



2013
Annual Report

Sri Lanka Convention Bureau
Ministry of Economic Development





SRI LANKA
CONVENTION BUREAU

Annual Report 2013

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Message from the Hon Minister of Economic Development

MICE Tourism is a specialized segment of tourism which has grown several fold in the last four years together with Leisure Tourism in Sri Lanka under the direction and policy of the Ministry of Economic Development.

We have made Sri Lanka a sought after venue for International Conferences. The rapid infrastructure development including Shopping facilities, Entertainment as well as our Marketing efforts and Hospitality, have contributed to this development immensely. Further, Sri Lanka is way ahead in Incentive Travel sector too mainly because of the diverse locations in the country and creative programs that are offered to the Meeting planners and Incentive Houses by the local industry experts.

Sri Lanka Convention Bureau will continue to assist the industry in the development and promotion of the MICE industry in order to attract this up market, high end visitors into the country thus accomplishing its mission within the framework of Mahinda Chintana

Basil Rajapaksa MP
Minister of Economic Development



Message from the Chairman of Sri Lanka Convention Bureau

Meetings industry is an important element of Tourism and the Government has created the right environment to develop and promote MICE tourism into the country which encompasses Meetings, Incentive Travel, Conferences and Exhibitions/ Events . MICE brings in high end visitors who spend several times over leisure visitors wherever they travel.

Sri Lanka Convention Bureau through its Research, Training and Marketing extends a direct involvement

With the industry and other stakeholders to develop this sector of tourism which has succeeded in achieving its objectives in the last four years. The year 2013 is also a very successful year for the MICE industry which will continue to grow with Government initiatives in many areas and the efforts of the Convention Bureau.

Our contribution to the MICE industry reflects in the number of events that are conducted successfully in Sri Lanka every year by the MICE industry with assistance of the Convention Bureau. I am pleased to be with a team that is working hard to reach our goals with a view to making a positive contribution to the overall tourism development and uplifting the living standard of those who are involved in the MICE industry

Neil Rupasinghe
Chairman

Vision of Sri Lanka Tourism

To establish and position Sri Lanka as Asia's most treasured and Green Island, with its beautiful beaches , warm and friendly people, with a strong nature culture and adventure offering, raising its profile to that of an Asian tourism icon and make it the largest foreign exchange earner, benefiting the stakeholders of tourism and the people of Sri Lanka.

Mission of Sri Lanka Convention Bureau

“Sri Lanka Convention Bureau will secure optimum revenue in foreign exchange from MICE tourism which will contribute to the national economy by uplifting of the living standards of those who are dependent upon the ‘Meetings Industry’ in Sri Lanka. ”

1. Introduction

Reaping the benefits of the peace dividends, the Sri Lankan economy continued to grow in 2013 with a growth of 7.2%, per capita income of US \$ 4000 and a flourishing tourism industry reaching 1.27 million tourist arrivals in 2013.

Aligned with its new strategy, Sri Lanka Convention Bureau (SLCB) continued its work during year 2013, liaising with the industry, Sri Lankan Airlines and all other institutions connected with MICE tourism in Sri Lanka. The activities planned were directly drawn from the vision of the “Mahinda Chinthana” and the strategic plan of Ministry of Economic Development for Sri Lanka Tourism.

The Meeting, Incentives Conference and Exhibition (MICE) tourism sector industry is now poised for greater growth next year and targets around US\$ 200 million in the year 2014 from a revenue of around US\$ 160 million last year . In 2013 over 40 international conferences were held compared to around 28 conferences in 2012, which is a remarkable achievement in the conference sector in Sri Lanka.

The efforts in 2013 has resulted in the securing of Hydro Asia, Endocrines Surgeons Conference, Buddhist Media Conference, World Blood Donor Day events, Asia Pacific Postal Union Conference, International conference on Geotechnical Engineering, SAARC ENT Congress, the Asian Youth Games in 2017 as well as many other regional events. Moreover Exhibitions such as the Edex, Architect, Fabric Show, Power, Hotel Show, Ayurveda, Construct, Shilpa, ProFood, Motor Show, Facet, Book Fair, Techno, Vidulka which were launched as ad hoc events have become permanent international exhibitions by the year 2013.

The MICE industry involves many support services generating a considerable amount of direct and indirect employment opportunities and MICE travel encourages repeat holiday visits and other trade and investment transactions.

Although there has been a tremendous growth in the incentive travel sector after peace was restored there is a difficulty in obtaining exact figures , which is a global issue, when it comes to statistics for incentive travel. Based on random calculations, Sri Lanka has received nearly 80,000 mainly from Europe specially France and India. Sri Lanka is an ideal location for incentive tourism because of its diversity and attractions such as whale-watching, wildlife and spiritual programs offered to that segment of travellers. Incentive travellers spend at least three times more than leisure travellers, hence the emphasis to conduct training programs in outstation hotels since this year.

Vision of Sri Lanka Tourism

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Mission of Sri Lanka Convention Bureau

"Sri Lanka Convention Bureau will secure optimum revenue in foreign exchange from MICE tourism which will contribute to the national economy by uplifting of the living standards of those who are dependent upon the 'Meetings Industry' in Sri Lanka. "

2013 MICE Arrivals to the Country

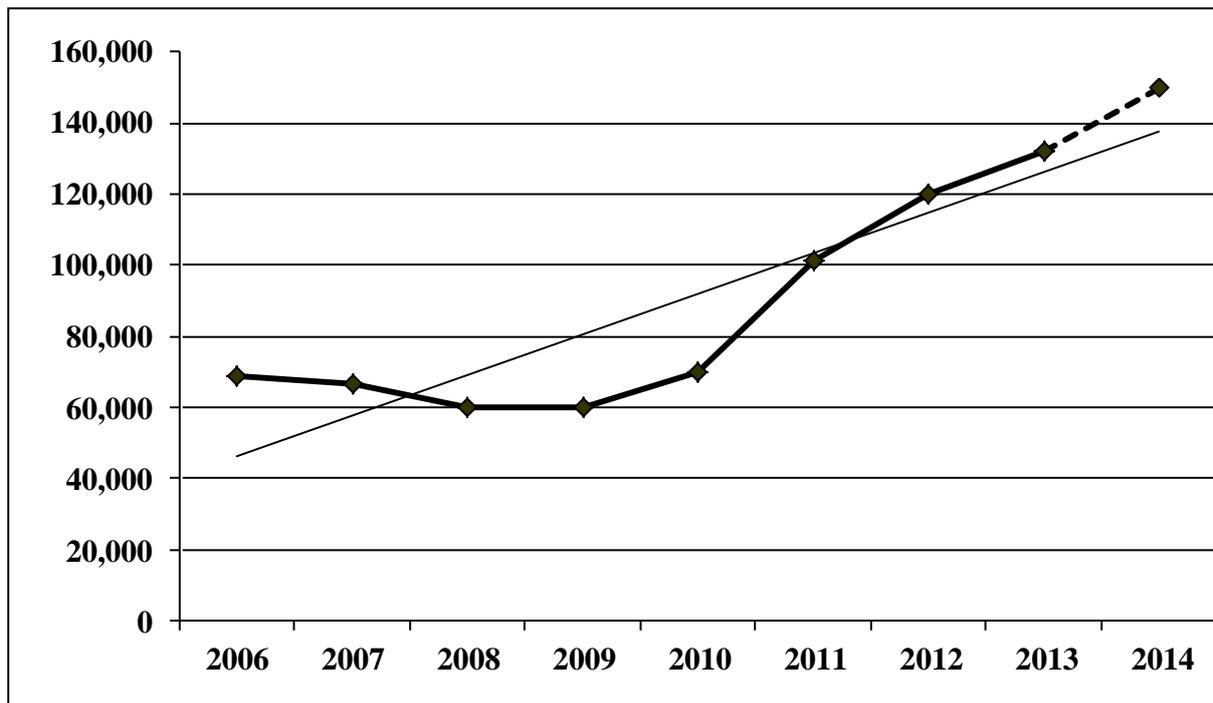
	2012	2013
No. of Arrivals	119,560	133,832

Approx 70% Corporate Meetings and Incentive Travel

Approx 30% Conferences and Exhibitions

Source: Informal MICE Data SLCB subject to research confirmation in 2013

MICE Arrivals from 2006 onwards and projections



2. General Activities

SLCB's role deals with MICE (Meeting , Incentives, Conferences , Exhibitions and events) –a niche market , and call for strategies that are different to that of Tourism Promotions. SLCB carried out its functions under Research, Training and Promotions as general and routine functions whilst assisting the industry in Bidding, Advising, Planning, Organising Implementing as well as value adding to Conferences and Exhibitions as the Government arm for the promotion of Sri Lanka as a venue for MICE events.

Following are some of the general activities which SLCB has been involved in one or more stages of the above, which also includes some key events of national significance.

2.1 Having worked with organizers to initiate the event 4 years ago with continuous assistance every year Jaffna International trade Fair was held for the 4th time.



Jaffna International Trade Fair-January 2013

2.2 Jaffna Music Festival that was initiated by SLCB has now become an annual event.



Press conference of Jaffna Music Festival in March 2013

2.3 Assisting Palvision for their product launch of palvision software for the benefit of the MICE delegates in the city.



Product launch Palvision-SLCB Presenting at Palvision launch-March 2013

2.4 SLCB provided assistance to mega production of 'Bombay Velvet' produced by the renowned Film Producer Vivek Agrawal which is expected to popularise Sri Lanka as a MICE destination for high end Indian visitors. Bombay Velvet production commenced in June 2013 and is scheduled to take place in several locations including Bentota, Galle, Colombo and Tissamaharama and will continue until February 2014



Initial discussions with Vivek Agrawal and his local Agent Ravindra Randeniya

2.5 SLCB together with Sri Lanka Medical Association organised a successful workshop to educate sub associations of SLMA on how Conferences can be brought into Sri Lanka.



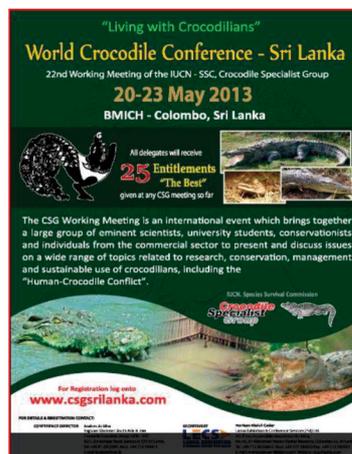
Addressing SLMA Medical Specialists

2.6 SLBC works with OPA encouraging its members to work on related conferences



Presenting to OPA members

2.7 SLCB assisted the PCO in the planning and organizing of IUCN SSC Crocodile Specialist Group Meeting scheduled from 20-23 May 2013 at BMICH. SLCB assisted in the bidding process too in the year 2012.



2.8 Provided assistance to organizing of SKAL Congress in May this year which the SLCB was instrumental in bringing to Sri Lanka.



Skall Asia Congress which took place from 31st May to 2nd June 2013 was brought to Sri Lanka through the efforts of SLCB.



Skall Asia Opening Ceremony

2.9 Opening of ' The Arena - Beyond Boundries; at the BMICH for Leadership, Motivational programs for Corporates both in Sri Lanka and Abroad.



Opening of the ' Arena - Beyond Boundaries' at the BMICH

2.10 Discussions were underway for the holding of International Buddhist Conference in Kandy



Meeting with Chinese delegation organising the Buddhist Conference

2.11 Continuation of Presentations to Office bearers of SLMA – Presentation to Haematologists .



Meeting with Haematologists

2.12 Presentation to Blood Bank Officials and related Agencies to educate them to bring relevant conferences to Sri Lanka



Meeting with Blood Bank and related officials

2.13 SLCB Initiated Mini Buddhist conventions by hosting the organizers of such visits from Malaysia in July 2013 following which was led by Datuk Dr. Victor Wee.



Malaysian Buddhist delegation

2.14 SLCB assisted the Department of Auditor General for the International conference of SAIs (Supreme Audit Institutions) under the theme “Meeting Higher Expectation”, held in Colombo, on 25th and 26th of July 2013.





SAI conference participants

2.15 Lanka's premier hospitality service exhibition Hotel show 2013 was held on the 28th of July at the Sirimavo Bandaranaike Memorial Exhibition Centre Hall.



Hotel Show 2013 inauguration

2.16 SLCB played a role in the 13th Annual academic sessions conducted by the Sri Lanka Heart Association.



2.17 International conference of Business and Professional Women held in August 2013 with SLCB's assistance.



GM SLCB -On 'Ecotourism' at the conference

2.18 SLCB was instrumental in bringing Hydro Asia 2014 to Sri Lanka which will bring in over 800 Hydro power related professionals into the country.



SLCB with Hydro Asia Officials- lobbying for Hydro Asia Conference for 2014



Hydro Asia announcement at the press conference- on the 10th of September.

2.19 Sri Lankan MICE conference organised by Sri Lankan Holidays and the MICE department of Sri Lankan Airlines together with SLCB which was held on the 13th of September at Jetwing Blue Negambo.



GM SLBC educating the 200 overseas MICE Operators on MICE potential in Sri Lanka

2.20 Lanka Challenge 5 – 18th September 2013 has now become an annual event following initial assistance by SLCB to organizers.



12day auto rickshaw adventure for travelers to Sri Lanka

2.21 SLBC continued to assist NOC in matters related to Asian Youth games which Sri Lanka won for 2017.

On the request of the presidential Secretariat the General Manager of SLCB made a presentation in Incheon Korea on the progress of Asian Youth Games in 2017.



Presenting progress report of AYG 2017 to Exco OCA in Inchoen

In August SLCB assisted NOC in the flag handling over ceremony and also studied various aspects of the games in Nanjing



Flag handing over ceremony with NOC Chief and Vice President OCA Hemasiri Fernando and Mayor Hambantota Eray Ravindra

2.22 SLCB worked jointly with Endocrine Association to win the bid to hold the 14th Congress of the Asian Association of Endocrine Surgeons (AAES) in Sri Lanka in March 2014.



2.23 SLCB provided assistance in coordinating the initial meeting and submission of bid documents by PCOs in connection with the 9TH SAARC ENT Congress to be held in Sri Lanka from the 9th-12th of October 2013.



2.24 The sixth meeting of the SAARC Finance Ministers and Secretaries took place in August for which SLCB assisted the Treasury and External Affairs.



SAARC Delegation at the inaugural ceremony

2.25 Extending support to Shilpa Handicrafts festival held from 15 – 19th August 2013 and making use of the events to feature products in a brochure for conference organisers.



SLCB "Shilpa 2013"

2.26 SLCB assisted the the University of Colombo School of Computing (UCSC) in organizing the ICTer Conference - International Conference on Advances in ICT for Emerging Regions (ICTer) held from December 11 to 15 at the BMICH.



ICTer 2013



Cultural performance at ICTer 2013

2.27 SLCB provided assistance towards preparation of bid documents to Host the 24th CMA Triennial Conference 2016. The bid was submitted through SLMA.



General Manager and Senior Manager SLCB with the CMA Officials during their visit to Sri Lanka

2.28 SLCB played a key role in the organising of CHOGM- Commonwealth Heads of Government Meeting together with the Ministry of External Affairs in November 2013.



Role of SLCB at CHOGM

On the request of the Ministry of External , SLCB was requested to function in the Accommodation committee of CHOGM with its GM being appointed to the sub committee in the task force. The sub committee was headed by Mr Susantha Ratnayake. Other members in the committee were Mr Niranjana of MEA, Col Sanjeewa Fernando of the task force and later Mr Nihal Somaweera and Dr D.S. Jayaweera also join the committee

The role of the Accommodation sub Committee entailed the following

- Booking of the required rooms/hotels

- Coordinating with all hotels
- Coordinating with CHOGM Secretariat in London
- Coordinating with DAO's in respective countries
- Coordinating with all other sub committees, Ministries, CHOGM Secretariat in Colombo

Both GM SLCB and Marketing Manager were involved in CHOGM for nearly one year with intensified presence in the last 3 months. Two Staff Members viz M/s Stephen Liu and Nalaka Amaratunga volunteered from John Keels/Walkers while SLCB engaged Ms Chana Rannadheera as a trainee for this period.

Except for well anticipated issues such as uncertainty of participation and number of arrivals etc, the function of the accommodation committee was well appreciated by authorities in view of its hands on control of all matters.

SLCB wishes to place on record that CHOGM Accommodation was handled at the cost of other routine work of SLCB considering its national importance.

2.29 SLCB will be making a significant contribution towards organizing the International Buddhist Conferences taking place in 2014 during Wesak under Sri Sambodhi Foundation.

Sri Lanka Convention Bureau is assisting the Buddhist Channel to organize the conference and we are now in the process of ascertaining such Buddhist media houses overseas, prior to sending the Invitation by the Nayaka Thero of Sri Sambodhi Foundation. There is also a need to have a dialogue with them to find out the right person/s who should be invited for the event.

2.30 Also attached hereto the Conference list which accounts for some of the activities under conferences with or without assistance from SLCB.

3. New Product Development

3.1 SLCB continued to assist the development of Hambantota Convention Centre and took part in discussions with Authorities as to staging of events after it is opened.



Hambantota Convention Centre

3.2 SLBC enhanced the promotions of special locations for meetings such as Passekudha, Negambo, Wadduwa, and Kandy etc.



Passekudha



Negombo

3.3 New products were featured for incentive travel during this period.



Whale and Dolphin Watching



Ship wrecks



Eco lodges

4. Research

- 4.1 Data base - Bureau took measures to revamp the data bases and started working with State Trading Corporation to have the data base updated in a new version.
- 4.2 Towards the end of June this year SLCB strengthened the Research Division, where work had been hampered, and recommenced working on business leads and connecting with the associations more aggressively towards bidding for international association meetings.
- 4.3 The research Division works closely with ICCA for greater recognition and renewed its membership this year with International Congress and Convention Association (ICCA) with a view to strengthening its relationship for future benefits. Sri Lanka's membership with ICCA is maintained through SLCB only.
- 4.4 In July 2013 planning was underway to commence data collection on MICE statistics with the objective of strengthening MICE research.

5. Training

5.1 On the request of SLCB, Colombo University has included MICE as a component to both Tourism Diploma and Tourism Master's Studies. SLCB also provides assistance to SLITHM towards including MICE into the main curriculum

5.2 Fulfilling the pledge to offer MICE training, SLCB together with SLAPCEO and THASL successfully conducted five training programmes in 2013. The first Three programmes were carried out in Negambo, Kalutara and in Kandalama.

5.3 The last two Regional training programmes for the year were conducted during the last quarter of 2013, in Kandy and Jaffna.



Ms Felicia Adihetty in Negombo



Mr Dharni Zosa in Negombo

Kandy Training (October 2013)

The full day program for hoteliers in the Central Province which was held in Kandy was attended by over 50 hoteliers in the region.



GM SLCB -at the Kandy Training Programme

Jaffna Training (October 2013)

The very first professional development programme in Tourism was conducted by SLCB at the Tilco Hotel in Jaffna. The panel consisted of Achini Dandunage, Anil Perera, Amal Nanayakkara and Ranjith Yapa. The 50 participants included hoteliers from Jaffna, Vavuniya and Mannar as well as students from the Hospitality Management course of the Advanced Technological Institute, Jaffna.



Amal Nanayakkara



Anil Perera



Participants



Q&A Session



Jaffna Training (October 2013)

5.4 Assisted Private Sector Academies to embark on MICE training programs.

Meetings, Incentives, Conferences and Exhibitions (MICE) Tourism
 Learn MICE Tourism & Event Management from Industry Experts
Certificate in 'MICE Tourism' & Event Management

For Whom?
 For individuals interested in pursuing their knowledge in MICE (Meetings, Incentives, Conferences, and Exhibitions) tourism & event management.

Course Outline

<p>Introduction to MICE Tourism What is MICE Tourism? Importance of MICE Tourism History of MICE Tourism</p> <p>Industry Trends Globalization and international tourism Technology and its impact on MICE Emerging and future trends</p> <p>Meetings & Conferences Industry Introduction to Meetings & Conferences Industry Types of Meetings & Conferences Importance of Meetings & Conferences Planning and Organizing Meetings & Conferences Marketing Meetings & Conferences Financial Management A Global World - Working that World - a Practical document</p> <p>Meetings Forum Mr. Vijayaraj Manojkumar Director, Forum for Global Tourism Development & Industry and Regional Manager, Sri Lanka Convention Bureau Mr. Rajani Madhura Director, Meetings, Incentives, Conferences and Exhibitions Division (MICE) Unit Mr. Chandra Kumar Lecturer, Tourism Training Centre, Management (Pvt) Ltd Mrs. Prashly Prasad Marketing Executive, Sri Lanka Convention Bureau</p> <p>Industry Exhibitions Mr. Anuraag Egan CEO, Exhibitions, Sri Lanka Mr. Vishvan Prasad Director, Meetings, Incentives, Conferences and Exhibitions Division (MICE) Unit</p> <p>Event Planning Definition of Event Planning Event and Event - Event Planning Steps Event Planning Skills / A PM, Module 1001-2 General Event Management (Event of PM, 100-000) - module 1001-2000 or 2000-3000</p> <p>Corporate Events Introduction to Corporate Events Types of Corporate Events</p> <p>Popular World Chapter 1 - Introduction to the Industry of Tourism and Hospitality Management (Pvt) Ltd Peak - Regional Director, 3100/01/001/01, 2100/0000/0000, Department of Tourism, Sri Lanka Convention Bureau Web-based Web program: http://www.ithm.lk</p>	<p>Exhibition Industry Introduction to Exhibition Industry Types of Exhibitions Importance of Exhibitions Planning and Organizing Exhibitions Marketing Exhibitions Financial Management A Global World - Working that World - a Practical document</p>
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ITHM
 Institute of Tourism and Hospitality Management (Pvt) Ltd
 No. 2, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60, 62, 64, 66, 68, 70, 72, 74, 76, 78, 80, 82, 84, 86, 88, 90, 92, 94, 96, 98, 100, 102, 104, 106, 108, 110, 112, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 136, 138, 140, 142, 144, 146, 148, 150, 152, 154, 156, 158, 160, 162, 164, 166, 168, 170, 172, 174, 176, 178, 180, 182, 184, 186, 188, 190, 192, 194, 196, 198, 200, 202, 204, 206, 208, 210, 212, 214, 216, 218, 220, 222, 224, 226, 228, 230, 232, 234, 236, 238, 240, 242, 244, 246, 248, 250, 252, 254, 256, 258, 260, 262, 264, 266, 268, 270, 272, 274, 276, 278, 280, 282, 284, 286, 288, 290, 292, 294, 296, 298, 300, 302, 304, 306, 308, 310, 312, 314, 316, 318, 320, 322, 324, 326, 328, 330, 332, 334, 336, 338, 340, 342, 344, 346, 348, 350, 352, 354, 356, 358, 360, 362, 364, 366, 368, 370, 372, 374, 376, 378, 380, 382, 384, 386, 388, 390, 392, 394, 396, 398, 400, 402, 404, 406, 408, 410, 412, 414, 416, 418, 420, 422, 424, 426, 428, 430, 432, 434, 436, 438, 440, 442, 444, 446, 448, 450, 452, 454, 456, 458, 460, 462, 464, 466, 468, 470, 472, 474, 476, 478, 480, 482, 484, 486, 488, 490, 492, 494, 496, 498, 500, 502, 504, 506, 508, 510, 512, 514, 516, 518, 520, 522, 524, 526, 528, 530, 532, 534, 536, 538, 540, 542, 544, 546, 548, 550, 552, 554, 556, 558, 560, 562, 564, 566, 568, 570, 572, 574, 576, 578, 580, 582, 584, 586, 588, 590, 592, 594, 596, 598, 600, 602, 604, 606, 608, 610, 612, 614, 616, 618, 620, 622, 624, 626, 628, 630, 632, 634, 636, 638, 640, 642, 644, 646, 648, 650, 652, 654, 656, 658, 660, 662, 664, 666, 668, 670, 672, 674, 676, 678, 680, 682, 684, 686, 688, 690, 692, 694, 696, 698, 700, 702, 704, 706, 708, 710, 712, 714, 716, 718, 720, 722, 724, 726, 728, 730, 732, 734, 736, 738, 740, 742, 744, 746, 748, 750, 752, 754, 756, 758, 760, 762, 764, 766, 768, 770, 772, 774, 776, 778, 780, 782, 784, 786, 788, 790, 792, 794, 796, 798, 800, 802, 804, 806, 808, 810, 812, 814, 816, 818, 820, 822, 824, 826, 828, 830, 832, 834, 836, 838, 840, 842, 844, 846, 848, 850, 852, 854, 856, 858, 860, 862, 864, 866, 868, 870, 872, 874, 876, 878, 880, 882, 884, 886, 888, 890, 892, 894, 896, 898, 900, 902, 904, 906, 908, 910, 912, 914, 916, 918, 920, 922, 924, 926, 928, 930, 932, 934, 936, 938, 940, 942, 944, 946, 948, 950, 952, 954, 956, 958, 960, 962, 964, 966, 968, 970, 972, 974, 976, 978, 980, 982, 984, 986, 988, 990, 992, 994, 996, 998, 1000

5.5 Proposed IAPCO National Training Programme-

Fulfilling the objectives of SLCB as mandated by the Tourism act No 38 towards maintenance of professional standards, encouraging and promoting the development of professional skills of those involved in MICE tourism and the hospitality industry, SLCB held discussions with the Sri Lanka Association of Professional Conference and Exhibition Organizers (SLAPCEO) to support their efforts towards proposal to host an IAPCO National seminar in Sri Lanka in July 2014. This is an initiative taken to update the industry with the role of the Professional Congress Organizer in the international congress and association meetings Market.

6. Promotions

6.1 Publicity

6.1.1 Listing in “Kompas”



6.1.2 – SLCB negotiated with V Group of India and had a brochure produced for the Indian market for Distribution from the month of May 2013. During their last visit to Sri Lanka, SLCB negotiated with V Group, a Bangalore based MICE Management Company with over 20 years of industry expertise .It was agreed to produce both print and e-brochures with a personal message from V Group, a strategy that would create more credibility among the Indian market.



6.1.3 SLCB negotiated with TTG MICE Singapore – a leading Magazine which agreed to carry Sri Lanka in their country report. Sri Lanka received tremendous publicity through the country report based on the readership of the magazine.



6.1.4 Publicity on Sri Lanka MICE in prestigious HQ magazine Asia Pacific (July Edition)



MICE TO GROW IN SRI LANKA

'Mice to Grow in Sri Lanka' was the message that Mr. Vipula Wanigasekera, manager of the Sri Lanka Convention Bureau, at a well-attended press conference at IMEX in Frankfurt this year. Not so many people realise that Sri Lanka has been active in the meetings industry for quite some time now, with the country being now the largest island of growth in the Asia-Pacific region.

Text Marcel A.M. Vissers

NOT NEW IN THE MICE INDUSTRY

I still remember when I visited Colombo for the first time and discovered that their convention centre was in fact the oldest centre on the Asian continent. The BMICH, or Bandaranaike Memorial International Conference Hall as its name implies, was built to honor the memory of Mr. S. Bandaranaike, the Prime Minister of Sri Lanka from 1956 to 1959. The centre has re-opened after a thorough makeover and total refurbishment.

As early as 1976, the Government hosted the Non Aligned Conference and 83 world leaders attended the meeting. The next major conference is CHOGM (Commonwealth Heads of Government Meeting) with is to be held in November this year. Sri Lanka also won the bid to host the Asian Youth Games which are coming to the island in 2017. This will be the largest sport event ever to be held in Sri Lanka. And our industry also holds some curious events with very special names. This year for example, the 22nd Working Meeting IUCN SSC Crocodile Specialist Conference is being held. Sri Lanka is also leading the way for contemporary conferences such as

the 1st International Conference on Bio-Diversity. A meetings programme also exists called Meetings in a Cave.

NEW STRATEGY

Sri Lanka's current tourism strategy is focused more on infrastructure. The hardware is lagging behind due to the ongoing war issues that the country has experienced. There is fear that construction will be too fast and at the expense of Sri Lanka's biggest asset: the diversity and beauty of nature. And can they keep the prices under control? Quick wins can fade fast if resources are not used intelligently. However, there is no doubt that Sri Lanka is developing a top-notch meetings industry product.

The government has, for instance, taken a timely decision by setting up on a convention centre in Hambantota, in the deep south of the island where the new international airport has begun to operate. For corporate, meetings and incentive travel, the focus is mainly on various boutique type team products. For example, the famous town of Kandy has become a popular venue thanks to the Botanical Garden and a good golf course.

FLYING TO SRI LANKA

SriLankan Airlines is a partner of the Sri Lanka Convention Bureau (SLCB) in realizing the goals of MICE especially when it comes to international congresses to be held in Sri Lanka. Headquarters for Europe are located in Frankfurt. SriLankan Airlines operates flights to 64 destinations in 34 countries, of which 6 destinations in India and 9 in the Middle East. In Europe there are flights to Sri Lanka from Paris, Rome, Milan, London, Paris and Frankfurt. The airline has a separate department for MICE tourism that works with local partners to arrange many types of events. www.srilankan.com



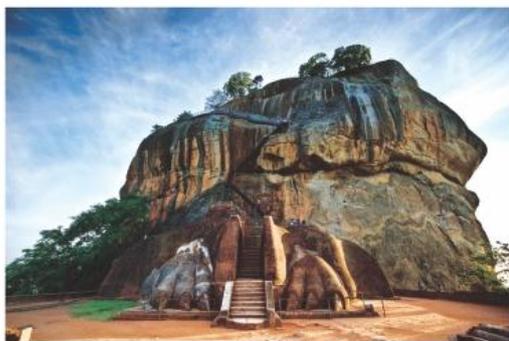
Personally, I think the Spiritual Development effort is one of the most successful projects because Sri Lanka is deeply imbued with Buddhism and spiritual values. The Institute of Ayurveda and Alternative Medicine and Barbery Ayurveda Resorts (www.instituteofayurveda.org) are leaders in this field. For new post-convention tours, the Cultural Triangle and the city of Galle are the centre of attention.

Contact

Sri Lanka Convention Bureau
slcb@slt.net.lk
www.visitsrilanka.net

6.1.5 Brochured Sri Lanka in Cox and Kings Publications.

Meet in Sri Lanka



Write to us at: askmice@coxandkings.com OR
Visit: www.coxandkings.com for any MICE queries.

6.2 Promotional Material



SLCB maintains the following promotional material

- Corporate Profile (CD) being updated
- MICE films - three different versions are available
- Incentive Brochure
- Brochure for special activities - New
- Meeting planner - (Artwork finalised, printing to commence shortly)
- Corporate gifts

6.3 FAM tours and field visits

SLCB made arrangements for the following -

- Hydro Asia team to visit Sri Lanka on the field visit
- Visit of Famous Indian producer Vivek Agrawal to promote Sri Lanka for his next movie Bombay Velvet.
- Visit of Singapore team on the 16th of September, a follow up of the Singapore promotion in April 2013.
- Familiarization Tour for Senior Members of TAAI Karnataka chapter 30th October to 1st November
- SLCB organized a City tour on the 25th October 2013 for the students who were in Sri Lanka from the Asia Pacific Region for SEARCC (International Schools Software Competition for students)
- SLCB facilitated a tour for Mr. Marcel Vissers, Editor-in-Chief, Head Quarters & MIM Europe magazine, which included hosting Mr Vissers and His photographer for 4 nights at Bentota Beach Hotel.



MIM Editor in Chief- Mr. Marcel A.M. Vissers

6.4 Overseas Promotions

6.4.1 MICE promotion in Bangalore - SLCB joined the Mega promotion organised by SLTPB in Bangalore in February 2013.



6.4.2 Cox and Kings – Gurgaron – SLCB carried out a MICE promotion with Cox and Kings in Gurgaron , New Delhi in April 2013 - Following negotiation with Cox and Kings (CNK) which is one of the largest outbound operators in India, an event was organized on 26 April in Gurgaron where both SLCB and SriLankan Airlines made presentations to their Corporate clients in which the advantages of choosing Sri Lanka by both Cox and Kings and their clients were elaborated. Indian Market needs to be promoted aggressively with both push and pull strategy. This was essentially to reach out to corporate clients and should be carried out in other cities too.



GM-SLCB addressing the Corporates



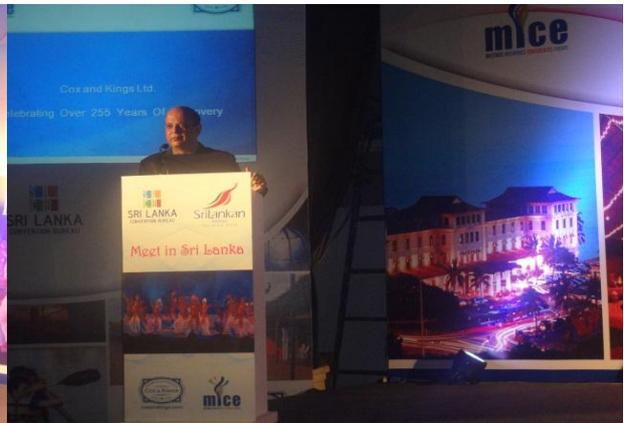
Part of the Indian Corporates



National Youth Services Performing at the Event



SriLankan Manager MICE speaking



Cox and Kings Director addressing

6.4.3 Singapore and Malaysia – SLCB carried out a promotion Singapore and Malaysia in April 2013 - In line with the tourism strategy to develop new markets, both Sri Lanka Convention Bureau SLCB and SriLankan Airlines carried out country promotions in Singapore and Malaysia together with the MICE industry members.

Singapore gathering was addressed by the High Commissioner Ferial Ashroff together with SLCB, SriLankan and Industry presentations while in KL, among the guests were the Acting High Commissioner for Sri Lanka. High Commissioner Ashroff took the opportunity to explain to the audience the accelerated implementation of the infrastructure development which directly helps the Tourism and MICE Tourism . Chairman of Malaysia Tourism Dr Victor Wee who accepted the invitation extended by SLCB’s General Manager Vipula Wanigasekera, addressed as an opinion maker for Sri Lanka having visited the Island a number of times specially being a Buddhist to many Buddhist monuments in Sri Lanka.



High Commissioner Ferial Ashroff



Chairman Tourism Malaysia Dr Victor Wee



NYC troupe performing



SLCB presentation



Attendance in Singapore



Sri Lankan Industry

6.4.4. Continuing its efforts in aligning with the tourism strategy to develop new markets and increase more upmarket tourism, Sri Lanka Convention Bureau SLCB together with Sri Lankan Airlines carried out country promotions in China and Bangalore during the 3rd Quarter.

MICE promotion in Bangalore 30th August 2013



Dr C.D Dyavaiah Managing Director - Karnataka Tourism addressing the gathering



Inauguration



SLCB Presentation

6.4.2 Sri Lanka Convention Bureau (SLCB) together with SriLankan Airlines and MICE industry partners took part in CIBTM- Beijing China, with the objective of tapping the MICE market, particularly the incentive travel segment. This was the first time that the Bureau participated in CIBTM and it was in line with the mega promotion in China by Sri Lanka Tourism.



Chairman Sri Lanka Tourism -Bashwara Gunarathna with the team from Sri Lanka at CIBTM



Servicing inquiries at CIBTM

6.4.3 In May 2013 SLCB took part in IMEX, held in Frankfurt, the biggest B2B International MICE trade fair.



IMEX – Frankfurt

2013 IMEX brought over 3,500 exhibitors from 157 countries for business in three days. The total numbers of buyers were 4000 and the total show attendance was almost 9,000.

The press briefing organized by SLCB titled “ MICE to grow in Sri Lanka” on 22 May 2013 was attended by over 15 international media personnel. Sri Lanka Consul General Mr. Pradeep Jayawardnee and the Regional Manager for UK, Europe and North America Mr. Kaushal Senevirate were also present.

6.4.4 MICE promotion in Pakistan –October 2013

Sri Lanka Convention Bureau (SLCB) and SriLankan Airlines carried out a joint promotion in Karachi aligned with the Government policy of entering new tourism markets. The event was attended by 130 outbound agents specialising in MICE tourism (Meetings, Incentives, Conferences and Exhibitions).



GM SLCB addressing the buyers



Outbound Agents at the promotion

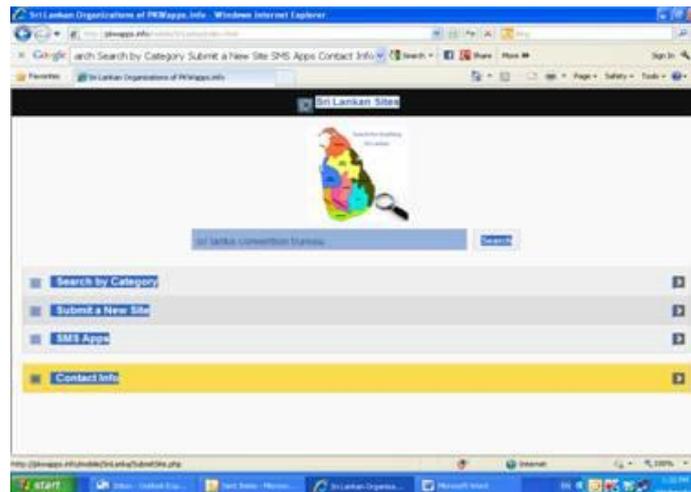
6.5 Web Related Promotions

6.5.1 Web updating of www.visitsrilana.net was carried out on daily basis.

6.5.2 SLCB was successful in obtaining Google Alerts where Sri Lanka MICE news is given priority on relevant websites including eTurboNews.

6.5.3 Sri Lanka Convention Bureau (SLCB) continued its presence on the Mobile Web, and is accessible on <http://m.OnlineLanka.info>

6.5.4 Sri Lanka Convention Bureau (SLCB) increased visibility via Android Apps.



7. Other Activities

7.1 SLCB assisted MOED in the matching grant program in the training programs for Bank Managers.

7.2 Workshop for newly recruited diplomats at the Bandaranayake International Diplomatic Training Institute.



Presentation by GM SLCB

7.3 SLCB office was refurbished during the months of October and November and the staff moved back to the newly refurbished office on the 22nd of November 2013.



Lighting of Traditional Oil lamp-at the opening

8. CSR Activities

- SLCB assisted Tourism welfare Association in the organising of Avurudu celebrations.
- SLCB assisted Tourism welfare Association in organising of the Poson Dansala in Anuradhapura



Poson Dansala in Anuradhapura

9. Industry Relations

SLCB continued to work closely with Sri Lanka Association of Professional Conference, Exhibitions and Events Organisers (SLAPCEO) in policy and operations towards development of the industry.



SLAPCEO AGM and panel discussion held on 4th March 2013

10. Finance and Administration

10.1 In accordance with the requirements Bureau has produced Mahinda Chintana Report, Performance Report, General Performance and Progress Reports, Actions plans, Activity reports.

10.2 A report to the Ministry was submitted following the last COPE meeting

10.3 Present Staff consists of

Mr Neil Rupasinghe	-- Chairman
Mr. Vipula Wanigasekera	- General Manager
Ms. Achini Dandunnage	- Senior Manager Operations
Ms. Kumudu Henedige	- Manager Marketing
Ms. Iyrosi Jayawardene	- Manager Research Development and Training
Ms. Peumi Peris	- Assistant Manager, Research & Training
Ms. Ranjika Perera	- Assistant Manager, Accounts and Administration
Ms MG Arundathi Kumari	- Management Assistant
Ms. Shakila Talagala	- Secretary/Coordinator
Mr. Sanjeewa Perera	- Driver

Although the finance to SLCB was improving, the Bureau did not envisage creating more activities without the certainty for their real outcome. As a result the unutilised funds will be returned to the Tourism Development fund. \

Both the Manager and Assistant Manager of the Research joined the organisation in June and December respectively and therefore the actual outcome of the research division work will reflect in the year 2014.

There will be close coordination with SLTPB with regard to overseas promotions where pooling of resources will take place to receive synergy in the promotional efforts as well as the results.

It is envisaged to merge tourism institutions by way of an amendment to Tourism act which would lead to preparation of one Corporate Plan soon after the enactment of the Tourism act. Therefore the present activities will gradually be adjusted with the future plans in mind with a view to gearing the staff towards such a vision for tourism authorities.

Vipula Wanigasekera
General Manager

**SRI LANKA CONVENTION BUREAU
FINANCIAL STATEMENTS FOR YEAR 2013**

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Income Statement	2
Statement of Changes in Equity	3
Cash Flow Statement	4
Notes to Accounts	5-10.

Sri Lanka Convention Bureau
Statement of Financial Position
as at 31st December 2013

	Notes	2013 Rs	2012 Rs
ASSETS			
Current Assets			
Cash in Hand and at Bank	8	85,247,538.48	53,692,223.76
Trade & Other Receivables	9	61,055,144.24	20,837,297.16
Pre payments	10	1,175,509.08	5,301,904.00
Deposits	11	80,000.00	80,000.00
W.H.T. / VAT Receivable		450,553.57	450,553.57
Total Current Assets		148,008,745.37	80,361,978.49
Non- Current Assets			
Property, Plant & Equipment	12	13,571,101.19	10,281,255.65
Less : Provision for Depreciation		10,112,890.91	8,585,049.53
Written down value		3,458,210.28	1,696,206.12
Add : Work in progress		-	-
Long Term Investments		-	-
Total Non- Current Assets		3,458,210.28	1,696,206.12
Total Assets		151,466,955.65	82,058,184.61
LIABILITIES			
Current Liabilities			
Creditors	13	1,122,483.16	58,949.34
Accrued expenses	14	1,196,746.93	1,070,155.56
Provision for Retirement Gratuity		1,087,639.00	954,007.00
Total Current Liabilities		3,406,869.09	2,083,111.90
Net Assets		148,060,086.56	79,975,072.71
NET ASSETS/EQUITY			
Opening Balance Equity		6,433,492.69	6,433,492.69
Retained Earnings	15	80,815,169.23	35,849,429.70
Profit for the year		60,811,424.64	37,692,150.32
Total Net Assets/Equity		148,060,086.56	79,975,072.71



.....
Neil Rupasinghe
Chairman
Sri Lanka Convention Bureau



.....
Vipula Wanigasekera.
General Manager
Sri Lanka

Sri Lanka Convention Bureau
Statement of Financial Performance
For the period ended 31st December 2013

	Note	2013 Rs	2012 Rs
Revenue			
Embarkation Levy		64,195,481.95	60,878,416.91
Tourism Development Levy		40,602,155.57	25,883,991.03
Other Revenue	16	3,916,875.82	2,863,863.19
Total Revenue		108,714,513.34	89,626,271.13
Expenses			
Wages,Salaries & Employee Benefits	17	8,980,803.65	6,334,958.35
Supplies and Consumables Used	18	3,426,177.69	2,985,692.09
Marketing Related Expenditure	19	31,688,589.85	37,227,379.79
Research & Development	20	1,835,570.99	3,251,075.36
Depreciation and Ammortization Expense		1,527,841.38	1,483,270.42
Other Expenses	21	424,600.00	644,600.00
Finance Costs	22	19,505.14	7,144.80
Total Expenses		47,903,088.70	51,934,120.81
Surplus/ (Deficit) for the Period		60,811,424.64	37,692,150.32

Notes 15
Sri Lanka Convention Bureau

Changes in equity statement for the year ended 31 December 2013

	Capital Reserves	Retained Earnings	Total
Balance at 31 December 2011	6,433,492.69	35,849,429.70	
Profit for the year 2012		37,692,150.32	
Prior year adjustment		333,044.01	
Profit for the year 2013		67,751,969.84	
Balance at 31 December 2013	6,433,492.69	141,626,593.87	148,060,086.56

**SRI LANKA CONVENTION BUREAU
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2013**

	2013
	Rs
cash flows from operating activities	60,811,424.64
Surplus / (Deficit)	
 Non - cash movements	
Depreciation	1,527,841.38
Interest from staff loan	(23,275.82)
Prior year adjustment	6,940,545.20
Provision for gratuity	133,632.00
Provision for salary	333,044.01
(Increase/ Decrease in Receivables	(40,217,847.08)
(Increase / Decrease in Prepayments	4,126,394.92
Increase/ Decrease in Accrued Expenses	126,591.34
Increase / Decrease in creditors	1,063,533.82
Interest from staff loan	23,275.82
Net cash flows from operating activities	34,845,160.23
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property ,plant and equipments	(3,289,845.54)
Net cash flow from Investig Activities	(3,289,845.54)
 CASH FLOWS FROM FINANCING ACTIVITIES	
Net increase / (decrease) in cash and cash equivelents	31,555,314.72
Cash and cash equivelents at beginning of period	53,692,223.76
Cash and Cash equivelents at end of period	<u><u>85,247,538.48</u></u>

**SRI LANKA CONVENTION BUREAU
NOTES TO THE ACCOUNTS
YEAR ENDED 31ST DECEMBER 2013**

1 General Information

SRI LANKA CONVENTION BUREAU (SLCB)

The Sri Lanka Convention Bureau incorporated under the Tourism Act No 38 of 2005 and domiciled in Sri Lanka. The principal place of business of the Bureau is located at 4th Floor, Hotel School Building #78, Galle Road, Colombo 3.

The SLCB is engaged in promoting conferences, corporate meetings, incentive travel and exhibitions.

2 Basis of Preparation and Accounting Policies

The balance sheet, statements of income, changes in equity and cash flow, together with the accounting policies and notes of the Bureau as at 31st December 2013 and for the year ended comply with the Sri Lanka Accounting Standards. The financial statements are prepared under historical cost convention in accordance with the generally accepted Accounting Principles and Institute of Chartered Accountants of S.L.

3 Property, plant and equipment

All property, plant and equipment are stated at historical cost which is at purchase cost or construction cost.

Depreciation is provided on cost with relevance to the period of ownership. The depreciation rates are as follows.

Assets	Rate
Office equipment	10%
Motor vehicles	25%
Furniture and fittings	10%
Building	5%

4 Liabilities and provision

All material liabilities as at balance sheet date have been included in the accounts.

5 Retirement benefits

Provision has been made for the retirement benefit payable under the Payment of Gratuity Act No. 12 of 1983. Termination benefits are provided on the basis of half month current salary for every year of continued service. However the liability becomes due on completion of service.

6 Prior Year Adjustment

Prior year adjustment made during the year 2013, to show correct embarkation & TDL for year 2013 from SLTDA.

8 Cash in Hand and at Bank

Item	2013 (Rs)	2012 (Rs)
Cash at Bank - Bank of Ceylon	74,349,595.28	46,843,880.56
Cash at Bank -Peoples Bank	10,877,943.20	6,828,343.20
Petty cash	20,000.00	20,000.00
Total of cash in hand & bank balance	85,247,538.48	53,692,223.76

9 Trade & Other Receivable

Item	2013 (Rs)	2012 (Rs)
Staff Loan	458,098.20	636,013.83
Festival Advances	2,000.00	1,000.00
Receivable from Staff	31,755.25	-
Sri Lanka Tourism Develop Authority	58,115,406.91	20,170,673.33
Aitken Spence Hotel Management	20,000.00	-
Lanka Sporthorizon	20,000.00	
Sri Lankan Airlines	2,387,843.88	
Institute of Travel & Tourism Mgt	-	450.00
Ministry of Tourism	-	29,120.00
Sunway Holidays	1,800.00	1,800.00
Tangerine Tours	18,240.00	(1,760.00)
Total	61,055,144.24	20,837,297.16

10 prepayments

Item	2013 (Rs)	2012 (Rs)
Payment for Promotions	101,018.37	4,700,644.63
Insurance	954,773.81	110,449.26
Office Equipment Maintnance	119,716.90	490,810.11
Total	1,175,509.08	5,301,904.00

11 Deposits

Item	2013 (Rs)	2012 (Rs.)
Sri Lanka Telecom	5,000.00	5,000.00
C.F. De Mel and Sons	75,000.00	75,000.00
Total	80,000.00	80,000.00

12. Property, Plant & Equipment

Note No. 2A

Note	Code	Description	Balance as at 01.01.2013	Additions 2013	Transfer 2013	Balance as at 31.12.2013	Acc. Depreciation as at 01.01.2013	Depreciation 31.12.2013	Acc. Depreciation as at 31.12.2013	Net Book Value as at 31.12.2013
3.1	101	Office Equipments	5,456,970.29	666,803.00		6,123,773.29	5,437,448.01	552,327.03	5,989,775.04	133,998.25
3.2	102	Building		2,020,565.00		2,020,565.00	-	16,838.00	16,838.00	2,003,727.00
3.3	103	Furniture & Fittings	945,785.36	602,477.54		1,548,262.90	794,945.27	97,051.35	891,996.62	656,266.28
3.4	110	Motor Vehicles	3,158,500.00	-		3,158,500.00	1,776,656.25	789,625.00	2,566,281.25	592,218.75
3.5	111	Software	720,000.00	-		720,000.00	576,000.00	72,000.00	648,000.00	72,000.00
		Sub Total	10,281,255.65	3,289,845.54		13,571,101.19	8,585,049.53	1,527,841.38	10,112,890.91	3,458,210.28

Sri Lanka Convention Bureau
Notes to the Financial Statements
For the period ended 31st December 2013

13 Creditors

Item	2013 (Rs)	2012 (Rs.)
Bentota Beach	51,676.00	-
Lanka Sporthorizon	250,000.00	-
GPR Communication	378,854.11	-
Mobitel Pvt Ltd	18,058.80	12,535.24
American Premium Water	-	1,214.63
Colombo South Corporative Society	-	11,948.00
Sealcine	246,758.40	-
SLTDA -Welfare Association	3,475.00	7,375.00
Sri Lanka Telecom	22,258.19	21,313.59
State Trading General Company	129,500.00	-
Dialog Broad band Networks	4,234.66	4,562.88
C.F De Mel & Sons	17,668.00	-
Total	1,122,483.16	58,949.34

14 Accrued Expenses

Item	2013 (Rs)	2012 (Rs.)
Other Payabels	402,850.00	333,044.01
WHT Payable	-	16,975.00
E.P.F Payable	-	150,336.49
E.T.F Payable	-	11,162.13
Payee Payable	(571.00)	2,289.00
Phoenix Ogilvy	1,785.93	1,785.93
Sri Lanka Tourism Dev Authority	611,162.00	144,563.00
Auditor General Departement	181,520.00	410,000.00
Total	1,196,746.93	1,070,155.56

16 Other Revenue

Item	2013 (Rs)	2012 (Rs.)
Staff Loan Interest income	23,275.82	31,863.19
Participation fees	3,893,600.00	2,832,000.00
	3,916,875.82	2,863,863.19

17 Wages,Salaries & Employee Benefits

Item	2013 (Rs)	2012 (Rs)
Salaries & Allowances	4,679,798.95	3,653,459.60
Holiday & Other Allowances	317,623.00	451,477.00
Chairmans Allowances	720,000.00	667,081.25
Chairman fuel & Vehicle Rent	618,415.50	532,081.25
Staff Overtime	156,792.65	155,935.99
Employees Provident Fund	400,699.51	518,798.77
Employees Trust Fund	93,179.28	89,664.40
Staff Welfare	209,789.36	253,235.13
Staff Welfare -Sri Lanka Tourism	209,000.00	-
Uniforms to Staff	128,030.90	22,382.35
Travelling local	1,039,555.00	561,949.00
Gratuity	133,632.00	149,582.00
Attendance Incentives	274,287.50	196,867.00
Total	8,980,803.65	7,080,432.49

18 Supplies and Consumables Used

Item	2013 (Rs)	2012 (Rs)
Printing & Stationery	264,913.45	742,701.03
Telephones	572,628.71	531,413.37
Postage & Courier	33,054.24	46,986.46
Office Requirments	103,641.91	83,663.73
Insurance	793,513.23	354,433.49
Maintenance - Office	693,190.84	82,918.92
Vehicle fuel & allowances	641,562.50	398,315.04
Maint. & Repair vehicles	202,849.71	212,655.56
Sundry	28,734.15	8,064.15
Vat	92,088.95	164,540.34
Total	3,426,177.69	2,625,692.09

19 Marketing Related Expenditure

Item	2013 (Rs)	2012 (Rs)
Overseas Promotions /Fairs	21,344,244.88	15,110,694.25
Printing /Production	1,715,890.31	362,280.45
Advertising	232,784.00	248,741.14
Indian Promotion	-	76,500.00
Marketing Expenses -Other	277,944.76	388,868.59
Event Supports	6,693,044.59	21,040,295.36
Fam Tours	1,414,681.31	-
Presentation to Corporate /Local	10,000.00	-
Total	31,688,589.85	37,227,379.79

20 Research & Development

Item	2013 (Rs)	2012 (Rs)
ICCA Membership	496,530.72	445,787.59
Database Maintenance	31,474.30	15,000.00
SLCB Training Programmes	890,687.28	2,057,541.63
Conference Bid Supports	416,878.69	732,746.14
Total	1,835,570.99	3,251,075.36

21 Other Expenses

Item	2013 (Rs)	2012 (Rs)
Board Member Allowance	294,600.00	234,600.00
Professional Fees	130,000.00	410,000.00
Total	424,600.00	644,600.00

22 Finance Costs

Item	2013 (Rs)	2012 (Rs)
Bank charges	19,505.14	7,144.80
Total	19,505.14	7,144.80



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கணக்காய்வாளர் தலைமை அபிப்பதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

} TM2/K/SLCB/1/13/05

ඔබේ අංකය
உமது இல.
Your No.

}

දිනය
திகதி
Date

} 04 September 2014

The Chairman,
Sri Lanka Convention Bureau

Report of the Auditor General on the financial statements of the Sri Lanka Convention Bureau for the year ended 31 December 2013 in terms of Section 14(2) (c) of the Finance Act No 38 of 1971

The Audit of the financial statements of the Sri Lanka Convention Bureau (SLCB) for the year ended 31 December 2013 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, 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 section 13 (1) of the Finance Act No. 38 of 1971, and Section 20 of the Tourism Act No 38 of 2005. My comments and observations which I consider should be published with the annual report of the Bureau in terms of Section 14 (2) (c) of the Finance Act appear in this report. A detailed report in terms of Section 13 (7) (a) of the Finance Act was issued to the Chairman of the Bureau 23 May 2014.

1.2 Responsibility of the Management for the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards for and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.





1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing standards in consistence with International Standards of Supreme Audit Institutions (ISSAI 1000 - 1810). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free form material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bureau's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expensing an opinion on the effectiveness of the Bureau's interned control. An audit also include evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements. Sub Section (3) and (4) of Section 13 of Financial Act No 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the Audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.4 Basis for qualified Audit opinion

My opinion is qualified based on the matters described in paragraph 2.2 of their report.



2. Financial Statements

2.1 Qualified opinion

In my opinion except for the effects of the meters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Convention Bureau as at 31 December 2013 and its financial performance and cash flow for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on the financial statements

2.2.1 Non Compliance with Sri Lanka Public Sector Accounting Standards (SLPSAS)

The stock valuation policy had not been disclosed in the financial statements in terms of SLPSAS - 09

2.2.2 Accounting Deficiencies

A sum of Rs.2, 020,565 incurred for repairing of the building premises had been shown as fixed assets.

2.2.3 Contingent Liabilities

The Bureau has been operated in the building belonging to the Sri Lanka Hotel and Management Institute without having a rent agreement since the year 2008 and the rent had not been paid up to end of the year under review. Even though it had been requested from the relevant Institute to inform building rent after being made an assessment, the rent had not been informed after being made the assessment up to end of the year under review. However, no provision was made in the accounts to date.

2.2.4 Unexplained Differences

The following differences were observed in reconciling the accounts of the Sri Lanka Convention Bureau with the financial statements forwarded by the other institutions.



Description of Accounts	Balance as per Accounts Rs.	Reconciled Institution	Balance in that Account Rs.	Difference Increase/(Decrease) Rs.
-----	-----	-----	-----	-----
Creditors	Nil	Sri Lanka Hotel Management Institute	53,559	(53,559)
Accrued Expenses	611,162	Sri Lanka Tourism Development Authority	694,466	(83,304)

2.2.5 Accounts Receivable and Payable

The recoverable value Added Tax amounting to Rs. 450,554 had been shown in the financial statements since the year 2011, but actions had not been taken to recovered it.

2.2.6 Lack of Evidence for Audit

The evidence mentioned against the following items was not made available to audit.

Description of account	the Value Rs.	Evidence not made available
-----	-----	-----
Debtors	2,446,084	Confirmation letters
Creditors	1,122,483	do
Accrued Expenses	1,196,747	do



3.2 Analytical financial Review

The revenue of the Bureau for the year under review was Rs.108,714,513 and as compared with Rs.89,626,271 in the preceding year had shown an increase of 21.2 per cent. As well, compared with the expenditure amounting to Rs. 67,922,071 that had been incurred during the preceding year by the Bureau, a sum of Rs. 40,962,543 had been incurred during the year under review. Accordingly, it was observed a decrease of 39.7 per cent.

4. Operating Review

4.1 Performance

In terms of Section 42 (2) of the Tourism Act No. 38 of 2005 the following objectives of the Bureau had not been achieved during the year under review and preceding years too.

- (a) To provide a common policy designed to ensure the co- operative development and marketing of Sri Lanka as a venue for international, regional and domestic conventions, meetings and exhibitions and as incentive travel destination;
- (b) To co-ordinate and assist the promotion development and servicing by the public and private sector of international, regional and domestic conventions, meetings exhibitions and incentive travel;
- (c) To prescribe and enforce the maintenance of professional standards by persons or organizations involved in handling various aspects of conventions of meetings, exhibition and incentive travel;
- (d) To encourage and promote the development of professional skills among the different categories of persons or organization involved in handing convention, meetings, exhibitions and incentive travel;
- (e) To affiliate with obtain membership of or enter into any agreement with any association or organization engaged in developing or promoting convention meetings exhibitions and incentive travel;
- (f) To provide guidance to the Bureau to develop, promote and market Sri Lanka as a tourist and travel destination both in Sri Lanka and abroad;
- (g) To develop and promote adequate, attractive and efficient tourist services, inclusive of the hospitality industry, in a sustainable manner.



4.2 Management Inefficiencies

It was observed in audit that remaining bank current account balance as at the end of every month was more than Rs. 43 million. Based on this situation, it was observed that the current ratio was as high level as 43:1 and management of working capital was not at the optimal level.

4.3 Contentious Transactions

A sum of Rs.517,450 had been spent for a foreign tour which was not related the duties of the Bureau, on a request made by the Ministry of Finance and Planning.

4.4 Personal Administration

Out of the approved carder of the Bureau, 18 per cent were vacant and the expenditure on human resources for the preceding year and in the year under review were Rs. 6.3 million and Rs. 8.9 million respectively. Accordingly, cost per employee for the preceding year and in the year under review was Rs. 1,055,826 and Rs. 997,867 respectively.

4.5 Provision for Employees' Gratuity

Actions had not been taken to invest the provision of Rs. 1,087,639 made for the payment of employees' gratuity.

5. Accountability and Good Governance

5.1 Corporate Plan

The following matters were observed in the examination of Corporate Plan prepared for the period of 2013-2015.

- (a) Even though it was expected to spend a sum of Rs. 88,800,000 for the year under review according to the Corporate Plan, only a sum of Rs.63,950,000 had been planned to be spent during the year under review according to the Action Plan. Thus, it was observed that the action plan was not prepared based on the Corporate Plan.
- (b) According to the Corporate Plan, the expenditure for the year under review as per the year's plan had been classified under 3 headings. The objectives and targets, expected to be achieved during the year under review had not been indicated in details there in,



- (c) According to the Paragraph 5.1.2 of the Public Enterprises Circular No. PED/12 dated 02 June 2003, the officers who are responsible to achieve the objectives and targets within the period in the performance plan presented along with the Corporate Plan had not been clearly mentioned.

5.2 Action Plan

The physical progress reports relating to the achievement of objectives and the targets presented along with the Action Plan during the year under review had not been forwarded for audit in order to make sure that such achievements had been made.

5.3 Internal Audit

Even though Internal audit functions of the Bureau have been covered by the International Audit Division of the Ministry, no any audit functions relating to the operations of the Bureau had been carried out in terms of Financial Regulation 133.

5.4 Procurement Plan

A master procurement plan had not been prepared in terms of Section 4.2.1(b) of the National Procurement Agency Circular No 8 of 25th January 2006.



5.5 Budgetary Control

Significant variances in 10 expenditure items were observed between the estimated and the actual expenses (variances range exceeded more than 22 per cent) for the year under review, thus indicating that the budget had not been made use as an effective instrument of management control.

5.6 Tabling of Annual Reports.

The Annual Report of the Bureau for the year 2011 had been tabled in Parliament in the year 2014.

6. Systems and controls

Deficiencies in systems and controls observed during the course of audit were brought to the Notice of the Chairman of the Bureau by my detailed report issued in terms of section 13 (7) (a) of the Finance Act' Special attention is needed in respect of the following areas of control.

- (a) Budget
- (b) Accounting
- (c) Operation of promotional activities
- (d) Human resources management
- (e) Internal audit functions.

H.A.S Samaraweera
Auditor General