoing negotiations.

SIAL, FRANCE – FOOD FAIR 2022

EDB organized Sri Lanka pavilion at the SIAL Paris – 2022 exhibition held from 15th to 19th October 2022 in Paris with the participation of nineteen (19) Food & Beverages export companies. Four (04) SME companies participated at a guided study tour under the assistance of Import Promotion Desk, Germany and displayed at the IPD pavilion.

Companies have received confirm orders worth of US$ 11 Mn and orders worth of US$ 22 Mn are under negotiation. Orders worth of US$ 954,900 were executed in 2022.

Grocery Innovations Canada (GIC) Trade fair 2022

Five (5) Sri Lankan companies exporting Spices, coconut kernel products, processed foods, processed fruits and palmyra wine participated in the event held from 25-26 October 2022 in Toronto, Canada.

Companies have received confirm orders worth of US$ 85,270 and orders worth of US$ 210,635 are under negotiation. Orders worth of US$ 14,000 were executed in 2022. In addition, the EDB was able to introduce 2 new companies to the Canada Market.

Viet Nam Expo 2022

In collaboration with the Sri Lanka Embassy in Vietnam, the EDB organized the first-ever participation of 5 Sri Lankan exporters at the 20th edition of Viet Nam Expo, which was held from 1st to 3rd December 2022 at Sai Gon Exhibition & Convention Center (SECC) in Ho Chi Minh City.

The Expo provided an excellent platform for a variety of product sectors, such as Machinery & Electronics, Hardware & Hand Tools, Food & Propack, Garden & Landscape, and an International Pavilion, where countries displayed their unique products. Being the biggest trade Expo, Viet Nam Expo consisted of approximately 550 booths, with representation from 20 countries and 13,000 visitors.

The Sri Lankan companies received well over 100 trade inquiries and held a large number of business meetings with interested parties. They have also interacted with over 20 potential buyers of products, mainly in the areas of electric cables, industrial electric products, cinnamon products and various types of tea.

2.1.2 Trade Fair Participation – Virtual Trade Fairs

Virtual Sri Lanka National Pavilion at the Country Exhibition of 5th China International Import Expo (CIIE) 2022

EDB organized a National Pavilion at the virtual country Promotion area of CIIE 2022. The content for the online Sri Lanka Pavilion was developed with the assistance of BOI, Sri Lanka Tourism Promotion Bureau and ITN. The Pavilion was successfully hosted at the CIIE website.

Other Virtual Fairs

The EDB has coordinated participation of companies at 03 virtual trade fairs such as Agriteq Qatar, Korea Import Good Fair and Online Canton Fair – China. Companies were able to meet buyers virtually and positive contacts have been established for negotiations.
A promotional programme namely “coconut wonder" was organized in Brussels by the Sri Lanka mission in Belgium. Around 7 companies sent their samples to display at this event. More than 15 Sri Lankan coconut exporters participated online.

2.1.3 B2B Programmes & Webinars

With the purposes of creating market linkages and obtaining immediate orders, EDB organized 41 physical & virtual B2B meetings (Seafood -03, Processed Food - 12, Rubber -01, Apparel -01, Gems & Jewellery -01, Light Engineering - 01, ICT/ BPM - 01, EEC - 05, Logistics - 04, Construction - 04, Multi Products – 08), 02 Business forums and a trade delegation with the assistance of Sri Lanka missions overseas. In order to create awareness on new trends in the export market 11 Webinars and 01 Awareness Session were conducted.
Outcome of the activities are listed below;

- US$ 1Mn business link has been established with a Japanese EEC company.
- USD 25,000 worth confirmed orders received for Apparel.
- USD 200,000/- worth orders are under negotiations as a result of outward delegation to Pakistan for tea rubber and roofing sheets.
- Introduced 07 Sri Lankan exporters of Blue Swimming Crab, Mud Crab, Sea Cucumber and Scallop to the UAE market. 03 Companies are negotiating for prices.

- Introduced 03 Seafood exporters to Turkey & 4 Seafood exporters to France. 02 companies are under price negotiation.
- A German buyer visited 2 F&B companies (Stassen, Green Field Bio Plantation) and placed orders for tea and herbal products.
- Lion Brewery is engaged with a South African company to export Alcohol Beverages
- A Jordan buyer placed an order for Coffee with one company.
- A Korean buyer has placed orders with 02 tea companies.
- "Amante" Brand was introduced to a buyer in Doha Qatar.

2.1.4 Brand Promotion

- EDB has developed a National Export Brand and a promotional plan to create a brand identity for the Sri Lanka Export Sector with the objective of diversifying exports into new markets & high-end market segments. It is proposed to promote 11 key export sectors initially under this programme and implement the brand promotion plan in consultation with the steering committee comprised with relevant public & private stakeholders.
- Protected Geographical Indication (PGI) certification was awarded for Ceylon Cinnamon by the European Union (EU) on 2nd February 2022. Awarding ceremony was held in Colombo on 27th April 2022 in collaboration with the head of EU delegation in Sri Lanka. The PGI for Ceylon Cinnamon was launched at the Bio-Fach 2022 international trade fair held in Germany in July 2022. EDB intends to promote Ceylon Cinnamon as unique single origin product and obtain high value from cinnamon exports.
- In order to establish the control mechanism for Ceylon Cinnamon GI a TOT programme on the GI control plan was implemented for the officials of the Department of Agriculture and in Matara, Galle, Hambanthota, Kegalle, Kandy, Nuwaraeliya and Matale districts under the assistance of IFC (International Finance Cooperation) and 370 officials were trained. In addition, farmer training programme were initiated in Ratnapura and Badulla Districts and 100 farmers were trained.
- PGI Association was established and registered as a new association, Guide book of GI control plan for farmers and manufacturers were launched under the assistance of IFC

2.1.5 Market Intelligence

- Ten (10) market research reports covering Export Agriculture sector were completed & circulated to the relevant industries (Demand for Innovative Products in the International Market, South Africa Food Market, Global Poultry Industry, Promote Agriculture Exports to Russia, Coconut based products for South American Market, Ornamental Fish for France market, Floriculture for Eastern Europe market, Ayurveda & Herbal Products and Cosmetics for Korean Market & Eastern Europe markets, Seafood for UAE and Identify the potential of vegan products, organic and health products, frozen foods, spices and concentrates, palm-based sweeteners, and palm wines for Canada)
- Preliminary market study for Value added Cinnamon products was completed with the EURO Monitor International.
- Market Research reports on Automobile Industry and Marine & Offshore Service sector were prepared.
- Developed Digital Marketing content for EEC sector and uploaded to the EDB website.

2.1.6 Market Development programmes (others)

Facilitated 45-member religious delegation from Vietnam to visit SL's Buddhist and Pali Universities (03 Universities). Signed MoUs with University Authorities to establish a Vietnam Facilitation center in Sri Lanka to assist and coordinate Vietnam students willing to study in Sri Lanka. This programme was a result of a series of awareness webinars organized by the EDB and Sri Lanka Mission in Hanoi in year 2021 for the representatives of Buddhist Universities in SL and Vietnam to promote Buddhist education services.

Facilitated International Institute of Health Sciences (IIHS) to visit Nepal and arranged business meetings with Nepal healthcare industry counterparts to collaborate and enter in to partnerships to promote Sri Lankan healthcare services programmes in Nepal.

Initiated the project developing "Study in Sri Lanka web portal" and "Industry Survey" to be done using University students from Non-State Universities due to budgetary constraints.

Prepared an industry Survey to collate information on seven (7) Universities/ Institutions who offers healthcare services programmes to foreign students & cater to international job market and shared the details with Griffith University in Australia to explore pathway programmes.

Nalanda Buddhist College in Indonesia willing to recruit Pali and English language lecturers from Sri Lanka Buddhist Universities and offer scholarships in year 2023 for Sri Lankan students/ professionals interested in Chinese Traditional Medicine

2.1.7 Clearance of Import Ban for Mango in Jordan Market

With the assistance of Sri Lanka mission in Jordan, EDB facilitated to lift the import ban for Sri Lankan mangoes in Jordan by eliminating non-tariff barriers to access global market. As a result of this, Sri Lankan exporters can continue exports of mango to Jordan by following the quarantine guidelines agreed by both parties.

2.1.8 EU market entry facilitation for SME food ingredient manufacturers/ exporters in liaise with Import Promotion Desk (IPD) Germany

An MOU was signed with the Import Promotion Desk (IPD) Germany to establish an IPD hub office in Sri Lanka to assist SME companies manufacturing natural ingredients to find market access in the EU market.

- Conducted a webinar to provide awareness on upcoming new EU regulation in EU market on "Due Diligence and Sustainability in Supply Chain" for 80 participants.
- On Site Training Programme was conducted for 10 new companies in Jaffna to identify suitable companies for IPD sourcing mission.
- An Agri forum was conducted with a leading EU importer for 100 participants on packaging and value addition as a marketing strategy to promote products in the German market.
- Conducted pre fair workshop for 25 companies participating at Bio Fach 2022.
- Prepared a manual to conduct for pre-fair workshop for new SMEs.
- Conducted IPD facts finding mission for 5 new companies and introduced them into the EU market in 2022.
- Conducted a webinar on CSR for 50 local SMEs
- Drafted a MI report on Essential Oils.

03. Product Development Programmes

- EDB together with Department of Export Agriculture worked with stakeholders of the Cinnamon value chain for the establishment of internal & external control mechanisms for Ceylon Cinnamon GI. District wise Cinnamon farmer associations have been established to link with main GI Association and training programmes were conducted. Traceability system is being established to monitor the value chain.
- EDB collaborated with SLSI, NMRA, Department of Ayurveda and relevant exporters to the development of National standards for Sri Lankan herbal cosmetic products and Ayurvada Products.
- EDB with the assistance of the Tertiary and Vocational Education Commission (TVEC) and Sri Lanka Electronic Manufacturers and Exporters Association (SLEMEA) prepared a Vocational Education Training Plan (VET Plan) in 2021 for the Electrical and Electronics sector (EEC sector) to identify the skill gaps and training required to develop the EEC sector. This report has identified the supply and demand for skills in local and foreign employment, skills gaps and training needs, skill analysis to future trends, monitoring and implementation plan for 5 years.

04. SME Development

- The EDB under the New Exporter Development Programme conducted series of awareness workshops, producer-exporter link up programmes, product/ supply development programmes and market exposure programmes for entrepreneurs in regions with the objective of developing new exporters and creating awareness on opportunities in the export market.
- EDB in collaboration with the USAID Partner project implemented 05 Capacity Development Programmes on Export Facilitation, 07 programmes on Digital Capacity Building and 03 awareness programmes on gender and women empowerment and inclusive development for 415 Development Officers to use them as TOTs to develop export-oriented SME entrepreneurs in the regions.
- Under the New Exporter Development Programme, an Export Marketplace was organized coinciding with International Women's Day 2022 on 28th March 2022 for 25 selected women

entrepreneurs. Best Export Oriented Women Entrepreneurs were awarded with financial assistance to execute their market plans.

- In line with budget proposal 2021, 10 Export Processing Villages (EPV) were initiated for Paper Basket, TJC Mango, Vanilla, Kithul and Coffee products. Planting material were distributed for coffee EPV and a paper cutting machine was handed over to the linked exporter of the Paper Basket EPV. Although activities initiated on remaining EPVs, projects were temporarily suspended according to the National Budget Circular, No 3/2022 dated on 26th April 2022, issued by the Ministry of Finance.
- With the objective of empowering small farmer groups to cater to the overseas markets, the EDB is implementing a scheme to assist farmers to acquire National/ International organic certification from internationally accredited certification bodies. Under this project 3 training programmes were conducted in Kurunegala, Makadura and Matara with the participation of total 280 participants.
- Under the New Exporter Development Programme, 06 SME companies were assisted for value addition and packaging development.

05. Exporters Assistance programmes

- **Market Access Support Programme**

Market Access Support programme implemented by the EDB during years 2018 -2021 to assist exporters to enhance their market access was continued until the end of 2022. So far 93 Companies were assisted under this programme.

53 direct exporters out of 93 recorded export growth of 35.2 % with a US$ 22.3 Mn increase during the period of 2019-2022.

In addition, 13 new exporters were introduced to the international market and an export revenue of US$ 7.0 Mn (LKR 1,693Mn) was generated during the period of 2019-2022.

06. Capacity Building/ Training of Exporter

- Two certificate courses on Operational Aspects of International Trade were conducted for 74 participants.

- Three Certificate courses on Import/Export Procedures were conducted for 171 Potential SMEs, junior staff members of the public and private sector.
- A national pavilion representing 13 government stakeholder agencies engaged in the packaging industry was organized at the Pro food Propack Ag-Biz exhibition by the NPC at BMICH to create awareness among the industry and public. Two awareness sessions on packaging were conducted at the Exhibition.
- Conducted B2B meetings with five (05) Sri Lankan packaging companies with 35 export companies to introduce packaging solutions for their export products.
- Assisted 7 SME companies to develop product packaging for International market with the support of University of Moratuwa
- Organized a Capacity Building Programme for 18 SME Exporters to move up the value chain to build Brands in collaboration with SLIM.
- A webinar on the "Potential of ornamental fish industry" for a cluster of 25-30 SMEs including three export-ready SMEs in Homagama DS Division and an awareness session on the "Potential of ornamental fish industry" for 25-30 potential and export-ready SMEs in Horana DS Division. Three farmers (1- Homagama & 2- Horana) identified from the sessions, were introduced to the Belgium import project organized by Aquametter team in collaboration with the Sri Lanka mission in Belgium.
- E-commerce and Digital marketing programme for 85 women entrepreneurs was conducted in collaboration with UNESCAP project.
- Conducted online webinar session for 21 University students on printing Industry and int'l market trends.
- Export Marketing Planning (EMP) programme was conducted for 20 tech entrepreneurs in Uva province and facilitated one company to participate in USA tech event.
- An awareness webinar on China Market requirements was conducted for 104 exporters and potential exporters.
- Two webinars were organized to promote wall tiles and floor tiles to relevant trade associations in Pakistan
- Webinar on "Kuwait - Sri Lanka Business Forum & B2B Meetings" was organized for 60 exporters and potential exporters.

- Conducted 09 capacity development programs such as Export Market Opportunities and Export Procedures, Packaging Development, Business Clinic, etc. for 252 SME entrepreneurs engaged in various sectors.
- An awareness programme on “Current Export Market Opportunities and Market Trends” was conducted for 70 beneficiaries via zoom for Southern Province and Monaragala District.
- Workshop on Export Market & Export Procedure was conducted for 25 women entrepreneurs in collaboration with the Women’s Chamber of Industry & Commerce.
- Online programme on Export Lead Generation including export procedure was conducted for 80 women entrepreneurs in collaboration with WE Connect International.
- Awareness programme on e-commerce & digital marketing through social media was conducted for 50 SMEs in Panadura Divisional Secretariat.
- Virtual digital marketing programme was conducted for 89 participants.
- Virtual workshop on eBay Selling was conducted for 75 entrepreneurs in Kegalle district.
- Webinar for 149 DOs was conducted in collaboration with National Post Harvest Management Institute
- Webinar on " Export Health Foods to Japan - Rules and regulations" was conducted for 108 exporters.

07. Export Related Publications

- One issue of Business Lanka Magazine on “Connecting Sri Lanka’s Organic Agriculture with the World” was published to promote Sri Lankan export capabilities internationally. It was circulated among the 137 Global destinations in 125 countries such as Sri Lanka Missions overseas, Trade Chambers, TPOs, etc.
- Seven “Expo News” monthly e -Magazines were published and circulated among exporters to provide updated market intelligence on international trade, events and success stories.
- Circulated the market price, trends, information on new technology upgradation among the exporters.
- The statistical publication of EDB “Export Performance Indicators 2021” was published in the EDB web site with access of online purchasing.

08. Advisory Committees

- 24 Advisory Committees were established under the section 10 of EDB Act. No. 40 of 1979 on 15th July 2021 for a 5 years term (Apparel, Ayurveda & Cosmetics, Boat Building, Coconut & Coconut based products, Construction Services, Education Services, Electronics & Electrical Components, Export Production Villages(EPV), Gems, Diamonds & Jewellery, ICT/BPM, Light Engineering, Logistics, Marine & Offshore Engineering, National Quality Infrastructure, Organic Products, Ornamental Fish, Processed Food & Beverages, Pharmaceuticals, Regional Development, Rubber & Rubber based products & Plastics, Seafood & Aqua Culture, Spices & Concentrates, Trade Promotion & Trade Information). The Advisory Committees spearhead private-public collaboration that identify priority issues and opportunities to improve the performance of export sectors. 45 Advisory committee meetings were held during 2022. EDB obtained inputs from Advisory committees in preparation of Annual Action Plans, clearing tariff and non-tariff barriers.
- Also, in consultation with Advisory Committees, EDB facilitated exporters by providing continuous support in volatile economic situations in the country. EDB facilitated exporters to purchase their weekly fuel requirement from CEPETCO by making direct payment in dollars. Further, EDB facilitated exporters by providing recommendations for the IOC to fulfill their fuel requirements.

09. E-Marketplace - Online Promotion of Sri Lankan Products & Services

With the objective of increasing market access, B2B and B2C transactions and facilitating SME's and entrepreneurs to get into E Commerce, the EDB has promoted its website www.srilankabusiness.com as the national gateway for exports of Sri Lankan products and services.

- Unique Visitors 1,265,258 Page views 4,263,352
- 11,428+ website updates
- 61 blog posts 248,028 User Visits
- 467 FB posts Impressions 2,117,945 Reach 2,049,274
- 441 Tweets, 153,501 Impressions, 57041 Profile visits, 300 Mentions, 490 New followers
- 364 LinkedIn posts, Impressions 539,933, Followers 25,060
- 2,129 B2B inquiries
- Received payments worth of Rs. 1,664,082.61 through the Online Payment Gateway managed by EDB

10. Future Plans 2023

Sri Lanka Export Development Board (SLEDB) as the premier state organization responsible for the development and promotion of exports, is continuously supporting Sri Lankan exporters and potential exporters to conduct their businesses more efficiently & effectively by achieving international trade competitiveness leading to increased exports.

EDB focuses on new market penetration, New Exporter Development, branding, value addition and carry out a number of aligned activities in those direction.

The export target set for 2023 is $ 18.9 billion and expect to achieve US$ 16.7 billion from merchandise exports and US$ 2.2 billion from services exports.

In order to achieve the above target, EDB actions are aligned with the following strategic objectives laid in the new Corporate Plan formulated by the EDB considering the current global situation.

- Create an outstanding image for Sri Lankan export products & services.
- Increase export value of products and services with a greater value addition & branding.
- Increase exports to prospective niche markets while consolidating existing premium markets.
- Integrate with regional value chain networks with better market access.
- Enhance the contribution of value chain actors for the export sector.
- Broad-base export basket and exporter community of the country.
- Trade facilitation to ensure efficient, transparent and cost-effective cross border trade.
- Encourage exporters to comply with International regulations & standards and achieve collective benefits of the Environmental, Social & Governance principles (ESG).
- Build a team of excellence at the EDB, based on core values, with particular emphasis on employee productivity and commitment. Build a team of excellence at the EDB, based on core values, with particular emphasis on employee productivity and commitment

Further the EDB Advisory Committees and sector Associations are consulted in preparation of Action Plan with a focus to sustain the exports while protecting the existing industries and exploring new export avenues created due to the changes occurs in the Global trading environment.

It is expected to implement following key activities facilitating exporters to increase the Market Access Globally for Sri Lankan Products & Services

- Organize Physical & Virtual participation at International Trade Fairs/ events in selected priority and emerging markets.
- Organize Physical & Virtual Inward and Outward Trade Missions in selected markets
- Country image building to re-establish buyer confidence in Sri Lankan supply capacity
- Export Branding
    - Branding Sri Lanka and Positioning Sri Lankan products globally
    - Ceylon Cinnamon" Brand development & promotion programme
    - Geographical Indication (GI) for Ceylon Cinnamon
    - Pure Ceylon Cinnamon and 'Ceylon Spices' License programme - Issue license to eligible exporters to use Trademarks registration and renewal process
    - Promotion of IoI brand for ICT industry
    - Promotion of Sri Lanka Organic brand
- New Exporter Development (200)
- Connect Sri Lankan Exporters/SMEs with global Value chain
- Encourage Export led joint venture investments
- Market Intelligence, Market Studies/ Research, etc.
- Reviewing and Implementation of National Export Strategy
- Participate in Regional corporations and integration initiatives - FTA, PTA
- Export Supply base Development
- Women Entrepreneurs Development
- One Village - One Product Programme (OVOP)
- Protect the credibility & Safeguard the image of Organic Agriculture value chain in Sri Lanka.
- EU market entry facilitation for SME food ingredient manufactures/ exporters in liaise with Import Promotion Desk (IPD), Germany
- Promotion of ICT/ BPM Industry towards Japan market
- Monitoring of Advisory Committees
- Addressing Industry specific issues
- Resolving problems faced by exporters [Exporters' Forum]
- Recognizing exporters through awarding Presidential Export Awards

- Provide Trade Statistics & Buyers information
- Publications - Business Lanka Magazine, SL Directory of Exporters 2022, Export Performance Indicators
- Provision of trade information, market intelligence, e-commerce services and export related publications
- Promotional Brochures
- Certificate Courses on import/export procedures, Operational Aspects of International Trade and export packaging
- E-Library
- EDB Corporate Video
- Online trade platform – Web site
- Online Promotion of Sri Lankan Products & Services through EDB web site
- Conduct seminars/ webinars/ awareness on export related subjects, skill development and entrepreneurship development programmes
- Preparation of Documentary Video on Organic Agriculture Sector
- Export Oriented supply chain development through organic certification as per SLS 1324:2018
- National Export Brands Development Programme to assist Sri Lankan entrepreneurs to develop and promote Home-Grown Brands in overseas markets
- Develop a country strategy for Sri Lankan Pharmaceutical sector

Policy & Strategic Planning Division

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SUMMARY OF THE ACTIONS TO BE TAKEN BY SRI LANKA EXPORT DEVELOPMENT BOARD TO DEVELOP EXPORT PERFORMANCE IN SHORT & MEDIUM TERM [2022-2024]

Sri Lanka Export Development Board [EDB] is working towards the development and promotion of Sri Lankan exports with the objectives of increasing export earnings and contributing towards the economic growth of the country. The EDB is the country's apex Trade Promotion Organization (TPO) – as mandated by legislation. It acts as an umbrella organization for any matter related to international trade. The EDB plays its role as a Policy Advisor, Monitor, Promoter, Facilitator and Knowledge Provider to facilitate exporters and also to create an export conducive environment continuously and implement new strategies to achieve the National Export Targets.

Accordingly, EDB implements its activities under following strategies

1. **Create Market Access Globally for Sri Lankan Products & Services.**

- Organize Sri Lanka's participation at International Trade Fairs in selected priority and emerging markets specially focus on SMEs
- Organize Inward and Outward Trade Missions in selected markets.
- Provide Market Intelligence.
- Working closely with the Ministry of Foreign Relations and Sri Lanka Missions to link exporters with buyers.
- Organizing webinars and virtual B2Bs for identified sectors.
- Continues dialogue with Sri Lanka Mission Heads and overseas mission Heads in Sri Lanka on bi-lateral corporation.

2. **New Exporter Development**

- Identify potential exporters/ entrepreneurs in the regions.
- Capacity building to groom them as exporters.
- Product development and compliance to international quality standards and other country/market requirements.
- Introduce to the export market.

3. **Branding Sri Lanka and Positioning Sri Lankan products globally.**

- "Pure Ceylon Cinnamon" Trade mark promotion to differentiate cinnamon from cassia.
- "Ceylon Spice" Brand promotion programme.
- Promote Ceylon Cinnamon as a protected Geographical Indication (GI).
- IOI brand to promote Sri Lanka as a destination for ICT services.
- Promote products under "Sri Lanka Export Brand".

4. **Trade Information & Market Intelligence.**

- Provision of trade information, market intelligence, e-commerce services and export related publications.
- Business Lanka Magazine.
- Sri Lanka Exporters Directory.

5. **Support business to enhance online presence**

- Online Promotion of Sri Lankan Products & Services through EDB web site.
- Publish market alerts on changing scenarios of World trade

6. **Exporter Facilitation.**

- Assist exporters through "HELP DESK"
- Resolving problems faced by exporters [Exporters' Forum]
- Market Development Assistance (MDA) Scheme. (2022)
- Recognizing exporters through awarding Presidential Export Awards
- Monitoring of Established Advisory Committees (24)
- Conduct training programmes on import/export procedures, Operational Aspects of International Trade and export packaging.
- Conduct awareness programmes on export related subjects, skill development programmes and entrepreneurship development programmes.

7. **Supply development and quality improvement.**

- Protect the credibility & Safeguard the image of Organic Agriculture value chain in Sri Lanka.
- Facilitate the operationalization of National Organic Control Unit (NOCU).
- Export supply base development through One Village One Product [OVOP] Programme.
- Development of Women Entrepreneurs.

8. Export Production Villages (EPV)

- Identification of products for EPVs
- Identify geographical locations suitable for identified products
- Organize clusters and establish Export Production Villages Companies.
- Capacity building to groom them as exporters.
- Product development and compliance to international quality standards and other country/market requirements.
- Introduce to the export market & link with export companies

9. **Implementation of National Budget Proposals**

✓ **Continuation of National Budget Proposals 2018/2019**

- "Export Market Access Support" programme (2018-2022).
- National Export Strategy (2018-2022)

✓ **Continuation of National Budget Proposals 2021**

- National Export Brands Development Programme to Assist Sri Lankan Entrepreneurs to Develop and Promote Homegrown Brands in Overseas Markets.

✓ **National Budget 2022**

- Establishment of Export Processing Village (EPV) – (Temporally hold following National Budget Circular No. 03/2022 issued on 26th April 2022)
- Development of Sustainable Organic Agriculture System in Sri Lanka. (2022-2023)

✓ **Interim Budget 2022**

- Reactivation/ Revamping of the National Packaging Center (NPC)

✓ **National Budget 2022**

- Examine the possibilities of producing Triloka Wijayapathra purely for the purpose of exports.
- Review and revise the current National Export Strategy (NES) 2023-2024.

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FINANCIAL STATEMENTS

2022

SRI LANKA EXPORT DEVELOPMENT BOARD
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31ST DECEMBER 2022

	Note	SLFRS 31.12.2022 Rs.	SLFRS 31.12.2021 Rs.
Income			
Income	(3)	478,466,579	515,589,117
Other Income	(4)	101,573,893	54,683,378
Total Income		580,040,472	570,272,495
Provisions for Impairment for investments and other receivables	(5)	(137,446,488)	(408,000)
Expenditure			
Export Development Expenses	(6)	145,840,678	109,674,355
Administration Expenses	(7)	356,829,387	372,422,060
Income Over Expenditure from Operating Activities		214,816,895	88,584,080
Finance Cost	(8)	193,106	298,124
Excess of Income Over Expenditure from Ordinary Activities		214,623,789	88,285,956
Share of profit/ (loss) of associate company		4,233,297	123,423,728
		218,857,086	211,709,684
Other Comprehensive Income			
- Gain on Revaluation of Property, Plant financial assets		85,996,927	-
Acturial valuation gain/Loss		9,475,227	-
Other Comprehensive Income for the year		95,472,154	-
Total Comprehensive Income for the year		**314,329,240**	**211,709,684**

SRI LANKA EXPORT DEVELOPMENT BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 31 ST DECEMEBR 2022

	Note	SLFRS 31.12.2022 Rs.	SLFRS 31.12.2021 Rs.	SLFRS 01.01.2021 Rs.
ASSETS				
Non-Current Assets				
Property, Plant & Equipment, net	(9)	101,407,909	22,662,353	29,546,271
Intangible Assets (Net)	(10)	145,298	212,998	255,010
Investments in Associates - Unquoted	(11)	1,251,263,603	1,247,030,306	1,123,606,578
		1,352,816,810	1,269,905,657	1,153,407,859
Other non-current financial assets	(12)	202,472,821	64,828,401	63,393,931
Total Non-Current Assets		1,555,289,631	1,334,734,058	1,216,801,790
Current Assets				
Inventories	(13)	3,225,364	2,658,056	2,857,903
Trade and Other Receivables	(14)	12,397,592	24,636,075	139,018,779
Advance and Prepayments	(15)	38,116,012	23,888,693	7,154,464
Cash and Cash Equivalents	(16)	121,808,990	64,764,983	27,734,026
		175,547,958	115,947,807	176,765,172
Total Assets		**1,730,837,589**	**1,450,681,865**	**1,393,566,962**
EQUITY AND LIABILITIES				
Capital and Reserves				
Grants Received - Equity Contribution	(17)	10,014,284	10,014,284	10,014,284
Accumulated Income over Expenditure		1,554,359,474	1,241,833,712	1,143,228,077
Total Equity		1,564,373,758	1,251,847,996	1,153,242,361
Grants				
Grants Received - Other	(18)	14,933,725	18,896,444	23,923,318
		14,933,725	18,896,444	23,923,318
Non-Current Liabilities				
Provisions and Other Liabilities	(19)	58,373,071	37,050,196	22,700,377
Retirement Benefits Obligation	(20)	27,771,814	68,224,580	77,267,378
		86,144,885	105,274,776	99,967,755
Other Payables	(21)	65,385,221	74,662,649	116,433,528
		65,385,221	74,662,649	116,433,528
Total Equity and Liabilities		**1,730,837,589**	**1,450,681,865**	**1,393,566,962**

The Accounting policies on pages 11 to 22 and notes on pages 23 To 39 Form an integral part of these Financial statements prepared in accordance with Sri Lanka Accounting Standards. The Management and the Board of Directors are responsible for the preparation and presentation of these Financial Statments. Financial Satements were approved by the board of directors and signed on their behalf by,

Dr. Kingsly Bernard	Mr. K. A.Vimalenthirarajah	Mrs. W. M. D. T. Wickremasinghe	Mr. K.D. Perera
CHAIRMAN & CEO	**BOARD MEMBER**	**BOARD MEMBER**	**DIRECTOR FINANCE**

SRI LANKA EXPORT DEVELOPMENT BOARD
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31ST DECEMBER 2022

		Equity Contribution	Accumulated Profit	Revaluation Reserve	Total
Balance as at 31st December 2020	**(23.3)**	10,014,284	1,143,228,077	-	1,153,242,361
Excess of Income Over Expenditure		-	211,709,684		211,709,684
Prior Year Adjustments		-	(113,104,049)	-	(113,104,049)
Balance as at 31st December 2021		**10,014,284**	**1,241,833,712**	**-**	**1,251,847,996**
Excess of Income Over Expenditure		-	228,332,313	85,996,927	314,329,240
Prior Year Adjustments	**(24)**	-	(1,803,478)		(1,803,478)
Balance as at 31st December 2022		**10,014,284**	**1,468,362,547**	**85,996,927**	**1,564,373,758**

SRI LANKA EXPORT DEVELOPMENT BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	2022 Rs.	2021 Rs.
Cash Flows from Operating Activities			
Surplus for the year before taxation		314,329,240	211,709,684
Adjustments for			
Fixed Assets Depreciation		10,586,350	8,951,192
Intangible Asset Amortization		67,500	312,013
Income from Investments		(102,639,316)	(165,701,000)
Revaluation gain on Motor Vehicles		(85,996,927)	-
Acturial valuation gain/Loss		(9,475,227)	-
Prior Year Adjustments		(1,803,478)	47,652
Amortization Of Government Grants		(6,113,619)	(7,364,148)
Provision for Gratuity		(24,525,105)	9,196,815
Staff loan amortization		3,519,821	4,075,746
Unwinding interest		3,656,960	(3,259,226)
Sundry assets purchases		81,121.00	
Sale of fixed assets		(415,449)	
Provision for Impairment in Value		(137,446,488)	-
Operating Profit/(Loss) before Working Capital Changes		**(36,174,617)**	**57,968,728**
(Increase)/Decrease in Inventories		(567,308)	199,847
(Increase)/Decrease in Trade and Other Receivables		3,931,801	(1,019,989)
(Increase)/Decrease in Advances and Prepayments		(15,112,268)	(16,734,230)
Increase/(Decrease) in Provision and Other Liabilities		21,322,875	14,349,819
Increase/(Decrease) in Other Payable		(10,542,428)	(41,770,873)
Cash generated from operations		**(37,141,945)**	**12,993,302**
Finance Costs Paid			-
Defined Benefit Plan Costs Paid		(6,452,434)	(18,239,613)
Net cash from Operating Activities		**(43,594,379)**	**(5,246,311)**
Cash Flows from Investing Activities			
Exporter's Loan recovery		626,500	-
Loan recovery		1,190,418	-
Sale of Fixed Assets	3	415,449	-
Acquisition of Property, Plant & Equipment	9	(2,150,900)	(2,337,274)
Dividend Received	4	90,668,264	40,345,573
Interest Received	4	7,737,755	1,931,698
Net cash used in Investing Activities		**98,487,486**	**39,939,997**
Net Cash Flows from/(Used in) Financing Activities			
Government Grant Received		2,150,900	2,337,274
Net cash used in Financing Activities		**2,150,900**	**2,337,274**
Net Increase/(Decrease) in Cash and Cash Equivalents		**57,044,007**	**37,030,959**
Cash and Cash Equivalents at the beginning of the year		**64,764,983**	**27,734,024**
Cash and Cash Equivalents at the end of the year		**121,808,990**	**64,764,983**
Analysis of Cash & Cash Equivalents			
Cash in hand	16	1,000	27,234
Cash at Bank - Favorable	16	121,807,990	64,737,749
		121,808,990	**64,764,983**

SRI LANKA EXPORT DEVELOPMENT BOARD
GENERAL INFORMATION AND ACCOUNTING POLICIES
YEAR ENDED 31ST DECEMBER 2022

STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT OF THE AUTHORITY TO FINANCIAL REPORTING

In terms of Section 16 (Application of the provisions of the Public Corporations (financial control) Act) of Export Development Board of Sri Lanka Act No 40 of 1979, the Management of the Board is responsible for,

i. Keeping proper books of accounts of the income and expenditure, assets and liabilities and all other financial transactions of the Authority.

ii. Preparing accounts in accordance with the Sri Lanka Accounting Standards adopted by the Institute of Chartered Accountants of Sri Lanka under the Sri Lanka Accounting and Auditing Standards Act No.15 of 1995 for the purpose of presenting a true and fair view of the financial performance and the financial condition of the Board.

iii. Taking appropriate steps to safeguard the assets of the Board and to establish appropriate internal controls to prevent and detect frauds and other irregularities.

SRI LANKA EXPORT DEVELOPMENT BOARD
GENERAL INFORMATION AND ACCOUNTING POLICIES
YEAR ENDED 31ST DECEMBER 2022

1. GENERAL INFORMATION

1.1 Domicile & Legal Form

Sri Lanka Export Development Board is incorporated and domiciled in Sri Lanka under the Act No 40 of 1979. The registered office of the Board is at No. 42, Nawam Mawatha, Colombo 02.

1.2 Principal Activities and Nature of Operations

Export Development Board is primarily engaged to development and promotion of Sri Lanka exports; and to provide for matters connected therewith or incidental thereto.

1.3 Date of Authorization for Issue

The Financial Statements of the Board for the year ended 31st December 2022 have been approved by the Board of Directors on 05th September 2023.

1.4 Statement of Compliance

The Statement of Financial Position, Comprehensive Income, Changes in Equity, Cash Flow and notes together with Summary of Significant Accounting Policies and notes (Financial Statements") of the Board as at 31st December 2022 has been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS and LKASs) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka),which represent International Financial Reporting Standards (IFRS) issued by the Sri Lanka Accounting Standards Board.

1.5 Responsibility for Financial Statements

The Management of Export Development Board of Sri Lanka is responsible for the preparation and presentation of the financial statements.

1.6 Basis of Measurement

The financial statements have been prepared on historical cost basis except where appropriate disclosures are made with regard to fair value under relevant notes. Assets and liabilities are grouped by nature and in an order that reflect their relative liquidity.

1.7 Going Concern

When preparing the financial statements, the Management has assessed the ability of the Board to continue as a going concern. The Management has a reasonable expectation that the Board has adequate resources to continue in operational existence for the foreseeable future. The Board does not foresee a need for liquidation or cessation of operations, taking into account all available information about future. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

1.8 New Accounting Standards issued but not yet effective as at balance sheet date

The following new standards, amendments and interpretations to existing standards have been published by the Institute of Chartered Accountants of Sri Lanka, but are not yet effective up to the date of authorization of these financial statements. Possible impact on the financial statements of the application of the above new standards have not yet been assessed, and the authority intends to adopt these standards, interpretations and amendments to existing standards that are expected to be relevant to the board’s financial statements when they become effective.

SLFRS 17 Insurance Contracts

1.9 Functional and Presentation Currency

The financial statements of the Board are presented in Sri Lankan Rupees, which is the Board’s functional currency.

1.10 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the board’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors could include judgment, estimate and assumptions.

1.11 Estimates and assumptions

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 discussed below.

(a) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of discounted cash flows model and/or mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(b) Valuation of defined benefit obligation

LKAS 19 requires that the Projected Unit Credit Method be used to determine the accrued liability and the current service cost of the retirement benefit plan. The objective of this method is to expense each employee's benefits under the Plan as they accrue, taking into consideration various actuarial assumptions. The approach used here is to estimate the accrued value benefit paid to each of the individual member due to retirement, resignation, death and permanent disability. The estimated accrued benefits for each member are then summed to calculate the actuarial present value of the defined benefit as at the valuation date. In other words, the present value of a defined benefit obligation is the actuarial present value of the expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The cost of defined benefit pension plans is determined based on the Actuarial Valuation done as at 31/12/2022. The carrying value at the balance sheet date of defined benefit obligation is Rs. 27,771,814.00 (2021 - Rs. 68,224,580.00)

(c) Fair Value

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. When a financial instrument is initially recognized, its fair value is generally the value of the consideration paid or received. Subsequent to initial recognition, the fair value of a financial asset quoted in an active market is generally the bid price and, for a financial liability quoted in an active market, the fair value is generally the ask price. For financial instruments such as cash equivalents and short-term investments that have a short duration, the carrying value of these instruments approximates fair value.

2. SPECIFIC ACCOUNTING POLICIES

2.1 Assets and bases of their valuation

Assets classified as current assets on the Balance Sheet are cash and bank balances and those which are expected to be realized in cash during the normal operating cycle or within one year from the Balance Sheet date, whichever is shorter.

2.2 Financial Instruments

2.2.1 Financial Assets (Non-derivative)

The Financial Assets classifies into the following categories based on the SLFRS 09: **as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:**

(a) The entity's business model for managing the financial assets and
(b) The contractual cash flow characteristics of the financial asset.

The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

2.2.2 Classification, Recognition and Measurement

(i) A financial asset shall be measured ***at amortized cost*** if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) A financial asset shall be measured ***at fair value through other comprehensive income*** if both of the following conditions are met:

(c) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(d) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) A financial asset shall be measured ***at fair value through profit or loss*** unless it is measured at amortized cost or at fair value through other comprehensive income.

2.2.3 Determination of fair value

The fair values of loans and advances as well as liabilities are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

2.2.4 Reclassification

When, and only when, the board changes the business model for managing assets it shall reclassify all affected financial assets in accordance with categories of above financial assets.

2.2.5 Impairment

(a) Financial assets carried at amortized cost

The Board assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated. Objective evidence that a financial asset or Group of assets is impaired includes observable data that comes to the attention of the Board about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It is probable that the issuer or debtor will enter bankruptcy or other financial Re-organization;
- The disappearance of an active market for that financial asset because of financial difficulties; or

- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a Group of financial assets since the initial recognition of those assets,

The Board first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Board determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a Group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables carried at amortized cost, 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 credit losses that have been incurred) 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 recognized in the income statement. For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as improved credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the income statement.

(b) *Impairment of other non-financial assets*

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.2.6 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:

- The rights to receive cash flows from the asset have expired.
- The Board 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

(a) The Board has transferred substantially all the risks and rewards of the asset, or

(b) The Board has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Board has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent of the Board's continuing involvement in it. In that case, the Board also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Board has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Board could be required to repay.

2.2.7 Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.3 Property, Plant and Equipment

2.3.1 Recognition & measurement

Items of property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed asset includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use expenditure on repairs or maintenance of property, plant and equipment made to restore or maintain future economic benefits expected from the assets has been recognized as an expense when incurred.

assets to a working condition for their intended use expenditure on repairs or maintenance of property, plant and equipment made to restore or maintain future economic benefits expected from the assets has been recognized as an expense when incurred.

The Revaluation on Motor Vehicles is done for the year 2022 due to the substantial value increase in the active market. The gain aroused on the revaluation is credited to Revaluation Reserve amounting Rs. 85,996,926.67

2.3.2 Subsequent costs

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized and written off during the lease period. Other subsequent expenditure is capitalized only if it is probable that the future economic benefits embodied within the part will flow to the board and its cost can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in the income statement as an expense as incurred.

2.3.3 Depreciation

The provision for depreciation is calculated on the straight line method on the Cost/ valuation of the Property, Plant and Equipment. All Property, Plant and Equipment other than land have been depreciated annually on the following percentages in order to write off such amounts over the useful lives.

Motor Vehicles Less than 10 years old	10%	Motor Vehicles Over 10 years old	20%
Computers	20%		
Computer Equipment	25%	TV Equipment	10%
Telephone Installation	20%	Furniture and fittings	10%
Residential Telephone	10%	Office Equipment	10%
PABX System	10%	KIOSK System	20%
Other Equipment	33 1/3%		

Depreciation has been charged commencing the date of purchase using straight line method. During the year under review economic life time of the property, plant and equipment were reassessed as required by the LKAS 16 based on the best of the information available. As a result, depreciation rates were changed for some property, plant and equipment. The resulting impact of change in economic life time of the assets is adjusted in the financial statements commencing from the 2012 onwards.

2.3.4 De-recognition

Items of property and equipment are de-recognised upon disposal or when no future economic benefits are expected from its use. Gain or losses arising on de-recognition of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

2.3.5 Impairment of Tangible Assets

At the end of each reporting period, the Board reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell or value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

2.3.6 Cost of immaterial Non-Current Asset items record as Recurrent Expenses (Sundry Assets)

The Sri Lanka Accounting Standard on Property Plant and Equipment (LKAS 16) guides as "Spare parts and servicing equipment are usually carried as inventory and recognized in profit or loss as consumed".
The EDB records all small value expenditure items including maintenance costs/ spare parts of IT etc. as cost of sundry assets at the time of cost incur and not as part of cost of fixed assets, which are immaterial when compared to the Fixed Assets values.

2.4 Investments in Associates- Development Holdings (Pvt) Ltd

Investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the board's share of the profit or loss of the investee after the acquisition date (Equity Method). Adjustments to the carrying amount (Changes arising from the revaluation of Property, plant and equipment or foreign exchange translation differences) is recognized in the board's proportionate interest from year 2013 onwards in the investee arising from changes in the investee's other comprehensive income.

2.5 Intangible Assets

An intangible asset is recognized if,

It is probable that the expected future economic benefits of service potential that are attributable to the asset will flow to the entity; and

(a) The cost or fair value of the asset can be measured reliably.

The board uses the cost model to recognize the intangible assets as per SLPSAS-20. And Computer Software is categorized under the intangible assets and the depreciable amount is allocated on a systematic basis over its useful life. Amortization rate applicable is 25%.

2.6 Inventories

All inventories have been valued at lower of Cost or Net Realizable Value. Cost is determined based on First in First out basis. (FIFO)

2.7 Other Assets

Other assets include Other Debtors and Receivables, Advances, Deposits, Prepayments, Taxation Receivable.

(a) <u>Advances, Deposits, Prepaid Expenditure</u>
Expenditure which is deemed to have a benefit or relationship to more than one financial year is classified as advances, deposits and prepaid expenditure. Such expenditure is written off over the period, to which it relates, on a time proportion basis.

(b) <u>Other Debtors</u>
Other debtors are recognized at cost less impairment loss.

(c) <u>VAT Receivable</u>
Taxation receivable is recognized at cost.

2.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are held for the purpose of meeting short-term cash commitments.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.9 Financial Liabilities

2.9.1 Classification of financial liabilities

The EDB classified all financial liabilities as subsequently measured at amortized cost, except for:

(a) Financial liabilities at fair value through profit or loss, such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.
(b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
(c) Financial guarantee contracts.
(d) Commitments to provide a loan at a below market interest rate.

Accordingly, financial liabilities within the scope of SLFRS 09 are classified as financial liabilities at fair value through profit or loss or at amortised cost as appropriate. The Board determines the classification of its financial liabilities at initial recognition.

The Board's financial liabilities include trade and other payables.

2.9.2 Other Liabilities

Other liabilities include Accrued Expenditure. These are stated at their historical value which is deemed to be their fair value.

2.10 Government Grants

Grants are recognized in the financial statements at their fair value. When the grant relates to an expense it is recognized as an income over the period necessary to match it with the costs, which it is intended to compensate for on a systematic basis.

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

As per the LKAS 20 - Accounting for Government Grants and Disclosure of Government Assistance, from the year 2016, cost of the fixed assets purchase under the development budget of the Board by using the government fund are transferred to the Government Grant Account and will be amortized over their useful lifetime (equal to the depreciation rate).

The value of the Government Grant reflects, assets transferred from following organization at the time of formation of the Board and the assets purchased subsequently to the Board.

Government Contribution	-	Rs.	7,904,002.00
UNDP Contribution	-	Rs.	2,110,282.00
Government Grant Motor Vehicles	-	Rs.	5,832,300.00
Government Grant – Other	-	Rs.	7,187,835.00
Total	-	Rs.	23,034,419.00

2.11 Employee Benefits

Defined Contribution Plans

Employees are eligible for Employees' Provident Fund (EPF) Contributions and Employees' Trust Fund (ETF) Contributions in line with the respective statutes and regulations. The Authority pays fixed contributions of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund and will have no legal or constructive obligation to pay further amounts.

Defined benefit plans

Defined benefit plans are post-employment plans other than defined contribution plans. The EDB is liable to pay gratuity in terms of the Payment of Gratuity Act No. 12 of 1983. Accounting for defined benefit plans is complex, because actuarial assumptions are required to measure the obligation and the expenses, and there is a possibility of actuarial gains and losses. Moreover, the obligations are measured on a discounted basis, because they may be settled many years after the employees render the related service.

The actuarial valuation is performed by the Smiles Global (pvt) Ltd, professional Consultancy firm. The firm has been taken the assumptions on discount rate as 18%, salary inflation rate as 2%, mortality rate A67/70 Ult tables, withdrawal rate 5% etc.

2.12 Income Tax

According to the Sri Lanka Export Development Act No .40 of 1979 Section 18,

(a) The profits and income of the Board; and
(b) Any sum paid by the Board to any person as a subsidy or grants out of the Fund are exempted from income tax.

2.13 Income Recognition

a. Government Grant

This represents funds received from the government treasury. Based on forecasted cash flow requirements, the treasury provides the required funds to the board. Therefore, this represents expenditure related grant received by the board which is recognized at fair value.

b. Other Income

Income received from providing services and information is measured at the fair value of the consideration received or receivable as per the Invoices raised in the period in which the related services are performed.

c. Interest Income

Interest income for all interest-bearing financial instruments is recognized in the income statement at the time of repayment of the installment using the effective interest rate method.

d. Dividend Income

Dividend income is recognized when the Board's right to receive the payment is established.

2.14 Expenses Recognition

All expenses are measured at fair value of the consideration given and recognize in the period to which those expenses related. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period and are treated as a change in an accounting estimate.

2.15 Borrowing Costs

Borrowing costs are interest & other costs incurred by the Board in connection with the borrowing of funds. Borrowing costs are recognized as an expense in the period in which they are incurred.

2.16 Foreign Currency Translation/Transactions

All transactions in currencies other than the functional currency are recorded in Sri Lankan Rupees, using the exchange rates prevailing at the time the transactions were effected. At each Statement of Financial position date, monetary assets and liabilities denominated in foreign currencies are retranslated to Sri Lankan Rupee equivalents at the exchange rate prevailing on the Balance Sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupees using the exchange rate prevailing at the date of transaction. Exchange differences arising on settlement of monetary items and re-translation of monetary items, are recognized in the income statement in the year in which they arise.

2.17 Related Party Transactions

The Board has related party relationship with its Associate company i.e. Development Holdings (Pvt) Ltd. The Board has paid monthly Rental for the space occupied and also the auditorium hire charges as per the valuation of the Government Valuer to the Associate Company. Mr. Suresh De Mel – Chairman & CE, and Mrs. D. T. Wijayaratne - Legal Officer of the Board are functioning as EDB nominee directors of the Board of Directors of Development Holdings (Pvt) Ltd. Mr. S.R.P. Indrakeerthi– Additional Director General (F&A), and Mr. K.D. Perera - Director Finance were appointed to the Board of the Development Holdings (Pvt) Ltd in 2022. Four Board meetings were held during the year 2022 and a sitting allowance of Rs. 10,000 was paid per sitting.

Transactions with Key Managerial Personnel

According to the Sri Lanka Accounting Standard 24 (LKAS- 14), Related Party Disclosure, Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the Board.

Mrs. Malani Baddegamage – Acting Director General as the Chairperson and Mr. K.D.Perera – Director Finance as the Managing Director were appointed in the Board of the Mushroom Development and Training Center (MDTC). Monthly allowance of Rs. 4,000/- is paid to the Managing Director.

The Government under its Interim budget 2022 (Budget proposal No 32) has identified, the Sri Lanka National Packaging Centre of the EDB (NPC) need to be reactivated aiming at promotion and development of the packaging Industry. The NPC Board is represented by the Sri Lanka Export Development Board (EDB), Sri Lanka Standards Institution (SLSI), Industrial Technology Institute (ITI), National Engineering Research and Development Centre (NERD), Lanka Corrugated Carton Manufactures Association (LCCMA) & Sri Lanka Institute of Packaging (SLIP).

Mr. Suresh D. de Mel, Chairman has been appointed as the Chairman and Mrs. P.V.A.M. Baddegamage, Actg. Director General has been appointed as a member of the Director Board representing the EDB to serve in the NPC Director Board. Mr. Kusal D. Perera, Director – Finance has been appointed as the Accountant of the NPC.

2.18 Events after Balance Sheet Date

The directors monitor events closely and where necessary adjustments or disclosures are made in the current Financial Statements in respect of material post balance sheet events as appropriate.

2.19 Contingent Liabilities

a) Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

b) The Board has initiated legal actions against 17 parties in- order to recover dues to the Board in-connection with different transactions carried out with the Board. Details of those transactions are mentioned in the **Note No.24** to the Notes to the Financial Statements.

2.20 Cash Flow Statement

The cash flow statement has been prepared by using Indirect Method in accordance with the Sri Lanka Accounting Standard No. 7 on Statement of Cash Flows.

The Indirect Method discloses the profit or loss adjusted by the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

		Note	SLFRS 31.12.2022 Rs.	SLFRS 31.12.2021 Rs.
(3)	**Income**			
	Treasury funds received		351,522,100	489,162,726
	Exporters' contribution on development activities		118,951,875	21,546,050
	e-Services Income		650,303	319,548
	EDB e-Market Place		114,487	166,632
	Seminars and Course Fee		5,963,251	3,946,615
	Sales of Books		218,735	29,260
	Sale of Fixed Assets		415,449	-
	Miscellaneous Income	**(3.1)**	630,379	418,286
			478,466,579	**515,589,117**
(3.1)	**Miscellaneous Income**			
	Registration of Pure Cey. Cinnamon Logo		221,567	342,996
	Non Refundable Deposits		372,000	56,000
	Other Miscellaneous Income		36,812	19,290
			630,379	**418,286**
(4)	**Other Income**			
	Interest Income - Staff loans		1,864,859	1,931,698
	(Less)/Add: Staff Cost -(IFRS Adjustments)		(3,656,960)	3,259,226
	Net interest income on staff loans		(1,792,101)	5,190,924
	Dividend Income		90,668,264	40,345,573
	Interest income on investments		5,872,896	-
	Other Sundry Income		711,215	1,782,733
	Amortization Of Government Grants		6,113,619	7,364,148
			101,573,893	**54,683,378**

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

	Note	SLFRS 31.12.2022 Rs.	SLFRS 31.12.2021 Rs.
(5) Provisions for Impairment for investments and other receivables			
Provision reversal with regard to share investment (ie difference between impairment provision of (136,416,682) as at 31/12/2021 and value appreciation of shares of 7,847,812 as at 31/12/2022 as given under note 12.1)		(144,264,494)	-
Impairment provision for trade and other receivables (given under note 14 being impairment provision for the long outstanding amounts appeared under trade and receivables)		6,559,557	-
Impairment provision against the deposits given for Services (given under note 15.)		884,949	-
Provision reversal relating to export loans (given under note 14)		(626,500)	(408,000)
		(137,446,488)	**(408,000)**
(6) Export Development Expenses			
Product/Market Development Programmes		6,683,140	49,370,751
Export Marketing Promotion - Overseas		131,723,463	46,579,169
Export Market Promotion- Local		4,232	1,383,924
Expo 2020 Dubai		770,087	33,570
Local Trade Fairs		-	732,806
Policy and Planning Expenses		73,818	270,625
Regional Development Expenses		1,737	135,218
Trade Information and Services Expenses		6,584,201	11,166,892
Ceylon Cinnamon Logo		-	1,400
		145,840,678	**109,674,355**

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

		Note	SLFRS 31.12.2022 Rs.	SLFRS 31.12.2021 Rs.
(7)	**Administration Expenses**			
	Salaries and Wages		141,071,880	145,265,482
	Over Time and Holiday Pay		8,207,198	9,340,903
	Bonus		3,303,175	2,823,364
	EPF		18,180,664	20,147,067
	ETF		3,636,079	4,029,414
	Gratuity		(24,525,105)	9,196,815
	Special Living Allowance arrears		6,400,487	-
	Staff Welfare		12,623,855	12,221,599
	Encashment of Medical & Vacational Leave		8,740,071	9,843,534
	Recruitment Charges		182,550	2,156,294
	Electricity		15,209,402	17,038,217
	Water		782,198	627,862
	Legal and Other Professional Fee		71,388	522,703
	Advertising		624,896	558,906
	Security		2,316,599	2,467,090
	Audit Fee		1,410,000	990,000
	Printing Charges		150,955	439,607
	Transport & Travelling Charges		26,741,733	14,549,817
	Entertainment		147,802	87,822
	Other General Expenses		303,211	93,749
	Staff Cost Amortisation		3,519,821	4,075,746
	Board Member Fees & expenses		660,050	856,700
	Maintenance of Office Equipment		1,600,556	1,540,529
	Rent		88,852,626	79,983,925
	Fuel and Lubricants		8,383,550	3,297,438
	Repairs and Maintenance of Vehicles		3,703,721	3,343,848
	Private Hiring Charges		1,429,778	6,434,741
	Communication and Subscriptions		7,191,335	6,570,343
	ISO Implementation Expenses		-	573
	Fixed Assets Depreciation		10,586,350	8,951,192
	Intangible Asset Amortization		67,500	312,013
	Local Training		870,182	532,671
	Overseas Training		761,252	-
	Supplies Requisites		3,280,807	3,905,884
	Insurance & Renewal of License		189,950	216,212
	Sundry assest purchase		152,871	-
			356,829,387	**372,422,060**
(8)	**Finance Cost**			
	Stamp Fees		59,882	91,144
	Financial Charges		133,224	206,980
			193,106	**298,124**

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

(9) Property, Plant and Equipments

(9.1) Cost

Balance as at 01/01/2021	Assets	Balance as at 01/01/2022	Additions	Revaluation	Adjustments	Disposals	Balance as at 31/12/2022
71,726,450	Motor Vehicle	71,726,450	-	21,306,900	(33,350)	-	93,000,000
45,967,748	Computer	46,928,648	1,265,000	-	(20,502,687)	698,137	26,992,824
2,027,006	Computer Equipments	2,376,546	51,000	-	(169,546)	945,848	1,312,152
735,930	Kiosk System	735,930	-	-	-	-	735,930
4,816,845	TV Equipments	4,816,845	2,086,700	-	(400)	2,706,849	4,196,296
143,174	PABX Equipments	143,174	-	-	-	-	143,174
1,799,055	Telephone Installation	1,849,955	-	-	53,872	-	1,903,827
16,610,459	Furniture and Fittings	16,656,554	13,200	-	(1,052,850)	94,587	15,522,317
18,699,075	Office Equipment	19,358,914	-	-	(4,496,287)	1,686,553	13,176,074
34,740	Other Equipment	34,740	-	-	-	-	34,740
69,240	Residential Telephone	69,240	-	-	-	-	69,240
162,629,723		**164,696,996**	**3,415,900**	**21,306,900**	**(26,201,248)**	**6,131,974**	**157,086,574**

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

(9.2) Depreciation

Balance as at 01/01/2021	Depreciation	Balance as at 01/01/2022	Adjustments for prior periods	Charge for the year	Adjustments	Depreciation for Disposals	Balance as at 31/12/2022
58,336,288	Motor Vehicle	62,158,933	-	7,366,207	(64,705,140)	-	4,820,000
39,185,058	Computer	41,564,551	-	2,025,168	(20,502,687)	698,137	22,388,895
1,612,303	Computer Equipments	1,866,530	-	245,228	(210,946)	945,848	954,964
601,010	Kiosk System	735,930	-	-	-	-	735,930
4,676,653	TV Equipments	4,907,364	-	221,594	(400)	2,706,849	2,421,709
79,909	PABX Equipments	94,226	-	(11,902)	-	-	82,324
1,657,717	Telephone Installation	1,715,396	-	-	57,997	-	1,773,393
10,581,208	Furniture and Fittings	11,458,201	-	153,346	(862,646)	94,587	10,654,314
16,262,519	Office Equipment	17,430,617	-	585,624	(4,586,532)	1,686,553	11,743,156
27,155	Other Equipment	33,655	-	1,085	-	-	34,740
63,632	Residential Telephone	69,240	-	-	-	-	69,240
133,083,452		**142,034,643**	**-**	**10,586,350**	**(90,810,354)**	**6,131,974**	**55,678,665**

	Written Down Value	*2022*	*2021*
162,629,723.00	Cost	157,086,574	164,696,996
(133,083,452.00)	Accu: Depreciation	(55,678,665)	(142,034,643)
29,546,271.00	Written down value	**101,407,909**	**22,662,353**

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

(9.3) The cost of fully depreciated property, plant & equipment which are still in use at the reporting date is as follows.

	31.12.2022	31.12.2021
	Rs.	Rs.
Computer Equipment	606,112	1,053,894
Computers	17,554,884	33,249,894
PABX System	65,549	65,549
Computer Software	3,539,600	4,145,281
Furniture & Fittings	14,280,939	14,026,131
KIOSK System	735,930	-
Office Equipment	6,812,814	12,639,226
Other Equipment	15,240	15,240
Residential Telephone	69,240	69,240
Telephone Installation	1,600,202	1,540,830
TV Equipment	1,411,695	4,114,694
	46,692,205	**70,919,979**

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

(10) Intangible Assets

(10.1) Cost

Balance as at 01/01/2021	Assets	Balance as at 01/01/2022	Additions	Revaluation	Adjustments	Disposals	Balance as at 31/12/2022
5,734,481	Computer Software	6,004,481	-	-	(2,194,882)	-	3,809,599
5,734,481		**6,004,481**	**-**	**-**	**(2,194,882)**	**-**	**3,809,599**

(10.2) Depreciation

Balance as at 01/01/2021	Depreciation	Balance as at 01/01/2022	Adjustments for prior periods	Charge for the year	Adjustments	Depreciation for Disposals	Balance as at 31/12/2022
5,479,471	Computer Software	5,791,483	-	67,500	(2,194,682)	-	3,664,301
5,479,471		**5,791,483**	**-**	**67,500**	**(2,194,682)**	**-**	**3,664,301**

	Written Down Value	*2022*	*2021*
5,734,481	Cost	3,809,599	6,004,481
(5,479,471)	Accu: Depreciation	(3,664,301)	(5,791,483)
255,010	Written down value	**145,298**	**212,998**

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

		Note	SLFRS 31.12.2022 Rs.	SLFRS 31.12.2021 Rs.	SLFRS 01.01.2021 Rs.
(11)	**Investments in Associates - Unquoted**				
	Investments in Associates Company - DHPL		1,251,263,603	1,247,030,306	1,123,606,578
			1,251,263,603	**1,247,030,306**	**1,123,606,578**
(12)	**Other non-current financial assets**				
	Investment in shares	**(12.1)**	169,297,644	25,033,150	23,104,289
	Staff loans - Non current	**(13.1)**	33,175,177	39,795,251	40,289,642
			202,472,821	**64,828,401**	**63,393,931**
(12.1)	**Investment in shares**				
	Investment in shares		161,449,832	161,449,831	161,449,831
	(-) Provision for impairment in Value		7,847,812	(136,416,681)	(138,345,542)
			169,297,644	**25,033,150**	**23,104,289**

Details of the provision reversal of Share investment are given below

Name	Outstanding as at 31/12/2021	Provision as at 31/12/2021	Value as at 31/12/2021
Colombo Dockyard PLC	1,258,600		1,258,600
Lanka Canneries Ltd	399,600	-	399,600
Lanka Tiles PLC	9,950	-	9,950
S A Silva & Sons Lanka Ltd	13,150,000	-	13,150,000
Dambadeniya EPV	15,000		15,000
Lumbini Aquaria (Pvt) Ltd	2,200,000	-	2,200,000
CWG Hambantota (Pvt) Ltd	8,000,000	-	8,000,000
Lak Latex Centrifuge (Pvt) Ltd	285,000	285,000	-
Latexam Gloves (Pvt) Ltd	158,195	158,195	-
Kelani Valley Canneries Ltd	1,200,000	1,200,000	-
Other shares	134,773,487	134,773,487	
Total	**161,449,832**	**136,416,682**	**25,033,150**

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

Name	Outstanding as at 31/12/2022	Provision as at 31/12/2022	Value as at 31/12/2022
Colombo Dockyard PLC	1,258,600	(7,337,582)	8,596,182
Lanka Canneries Ltd	399,600	399,600	-
Lanka Tiles PLC	9,950	(393,961)	403,911
S A Silva & Sons Lanka Ltd	13,150,000	(145,489,356)	158,639,356
Dambadeniya EPV	15,000		15,000
Lumbini Aquaria (Pvt) Ltd	2,200,000	2,200,000	-
CWG Hambantota (Pvt) Ltd	8,000,000	8,000,000	-
Lak Latex Centrifuge (Pvt) Ltd	285,000	-	285,000
Latexam Gloves (Pvt) Ltd	158,195	-	158,195
Kelani Valley Canneries Ltd	1,200,000	-	1,200,000
Other shares	134,773,487	134,773,487	
TOTAL	**161,449,832**	**(7,847,812)**	**169,297,644**

Hence impact on income statement (Rs.) **144,264,494**

Name	Number of shares	Market value per share	Value of shares as at 31/12/2022
Colombo Dockyard PLC	145,698	59	8,596,182
Lanka Tiles PLC	8,705	46	403,912
S A Silva & Sons Lanka Ltd	1,413,772	112.21	158,639,356

Value of share of S A Silva & Sons Lanka (Pvt) Ltd derived based on similar company 337
only 1/3 of 336.64 taken for valuation 112.21

*** Investments in equity shares were tested for impairment as required as LKAS 39. The Colombo Dockyard PLC and Lanka Tiles PLC shares were measured at the market prices as at 31.12.2022 and S. A. Silva & Sons (Pvt) Ltd shares were measured at a market price of similar company as at 31.12.2022.

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

		Note	SLFRS 31.12.2022 Rs.	SLFRS 31.12.2021 Rs.	SLFRS 01.01.2021 Rs.
(13)	**Inventories**				
	Stationery		3,225,364	2,658,056	2,857,903
			3,225,364	**2,658,056**	**2,857,903**
(14)	**Trade and Other Receivables**				
	Exporters Loan		38,174,012	38,805,509	40,213,509
	UPEPV - Control Accounts		10,403,683	10,403,683	10,403,683
	(-) Provision for Impairment in debts		(48,577,695)	(49,209,192)	(40,213,509)
			-	-	10,403,683
	Staff loans - Current	**(14.1)**	7,607,687	9,354,812	8,337,372
	VAT Receivable		-	-	104,676,879
	Other Debtors		11,349,462	15,281,263	15,600,845
	'(-) Provision for Impairment in debts		(6,559,557)		
			12,397,592	**24,636,075**	**139,018,779**
(14.1)	**Staff loans (Re-stated figures in 2021)**				
	Non Current				
	Staff loans		34,718,497	35,829,514	34,006,168
	Prepaid staff benefits (Note 14.1.2)		10,497,454	9,911,988	12,263,937
	Less: deferred FV adjustment on off market Rate loans		(12,040,774)	(5,946,251)	(5,980,463)
			33,175,177	**39,795,251**	**40,289,642**
	Current				
	Staff loans		9,523,472	9,602,873	10,086,649
	Prepaid staff benefits (Note 14.1.2)		1,498,482	1,451,303	2,027
	Less: deferred FV adjustment on off market Rate loans		(3,414,267)	(1,699,364)	(1,751,304)
			7,607,687	**9,354,812**	**8,337,372**
(15)	**Advance and Prepayments**				
	Prepayments		35,409,544	17,177,100	2,261,990
	Advances		2,133,092	4,716,038	2,896,919
	Bank Guarantee		-	300,000	300,000
	Deposits for Services		1,458,325	1,695,555	1,695,555
	'(-) Provision for Impairment in debts		(884,949)	-	-
			38,116,012	**23,888,693**	**7,154,464**

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

		Note	SLFRS 31.12.2022	SLFRS 31.12.2021	SLFRS 01.01.2021
			Rs.	Rs.	Rs.
(16)	**Cash and Cash Equivalents**				
	Bank Of Ceylon -Deposit Cashier		2,500	2,500	2,500
	Bank Of Ceylon - Lake View (FDs)		53,490,411	-	-
	Bank Of Ceylon - Lake View (call)		10,000,000	-	-
	Bank Of Ceylon - Lake View (306605)		56,944,135	58,135,105	25,230,748
	National Development Bank		363,402	5,039,745	313,562
	Bank Of Ceylon - Corporate Branch		1,004,290	1,393,839	1,943,607
	DFCC - Corporate Branch		-	97,390	148,890
	Bank of Ceylon - Call Deposit		-	10,000	10,000
	Sampath Bank - Kandy		100	5,759	5,561
	Sampath Bank - Galle		1,042	7,512	7,371
	Bank Of Ceylon - Mannar		1,583	28,190	27,596
	Sampath Bank - Kurunegala		527	17,709	17,427
	Cash in Hand		1,000	27,234	26,764
			121,808,990	**64,764,983**	**27,734,026**
(17)	**Grants Received - Equity Contribution**				
	Capital Contributed by the Treasury		7,904,002	7,904,002	7,904,002
	UNDP Contribution		2,110,282	2,110,282	2,110,282
			10,014,284	**10,014,284**	**10,014,284**
(18)	**Grants Received**				
	Government Contribution - Motor Vehicle		38,826,450	38,826,450	38,826,450
	Government Contribution - Other		24,979,643	22,828,743	20,491,469
	ITC Contribution		12,716	12,716	12,716
	Export Promotion Secretariat		202,677	202,677	202,677
	Grants - Market Access program		939,000	939,000	939,000
	(-) Amortization Of Government Grants		(50,026,761)	(43,913,142)	(36,548,994)
			14,933,725	**18,896,444**	**23,923,318**
(19)	**Provisions and Other Liabilities**				
	UPEPV		-	843,296	2,108,252
	Exporter contribution		49,484,543	27,394,516	11,829,741
	Refundable Deposits		8,888,528	8,812,384	8,762,384
			58,373,071	**37,050,196**	**22,700,377**
(20)	**Retirement Benefits Obligation**				
	Balance B/F		68,224,580	77,267,378	75,445,155
	Provision during the year		(34,000,332)	9,196,815	14,074,548
	Paid during the year		(6,452,434)	(18,239,613)	(12,252,325)
	Balance C/F		**27,771,814**	**68,224,580**	**77,267,378**

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

	Note	SLFRS 31.12.2022 Rs.	SLFRS 31.12.2021 Rs.	SLFRS 01.01.2021 Rs.
(21) Trade Payables				
Stamp Fees Payables		23,285	28,775	27,675
PAYE Payable		742	-	-
Unclaimed Sundry Payments		49,740	21,093	26,080
EPF Payable		-	2,677,583	2,890,906
ETF Payable		-	321,310	346,909
Employees Final Payments		43,997	43,997	43,997
Salaries Payable		-	140,172	160,673
Audit Fees Payables		1,200,000	1,980,000	1,890,000
Repayable Security Deposit- Cashier		2,500	2,500	2,500
Refundable Deposit for Tenders		111,000	301,000	261,000
Unpresented cheque-creditors		292,133	469,134	140,477
Provision for SLAs salary arrears		6,400,487	-	-
Other Accrued Expenses		34,156,154	42,322,367	102,740,134
Control A/C - National Export Strategy		434,071	384,527	5,816,724
Control A/C - Market Access Program		18,518,654	693,829	73,535
Control A/C - BSU -IT Initiative		-	35,722	1,881,383
Control A/C - Infras. Develop Boat Building		-	-	131,535
Control A/C - National Export Brands Development		-	18,425,480	-
Control A/C - Kithul Product Development		517,475	966,075	-
Control A/C - Coffee E P V Programe 2021		642,213	5,849,085	-
IP- National pack Centre Ctrl A/C		2,992,770	-	-
		65,385,221	**74,662,649**	**116,433,528**

(22) Investments in equity shares were tested for impairment as required as LKAS 39. The Colombo Dockyard PLC and Lanka Tiles PLC shares were measured at the market prices as at 31.12.2022 and S. A. Silva & Sons (Pvt) Ltd shares were measured at a market price of similar company as at 31.12.2022.

(23) Staff Loan

The EDB employees are entitled to loan facilities under concessionary interest rates. These loans are fair valued as per IFRS 9 "Financial Instruments "using discounted cash flows. Staff loans are initially recognized at fair value and subsequently measured at amortized cost using the Effective Interest Rate (EIR), less allowance for impairment according to Sri Lanka Accounting Standard SLFRS 9 – " Financial Instruments ". The application of the standard was performed by Edirisinghe & Co, the professional chartered accountants.

The difference between granted amount and its fair value is treated as per – paid staff cost and fair value loss. Pre-paid staff cost is amortized over the expected employees' service lifetime.

Fair value loss is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The fair value loss is included in "Other Income" in the Statement of Profit or Loss.

Discount Rate

The commercial bank average weighted lending rate (AWLR) as agreed by the management of the Export Development Board is used as the discount rate it varies with the period of the loans. AWLR as at 31 December 2022 is 18.7% as per Statistics Department - Central Bank of Sri Lanka.

Staff Loans	Rs.	42,557,993
Less: deferred FV adjustment on off market Rate loans (Note23.1)	Rs.	(14,016,884)
Prepaid staff benefits (Note23.2)	Rs.	11,034,033
	Rs.	39,575,142

Note (23.1) Deferred FV adjustment on off market rate loans

Opening balance	Rs.	7,645,615
FV adjustment at the reporting date	Rs.	2,777,845
FV losses from the loans granted during the year	Rs.	3,593,424
Closing balance (FV loss applicable for future period)	Rs.	14,016,884

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

Note (23.2) prepaid staff benefits

Opening balance	Rs.	11,363,291
FV losses from the loans granted during the	Rs.	3,593,424
Less: amortization	Rs.	(3,922,682)
Closing balance (to be amortized beyond the pos	Rs.	11,034,033

Note (23.3) Statement of changes in Equity

Opening balance restatement as at 01/01/2021 (After retrospective adjustment to the Prior Year Adjustments)

Balance as at 01st January 2021	1,138,693,881
Prior Year Adjustments (Note 23)	
Staff loan Amortisation	(8,187,213)
FV adjustment on off market rate loans	12,721,409
Balance as at 01st January 2021	1,143,228,077

(24) Prior Year Adjustments

Errors that have been made in respect to the recognition and measurement of elements of the financial statements have been corrected for the year 2022. Since it is impracticable to restate the financial statements for the periods in whcih the errors have been occured, adjustments are reflected in the current year financial statements. This is in accordance with the section 50 of the LKAS 8 with respect to retrospective application and retrospective restatement.

Nature of the Prior period error	FSs' line item affected	Amount (Rs)
Expenses recorded in 2021 which are related to previous periods	Relevant expenditure	1,495,994
Recording (Over)/ Under Provisions made	Relevant expenditure	253,325
Reversal of expenses related to previous years	Relevant expenditure accounts	54,159
		1,803,478

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

(25) Related Party Transactions

(25.1) Associate Company- Development Holdings (Pvt) Ltd

Payments are made in the ordinary course of business to its Associate Company i.e. Development Holdings (Pvt) Ltd. for certain specified activities are considered as related party transactions. During the reporting period, the following transactions which includes outstanding balances and commitments have been done with such related party by the EDB. Following details are presented according to the LKAS 24 disclosure requirements (Paragraph 27).

Name	Transactions	2022 Amount (Rs)	2021 Amount (Rs)
Development Holdings (Pvt) Ltd.	Rental	82,674,000	74,460,000
	Parking Fees	-	714,000
	Electricity	13,006,655	16,383,581
	Water	236,468	212,960
	Janitorial Expenses	323,011	293,919
	Auditorium hire charges	26,375	44,460
	Dividend Received	40,272,190	40,272,190

SRI LANKA EXPORT DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED 31ST DECEMBER 2022

(25.2) Key Management Personnel

The Management Committee is comprised with following senior management level directors (HM category) and their aggregate remuneration, loan taken details for the year 2022 are presented as follows according to the disclosure requirements of the LKAS 24

			Loan Details (Rs)		
Name & Designation	**Aggregate Remuneration**	**Other Remuneration**	**Loan Granted**	**Loan Recoveries During the Year**	**Outstanding as at 31/12/2022**
Mr.S.D. De Mel Chairman & CE	2,141,457	-	-	-	-
Mrs.P.V.A.M.Baddegamage Acting Director General	2,739,127	141,851	250,000	111,111	111,111
Mr.S.R.P. Indrakeerthi Additional Director General (F&A)	2,575,725	116,339	237,270	43,140	168,965
Mrs.K.A.V.Premathilaka Director	2,160,278	138,420	250,000	45,455	26,515
Mrs. S.S. Jayawardane Director	2,755,857	28,458	-	-	-
Mrs. O.M.C. Kumudinie Director	2,462,285	-	250,000	45,455	71,970
Mrs. L.Y.R.I Kodikara Director	1,668,047	110,365	-	-	-
Mr. J.S. Badugama Director	1,717,424	-	-	-	-
Mr. K.D. Perera Director	1,802,624	-	-	-	-

(26) Contingent Assets and Liabilities

There are no any other contingent assets or liabilities as at the balance sheet date except the details mentioned below.

	Nature of Contingent Asset as at 31.12.2022	Name of the Party from whom the Contingent Asset arose	Probable/Estimated cash inflow in future	If unable to measure the cash inflow
i.	Case filed to recover outstanding rent,electricity and janitorial charges - Chennai Trade Centre	Gem Nation (Pvt) Ltd	2,226,597	Legal Fees to Arbitration
		Unique Multi Artist	194,143	
		Sara Oos Leather (Pvt) Ltd	1,655,000	-
ii.	Case filed to recover advance payment given under MASP	Monalisa products	2,000,000	Legal Fees
		Factory style (pvt) ltd	1,735,360	
		Bombuwella Rubber	2,000,000	
iii.	Loan Defaulter	Works of Arts	19,000	-
		Rajas Jewelry	90,418	-
		Ceylon Ornamental	59,720	-
		Cocunut Husk Chips	6,809	-
		Saman Gems & Jewelers	73,841	-
		Unique Multi Artists	194,143	-
iv.	Repayment of Bond	G.M.G.R. Kumara	262,857	-
v.	Case filed to recover outstanding advance payment paid by the EDB	Solar Green Plantations (Pvt) Ltd	2,303,225	-
vi.	Recovery of salary - vacation of post mediation board	R.M.K.S. Priyankara	30,479	-
		W.H.C.W. Fernando	38,783	-
		N.V.D. Sihinuwan	38,678	-

(27) Events after the reporting date

Appointment of new Chairman & CEO

Dr. Kingsly Bernard has been appointed as the Chairman & CEO with effect from 03rd April 2023.

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AUDITOR GENERAL'S REPORT - 2022

TAC/E/EDB/01/22/01 31 October 2023

Chairman

Sri Lanka Export Development Board

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Export Development Board for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

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1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Sri Lanka Export Development Board 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 the 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, the accompanying financial statements give a true and fair view of the financial position of the Board as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Opinion

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 Board's 2022 Annual Report

The other information comprises the information included in the Board's 2022 Annual Report but does not include the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. 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.

If based on the work I have performed on the other information that I have obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board'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 Board or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board'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 Board 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.

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 includes specific provisions for following requirements.

2.1.1 I have obtained all the information and explanations that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Board as per the requirement 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 Board has any direct or indirect interest in any contract entered into by the Board 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 Board has not complied with any applicable written law, general and special directions issued by the governing body of the Board as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018, except for;

S/N	Laws, Rules / Directions	Observations
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(a)	Section 11 of the Finance Act No.38 of 1971	Even though the Board should obtain the concurrence from the Minister of Finance and the approval from the relevant Minister while investing the excess money, a total investment of Rs. 53,490,411 had been made only with the approval of the Board of Directors, without obtaining such approval from the relevant Ministers, as of 31December 2022.
(b)	Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29 December 2016	Even though the consumption of fuel should be re-tested after a period of 12 months or after covering a distance of 25,000 km whichever occurs first, none of the 22 vehicles under the ownership of the Board had undergone the necessary fuel consumption testing.

2.2.3 to state that the Board 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.

2.2.4 to state that the resources of the Board 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, except for;

A provision of Rs 2.1 million had been allocated in the year 2017, for the procurement of a new video camera and a digital SLR camera for the media unit of the Board. Even though the procurement process had been initiated in March 2017, it took over 05 years to complete the above process, due to the changes made in the Technical Evaluation Committee members in several instances, non-operation of such Committees and inefficiencies in the functioning of the Procurement Committee. According to the prices of the selected supplier as of 2022, the total value of the video camera and the digital SLR camera was Rs.4,385,000, therefore it had been able to purchase only the digital SLR camera with a value of Rs. 2,086,700, due to the delays in the procurement process and the inflation occurred.

2.5 Other Matters

(a) 299 number of Development Officers had been appointed to the Board by the Ministry of Trade, and out of that 14 Development Officers for the head office of the Board, another 16 for the regional offices of the Board and the balance 269 officers had been placed in the District and the Divisional Secretariat offices. It was revealed in audit that, the 285 officers were not engaged in any meaningful work, other than the officers who had been appointed to the head office of the Board.

(b) Out of the total exporter loan extended by the Board, the balance receivable as of 31 December 2022 amounted to Rs.38,174,012, which had been distributed among 148 exporters. Out of which, Rs.36,978,012 equivalent to 97 percent were aged 24 years, and that amount was due from 147 exporters. The remaining value of Rs.1,196,000 equivalent to 03 percent of the total value was aged 16 years, and that was receivable solely from 01 exporter.

(c) The Board had extended loans totalling to Rs. 1,450,743 to two Companies as exporter loans and further invested Rs. 4,853,000 in shares of the same Companies. Being these two Companies are currently closed due to non-operation, a total value of Rs.6,303,743 had been shown as receivable as at the end of the year under review.

(d) The Board had made a total investment of redeemable preference shares amounting to Rs.105,117,478 in 29 Companies and ordinary shares amounting to Rs.56,332,354 in 34 Companies, as of 31 December 2022. Throughout the 18-year period spanning from 2005 to 2022, neither dividends had been received on the investment in preference shares, nor dividends had been received on the investment in ordinary shares amounting to Rs.9,183,784 in 14 Companies.

(e) Since the Board had not taken action as a shareholder as per the Sec.487(4) of the Companies Act, No.07 of 2007, the names of 28 Companies, in which the Board had invested a total of Rs. 89,469,028 in preference shares and ordinary shares, had been struck off from the Company registry.

(f) Despite the expiration of agreements with 07 institutions for the services they provided, the Board had not taken actions to collect the total refundable deposits amounting to Rs. 901,000 from these institutions, even after periods ranging from 07 to 24 years.

(g) Pursuant to the agreement made with the selected supplier for the printing of Product Brochures for local and foreign trade fairs on 07 April 2021, the selected supplier failed to fulfil the terms of the agreement. Consequently, the Board could not be able to recover the advance payment of Rs. 237,875 from the total order value, amounting to Rs. 1,189,375 without tax, and the liquidated damages amounting to Rs. 300,000, as stipulated in Section 3.6 of the afore mentioned agreement.

(h) The Board could not be able to recover the total amount of Rs.10, 403,683, which was rendered to Uva Paranagama Export Production Villages (UPEPV) Programme, which had been remained for a period of 13 consecutive years since 2009.

(i) As of 31 December 2022, the approved Cadre of the Board consisted of 250 positions, but the actual Cadre was only 176, resulting in 74 vacant positions. Among those vacancies, 04 were at the senior managerial level positions, 17 were at the middle managerial level positions, and 12 were at the junior managerial level positions. Consequently, due to the aforementioned staffing shortage, the position of the Director-General, who serves as the Chief Executive Officer of the Board, is currently being filled on an acting basis.

W.P.C. Wickramaratne

Auditor General