



SRI LANKA
CONVENTION BUREAU



ANNUAL REPORT 2017



TABLE OF CONTENTS

Board of Management of Sri Lanka Convention Bureau 2017	3
Vision, Mission & Objectives of the Sri Lanka Convention Bureau	4
Highlights of year 2017	6
Introduction	9
General Activities	11
Research Development & Training Activities	16
Marketing Activities	18
Industry Relations	23
Other Activities	24
Finance & Administration	25
Statement of Financial Position	26
Income Statement	27
Notes to Accounts	28
Statement of Changes in Equity	33
Cash Flow Statement	34
The Auditor General's Report	35



SRI LANKA CONVENTION BUREAU
ANNUAL REPORT 2017



Board of Management of Sri Lanka Convention Bureau 2017

Mr. Prema Cooray	SLCB Chairman
Mr. P. Algama	Director General, Department of Public Finance
Mr. M. Shanthikumar,	Director, The Hotels Association of Sri Lanka
Mr. Devindre Senarathne,	President, Sri Lanka Association of Inbound Tour Operators (SLAITO)
Mr. Jayantissa Kehelpannala	President, John Keels Hotel Management Services
Mr. Malraj Kiriella	Director General, Sri Lanka Tourism Development Authority
Mr. Sunil Dissanayake	Director General, BMICH
Prof. Deepal Mathew	Department of Biochemistry & Molecular Biology, Faculty of Medicine, University of Colombo
Mr. Ruwan P.K. Gallage,	President, The Organization of Professional Associations (OPA)
Mr. Ziyen Ameen	President, Sri Lanka Association of Professional Conference and Events Organizers
Mr. Dimuthu Tennakoon	General Manager, Commercial, Operations, Sri Lankan Airlines
Mrs. Deepthi Fernando	Additional Secretary, Ministry of Tourism Development & Christian Religious Affairs
Mr. Sarath Kahapalarachchi	President, Federation of Chambers of Commerce & Industry of Sri Lanka (FCCISL)



SRI LANKA CONVENTION BUREAU
ANNUAL REPORT 2017



Vision, Mission & Objectives of The Sri Lanka Convention Bureau

Vision

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

To position Sri Lanka internationally as a unique venue for MICE activities and to receive optimum revenue from MICE tourism in order to make a positive contribution to Sri Lanka's economy through creation of employment thereby uplifting the living standards of those engaged directly and indirectly in the 'MICE Industry' in Sri Lanka

Objectives

The objectives of the Bureau as mandated by the Tourism Act No 38 of 2005 (page no 32-33) are as follows.

- To promote Sri Lanka as a venue for international, regional and domestic conventions, meetings and exhibitions, and as an incentive travel destination.
- To provide a common policy designed to ensure the co-ordinated and co-operative development and marketing of Sri Lanka as a venue for international, regional and domestic conventions, meetings and exhibitions, and as an incentive travel destination.
- To coordinate and assist the promotion, development and servicing by the public and private sector of international, regional and domestic conventions, meetings and exhibitions, and as an incentive travel.
- To coordinate and co-operate with convention, exhibition and incentive travel organizers in Sri Lanka and overseas to ensure the successful staging of conventions, meetings and exhibitions and the implementation of incentive travel programs.
- To prescribe and enforce the maintenance of professional standards by persons or organizations involved in handling various aspects of conventions, meetings, exhibitions and incentive travel.
- To encourage and promote the development of professional skills among the different categories of persons or organizations involved in handling convention, meetings, exhibitions and incentive travel.
- To affiliate with, obtain membership of, or enter into any agreement with any association or organization engaged in developing or promoting conventions, meetings, exhibitions and incentive travel.
- To provide guidance to the bureau to develop, promote and market Sri Lanka as a tourist travel destination both in Sri Lanka and abroad.
- To develop and promote adequate, attractive and efficient tourist services, inclusive of the hospitality industry in a sustainable manner.
- To do in Sri Lanka or elsewhere all such acts and things incidental or conducive to the attainment of the objects of the Bureau.



SRI LANKA CONVENTION BUREAU
ANNUAL REPORT 2017



Highlights of year 2017

The IATO (Indian Association of Tour Operators) Outbound Tourism Convention 2017

The 1st IATO Outbound Convention was held in 2017 in Colombo, Sri Lanka. The Indian Association of Tour Operators (IATO) in association with the Sri Lanka Convention Bureau was organized the 1st IATO Outbound Tourism Convention held from 2nd to 5th October 2017 in Colombo, Sri Lanka under the theme of “Regional Tourism – Beyond Boundaries”.

IATO is the national Apex Body of Tour Operators with a membership of over 1600 across the country. IATO membership consists of the nation’s inbound tour operators, travel agents, hotel chains, airlines and other stakeholders in the tourism & hospitality. IATO have diversified the scope of activities beyond inbound tourism by adding outbound products in their core activity areas. A special “Outbound Tourism Council” has also been constituted. In the first initiative, it has been decided by IATO to organize its first “Outbound Tourism Convention” in Colombo Sri Lanka. Over 160 high profile delegates representing India’s travel and tourism sectors were participated in the three-day convention.

The convention was organized with the objective of facilitating the members of IATO to experience Sri Lanka and fulfill the rising aspirations of the outbound market crave for Indians looking for experimental tours. As world looks for new growth opportunities, this convention was facilitated, how Sri Lanka is designed to offer an unusual glimpse into the country’s unique culture, touristic heritage, cuisine, shopping and prosper from World’s Largest consumer markets.

The Convention was ceremonially inaugurated by Minister of Tourism Development and Christian Religious Affairs John Amaratunga and Minister of Special Assignments Sarath Amunugama at the Taj Samudra Hotel, Colombo. During the convention, it was envisaged that “India’s outbound tourism sector is growing at a rapid rate of 20% and is expected to reach 50 million travelers by 2020.

SLCB made a presentation to IATO delegation, about the potential and growth of Sri Lanka as an International tourism destination thus MICE destination.







Introduction

MICE is not a new industry in Sri Lanka and it goes back 70s and Sri Lanka hosted Non-Aligned Conference, which brought in over 80 world leaders into the country. As such, Sri Lanka is a promising venue for professionally handling of meetings

SLCB being the Government arm established for MICE promotion & development, recorded another favorable year of organizational results in 2017 when discharging duties and functions in line with the development and promotion of Sri Lanka MICE industry in the globe.

In line with the Mission set out in the Tourism Act No 38 of 2005, the SLBC is committed to position Sri Lanka internationally as a preferred destination for MICE activities and to receive optimum revenue from MICE tourism in order to make a positive contribution to Sri Lanka's economy through creation of employment thereby uplifting the living standards of those engaged directly and indirectly in the 'MICE Industry' in Sri Lanka.

The SLCB aims to strengthen Sri Lanka's global appeal and position as the leading destination for international meetings, incentives, conventions, trade exhibitions and events. The bureau identifies the potential business event leads, facilitates bidding processes, promotes government and industry collaborations, as well as, the Bureau provides event support and marketing services, including consultation on local products and services.

The year under review witnessed a favorable direction of activities.

In the Conference sector nearly 215 International Conferences have been held this year (compared to 199 conferences in year 2016), The IATO (Indian Association of Tour Operators) Outbound Tourism Convention 2017, the PATA Youth Symposium 2017, 2nd International Ornamental Fish Trade & Technical Conference, 12th Meeting of SAARC Associations of Anesthesiologists, 20th International Convention on Students' Quality Circles, Asian Regional Aesthetic Dental Congress 2017, 20th Annual Meeting of Asia Pacific Group on Money Laundering, 28th Conference of Presidents of Law Associations of Asia, 17th Asia-Pacific Telecommunity Policy and Regulatory Forum, 10th Inter Country Working Group Meeting for SACOSAN, SEARCC International Conference, 27th Session of Asia Pacific Forestry Commission, 27th Asian Credit Union Forum, and General Assembly of the Federation of European Screen Printers Associations have marked as few of the major conferences held in Sri Lanka.

Exhibition Sector has also performed well and there were 83 major exhibitions held in 2017. The major exhibitions held in Sri Lanka include Edex, Jaffna International Trade Fair, Global Lift & Escalator Expo, 8th Textech Sri Lanka 2017 International Expo, 2017 China Guangxi Products Exhibition, Intercontinental Medical Expo, 'Facets' International Gem & Jewellery Show, Lankapack 2017 and Intex South Asia.

In view of remarking Sri Lanka to be a professionally competent venue for handling MICE, the Bureau organized regional professional training programmes island wide in 2017 as well.

General Activities

Sri Lanka Convention Bureau's core activities are directly linked with promoting Sri Lanka as a venue for MICE (Meetings, Incentives, Conferences, Exhibitions and events) tourism. MICE is a niche market and the promotional strategies are different to that of leisure Tourism promotions. The work carried out by the Bureau can be broadly classified under four strategies which are based on the objectives laid down in the Tourism Act. These strategies are namely, Research & Development, Training, Marketing and fourth strategies which encompasses SLCB's role in the industry in advising, collaborating and coordinating previously referred as general activities.

SLCB's role outlined above also include specialized functions such as assisting the local Associations, Government Institutions, Industry members in Bidding, Advising, Planning, Organizing, implementing as well as value adding to Conferences and Exhibitions as the only one Government arm for the promotion of Sri Lanka as a venue for MICE events. Given below are some of the general activities (advising, collaborating, coordinating) which SLCB has been involved in one or more stages of the above, which also includes some key events of national significance.

- IATO Convention - The Indian Association of Tour Operators (IATO) was successfully hosted by the Sri Lanka Convention Bureau from 2nd to 4th October 2017 at the Hotel Taj Samudra Colombo. IATO is the National Apex Body of Indian Tour Operators with a membership of over 1600 across India. Apart from the hosting of the event, SLCB made a presentation about the potential and growth of Sri Lanka as an International tourism destination, thus MICE destination and arranged B2B section for local industry members to interact with the IATO delegation.
- Jaffna International Trade Fair (JITF 2017)

JITF 2017 is organized by Lanka Exhibition & Conference Services Ltd (LECS) in association with the Chamber of Commerce & Industries of Yarlpanam (CCiy) with the support of Jaffna Municipal Council, Sri Lanka Convention Bureau and International Business Council. The event is endorsed by the Ministry of Industry and Commerce, Consulate General of India in Jaffna and National Chamber of Exporters. The Manager, SLCB participated as a VIP invitee and contributed at the Business Forum organized parallel to the exhibition.

- **The PATA Youth Symposium 2017**

The PATA Youth Symposium held on May 18, 2017 at the Institute of Tourism & Hotel Management (SLITHM) in Colombo, welcomed over 130 students, alumni and lecturers from various institutions from Sri Lanka, Australia and Macao SAR to discuss the next generation's role in the future of travel and tourism.

The event, hosted by SLITHM and organized by the Sri Lanka Convention Bureau on the first day of the PATA Annual Summit, was organized under the theme 'No Barriers: Millennials and the Future of Tourism'.

Mr. Andrew Chan, Founder and CEO, ACI HR Solutions, Singapore, delivered the opening plenary talk on 'Talent and Recruitment in the Tourism Industry – The future for Gen Y and Millennials'. The programme was moderated and developed with guidance from Dr. Chris Bottrill, Chairman of the PATA Human Capital Development (HCD) Committee and Dean, Faculty of Global and Community Studies at Capilano University.



During the year under review, SLCB made available its technical expertise in bids for the following events held/to be held in Sri Lanka on required by respective organizers. assisted following.

Date & Month	Local Event Organizer	Event
27-29 January 2017	LECS	Jaffna International Trade Fair (JITF 2017)
26-27 January 2017	The International Institute of Knowledge Management (TIKM)	The International Conference on Advanced Marketing (ICAM)
28 January - 15 March 2017	Cinnamon Hotels & Resorts	Indian MICE group
24-26 February 2017	College of Anesthesiologists & Intensivist of Sri Lanka	12 SAARC AA congress & 23rd Annual Academic Congress 2017
23-24 February 2017	Sri Lanka College of Hematologists	International conference of Sri Lanka College of Hematologists
7 February 2017	LECS	Profood Propack & AGBZZ 2017 Exhibition and Launch
9-11 February 2017	Jetwing Travels	Indian MICE group ABB Group
16-17 February 2017	The International Institute of Knowledge Management (TIKM)	International Conference on Climate Change 2017
17-21 February 2017	Global Academic Research Institute	01 International Paragliding Festival 2017
09-10 March 2017	The International Institute of Knowledge Management (TIKM)	02 International Conference on Bio Science 2017
24-25 March 2017	GARI	02 nd International Conference on Apparel Textiles & Fashion Design
09-10 March 2017	The International Institute of Knowledge Management (TIKM)	02 nd International Conference on Bioscience & Biotechnology
28 April 2017	GARI	03 rd International Conference on Education & Distance Learning 2017
02 - 05 April 2017	Royal Holiday	Indian MICE group - General Motors India
26 April - 1 May 2017	Asian Adventure	Indian MICE group - Sagar Cements Limited
06-08 April 2017	Faculty of Agriculture, University of Peradeniya	IV International Conference on post Harvest & Quality management
07-12 April 2017	Event Horizon	UAE MICE group - Philips Personal Health
18 April 2017	Connaissance de Ceylan	Lanka Challenge 2017



Date & Month	Local Event Organizer	Event
27-30 April 2017	Sri Lanka College of Psychiatrists	14 Annual Academic Sessions of Sri Lanka College of Psychiatrists 2017
05-08 April 2017	Luxe Asia	Indian MICE group - TATA Steel
04-06 May 2017	Sri Lanka College of Dermatologists	25 Annual Academic Sessions of Sri Lanka College of Dermatologists
04 - 06 May 2017	The International Institute of Knowledge Management (TIKM)	03 rd World Conferences on Women's Studies 2017
18 - 21 May 2017	SLCB, SLTPB	PATA
25- 28 May 2017	LECS	Indian Craft Exhibition - Shilpa Kala 2017
29 May - 02 June 2017	Apple Holiday	MICE Group - Dell Hong Kong Limited
15- 17 May 2017	Sri Lankan Airlines	ICCA Congress 2017
7-June 2017	NKAR	Indian Mice Group - All Indian Federation of Tax Practitioners
15 - 17 June 2017	The International Institute of Knowledge Management (TIKM)	International Conference on Economic and Development 2017
30 June - 02 July 2017	Ceylon Institute of Builders	6th World Construction Symposium
30 June - 02 July 2017	Ceylon Hotel School Graduate Association	Hotel Show 2017
11 - 13 July 2017	Rajarata University	Workshop on Educational & Career Opportunities in Tourism Industry
13 - 16 July 2017	SLMA	130 th Anniversary International Medical Congress of the SLMA
18 - 20 July 2017	Cox and Kings	MICE group India Cox and Kings
25 - 28 July 2017	Apple Holiday	Akbar Holidays Groups - 1
18 - 20 July 2017	KAIROS	Destination Wedding (Indian)
02 - 05 August 2017	Ceylon Roots	Akbar Holidays Groups - 2
16 - 20 August 2017	The college of Surgeons of Sri Lanka	Joint International Conference (Surgical)
16 - 19 August 2017	Apple Holiday	Akbar Holidays Groups - 3
24 - 25 August 2017	The International Institute of Knowledge Management (TIKM)	ICOAF & ICFA 2017



Date & Month	Local Event Organizer	Event
04 - 06 August 2017	LECS	Pro Food / Pro Pack and AGBIZ Expo 2017
25 August 2017	GARI	GARI Summer Research Symposium 2017
18 August 2017	William Angliss Institute	Prasthaan
25 August 2017	GARI	SRS, ICSD, ICPCM
25 & 27 August 2017	Colombo Institute of Research and Psychology	ICAP 2017
03-06 August 2017	Sri Lanka College of Obstetricians & Gynecologists	Golden Jubilee Scientific Congress 2017
03-05 August 2017	Aitken Spence Conference	1 st IPCRG Regional Scientific Conference 2016
10-22 August 2017	Sri Lanka Lawyers Cricket Club	6 th Lawyers Cricket World Cup
12 September 2017	Computer Society of Sri Lanka	IFIP Annual General Assemble Meetings
08-17 September 2017	Connaissance De Ceylan	Lanka Challenge 2 nd Leg' 2017
06-09 September 2017	SAARC CCI, FCCISL	SAARC Investment Forum and Trade Fair
27-29 September 2017	The Organization of Professional Association of Sri Lanka	30th Annual Conference of the OPA
7-September 2017	University of Colombo School of Computing	ICTer 2017
7-10 September 2017	Fun Holidays	Religare Health Insurance
21-22 September 2017	The International Institute of Knowledge Management (TIKM)	ICOAH & ICOSS
10-12 October 2017	Health informatics society of Sri Lanka	02 nd Commonwealth Digital Health Conference
27-29 October 2017	SAARCLAW Sri Lankan Chapter	The 14 th SAARCLAW Conference & 11 th Chief Justice Conference
09 -15 October 2017	The Ministry of Health Nutrition and Indigenous Medicine	WACEM 2017
4-October 2017	University of Colombo	Tourism Leaders' Summit & International Research Symposium 2017
26-October 2017	Sri Lanka Institute of Packaging	Lankapak Annual Congress/ Exhibition 2017



Date & Month	Local Event Organizer	Event
26 October - 1 November 2017	Sioera Capital	Investment forum with Chinese Entrepreneur Delegation
13-15 October 2017	Walkers Tours	MICE Group - EDAC Educational Group
14 October 2017	College of General Practitioners of Sri Lanka	43 rd Annual Academic Sessions of the College of General Practitioners of Sri Lanka
19-21 November 2017	The Sri Lanka Association for Sexual Medicine	03 rd South Asian Conference on sexual Medicine
10-11 November 2017	College of Medical Educationists	Colombo Conference on Medical Education 2017
15-17 November 2017	Worldex India Exhibition & Promotion Pvt. Ltd	Intex South Asia 2017
16 -17 November 2017	The International Institute of Knowledge Management (TIIKM)	2 nd World Disability and Rehabilitation Conference 2017 (WDRC)
17-19 November 2017	Walkers Tours	EDAC Educational Group wave 3
10 November 2017	Colombo Academy of Hospitality Management	Mardi Gras
28-29 December 2017	The Institute of Applied Statistics, Sri Lanka	International Statistics Conference 2017 (Statistics for Good Governance)
5-6 December 2017	The International Institute of Knowledge Management (TIIKM)	4 th International Conference on Poverty and Sustainable Development 2017 (ICPSD)
14 -15 December 2017	The International Institute of Knowledge Management (TIIKM)	4 th International Conference on Nanoscience and Nanotechnology 2017 (ICNSNT)
1-8 December 2017	nATANDA Dance Theater of Sri Lanka	nATFEST
22 December 2017	GARI	GARI Winter Research Symposium 2017



Research Development & Training Activities

- Assistance was offered to the organizers of Asian Congress of Iridology by way of reimbursing the cost of web site development and printing of flyers in order to promote the Congress to potential overseas participants. Provided advice on venue selection, PCO selection, etc.
- Assistance was offered to the organizers of the Congress of World Society for Pediatric Infectious Diseases by way of coordinating with shortlisted venues and getting them to send quotations.
- The SLCB coordinated with Nutrition Society of Sri Lanka to host the International Conference on Mechanisms of Actions of Nutraceuticals.
- The SLCB had discussions with the organizers of Jehova's Witnesses Special Convention and offered assistance/ advice.
- A bid was prepared on behalf of the National Institute of Social Development to host APASWE - IFSW (AP) Joint Regional Social Work Conference.
- The Bureau renewed its membership with International Congress and Convention Association (ICCA) with a view to strengthening its relationship for future benefits. Currently, Sri Lanka's membership with ICCA is maintained through SLCB only.
- Daily research on MICE activities that are taking place in the country was carried out through media and Sri Lanka's MICE Events Calendar was compiled, based on the information collected. The same was forwarded to the ICCA database for increased visibility of Sri Lanka, based on which ICCA ranks global destinations.
- The software development part of the MICE Buyer Database was completed and a supplier was selected to host it for one year. The MICE contacts which need to be included in the database were fed into spreadsheets throughout the year.
- MICE Professional Development Programme was conducted for the 11th time from 26 to 28 October 2017 at Jetwing Blue in Negombo with the participation of 34 learners. Mrs. Yao Hong from China, Mr. Prasant Saha from India, Mr. William Teo from Malaysia who are leaders in the global MICE industry came down to Sri Lanka to train the participants. Mrs. Paddy Paul and Mr. Nilmin Nanayakkara joined as local trainers.



Learners and trainers at the training programme

Marketing Activities

SLCB took part in the following MICE trade fairs with the local industry members and created awareness of Sri Lankan products among the potential buyers.

- IBTM Arabia held in Abu Dhabi, 7 to 9 February 2017

IBTM Arabia Is the Middle East's leading MICE expo that connects destinations with the Agency, Corporate and Association Buyers from the Middle East and key International markets. The event took place in a 1 to 1 closed door format that gave more personal interactions with the Hosted Buyers over three days of pre-arranged meetings and networking. The Bureau's goal was to help connect the UAE Incentive, Corporates, Expats and the meetings market with the Sri Lankan MICE industry.

Productive meetings were also held separately with the following.

Mr. Mubarak Hamad Al Shamsi – Director – Abu Dhabi Convention Bureau

Ms. Sara Abdulla AL Aslali – Unit Head – Dubai Conference and exhibition.



General Manager and Manager-Marketing & Promotions in a discussion with a buyer.

- IMEX (Worldwide Exhibition for Incentive Travel) held in Frankfurt, Germany 2017, 16 to 18 May 2017



Manager-Marketing & Promotions making a presentation on Sri Lanka to buyers

Germany generates considerable Outbound Incentive Travel which comprises of high spending cooperates. SLCB took part in IMEX to tap this segment in Germany as well as to tap the leading European markets to generate more visitors and Investment of Sri Lanka under the country's new Tourism Development plan. SLCB had nearly 30 individual appointments and 5 group appointments from Germany 11 hosted buyers, Russia 12 hosted buyers, United Kingdom 2 Buyers, United States 9 buyers, Regional Russia & Kazakhstan 8 buyers.



- IBTM China held in Beijing, 23 to 24 August 2017

Apart from attending to more than 40 prescheduled appointments SLCB also had the opportunity to create awareness among large number of trade visitors from China and the media on both days.

Chairman SLCB took time to see some of office bearers of China National Tourism Administration (CNTA). He met with Mr. Liu Shijun, Director General, CNTA and discussed the tourism cooperation between the two countries. It was an opportunity for SLCB to promote Sri Lanka as a venue for travel association meetings and the response was extremely satisfactory.



Chairman at the opening ceremony

- Reunir International (MEEDEX) 2017 held in France, 21 to 22 September 2017



SLCB stand

Since the expected prescheduled appointments of the buyers did not materialize during the event and it could be considered as an unsuccessful Trade fair for Sri Lanka.

- Business and Luxury Travel Mart (BLTM) held in New Delhi, India, 26 to 27 October 2017

It was a good opportunity to create awareness of what Sri Lanka could offer to Indian MICE/Business travelers. Even though India is our neighboring country, buyers were not aware of the facilities that Sri Lanka could offer for conferences and meeting activities.



Sri Lankan delegation

Sri Lanka won an award for excellence under the category "the most promising MICE destination".



Chairman, Manager-Marketing & Promotions and MICE Promotions Executive of Sri Lankan Airlines with the award and certificate



- IBTM World 2017 held in Barcelona, Spain, 28 to 30 November 2017

Apart from attending to over 40 prescheduled appointments SLCB also had the opportunity to create awareness among large number of trade visitors and media on all three days.

Sri Lanka also had the opportunity to obtain 9 time slots for Sri Lanka destination presentation which was attended over 30 hosted buyers.

SLCB went further to promote Sri Lanka by capturing brand awareness by sponsoring the IBTM World Media centre for all three days. SLCB brand was given due publicity in the show daily magazine for all three days, IBTM World 2017 Pocket Guide and IBTM world Show Catalogue which was distributed to all buyers & exhibitors. An article named “Sri Lanka attracts more meetings business” was featured in the first day show daily magazine.



Manager-Marketing & Promotions making a presentation on Sri Lanka to buyers

SLCB organized a MICE promotion jointly with SriLankan Airlines in Singapore on 11 October 2017.

In the presentations made, bureau mainly focused on diversity in compactness and the possibility to conduct MICE activities in different locations rather than strictly focusing only on Colombo. Presentations made by SriLankan Airlines mainly gave information on their connectivity to Singapore and the additional services they provide for the MICE groups.



Chairman addressing the buyers



Business sessions in progress



Industry Relations

The SLCB continued to work closely with the Sri Lanka Association of Professional Conference, Exhibitions and Events Organisers (SLAPCEO) in policy and operations towards the development of the industry. In March this year, upon invitation by the president of SLAPCEO, SLCB took part in a Members get-together cum IAPCO Alumni Activation on the 19th of March 2015 at Galadari Hotel.

Today SLAPCEO is the only association in Sri Lanka that represents the MICE industry and the only recognized body by the Convention bureau of Sri Lanka. SLAPCEO follows a stringent process in selecting its membership to ensure a high degree of professionalism is maintained within the society and same is passed on the betterment of the industry.

In addition to that, the SLCB is in coordination with all MICE tourism related organizations, both government & private sector in view of development of MICE industry.



Other Activities

Global Meetings Industry Day

The Global Meeting Industry Day was celebrated on the 06th of April 2017 all over the world. To mark this international day, the SLCB organized a half a day event, including two presentations by Mr. Noor Ahmad Hamid – Regional Director of Asia Pacific of International Congress & Convention Association and Mr. Charitha Bandara - Corporate Trainer and service experience Consultant respectively, with the participation of the officials from the Ministry, Board Members, and around 40 local MICE industry players. The event held from 1.30 p.m. to 5.00 p.m. on the 6th April 2017 at Monara Restaurant in Samudra Training Hotel. The SLCB received publicity for this event through the ICCA Twitter account.



Finance & Administration

In accordance with the requirements, the Bureau has submitted all reports required by various institutions, including Progress Reports, Performance Reports, General Performance and Progress Reports, Action Plans, Activity Reports etc.

Organizational Structure

Position	Approved Carder Number of Positions	Existing Carder Number of Positions	Vacant
General Manager	1	1	-
Senior Manager	1	1	-
Manager	2	1	1
Assistant Manager	3	3	-
Management Assistant	2	2	-
Driver	1	1	-
Office Assistant	1	1	-
Total	11	10	1

SLCB Staff

Mr. Prema Cooray	-	Chairman
Mr. Pradeep Siriwardene	-	General Manager
Ms. Achini Dandunnage	-	Senior Manager
Ms. Kumudu Henedige	-	Manager Marketing
Ms. Peumi Peris	-	Assistant Manager, Research, Development, Trade Standards, Association Meetings
Ms. Ranjika Perera	-	Assistant Manager, Accounts & Administration
Mr. Champika Anuradha	-	Assistant Manager, Marketing
Ms. Arundathi Kumari	-	Management Assistant
Ms. Dinushka Fonseka	-	Management Assistant
Mr. Sanjeewa Perera	-	Driver
Mr. Praboda Wijesuriya	-	Office Assistant



Statement of Financial Position

AS AT DECEMBER 31.2017

	Notes	2017 (Rs.)	2016 (Rs.)
ASSETS			
Current Assets			
Cash and cash equivalents	6	205,977,408.98	122,493,225.80
Receivables	7	52,789,972.47	63,951,149.46
Pre payments	8	343,430.49	266,072.80
Stocks	9	1,392,428.20	345,252.00
Deposits	10	80,000.00	80,000.00
Total Current Assets		260,583,240.14	186,790,448.06
Non- Current Assets			
Property, Plant & Equipment	11	4,225,755.24	5,281,840.34
Long Term Investments	12	29,792,107.26	26,648,658.01
Total Non current Asset		34,017,862.50	31,930,498.35
Total Assets		294,601,102.64	218,720,946.41
LIABILITIES			
Current Liabilities			
Creditors & Accrued Expenses	13	6,986,796.85	864,863.58
Total Current Liabilities		6,986,796.85	864,863.58
Long-term liabilities			
Provision for Retirement Gratuity		2,145,984.50	1,898,952.00
Total Long-term Liabilities		2,145,984.50	1,898,952.00
Total Liabilities		9,132,781.35	2,763,815.58
Net Assets		285,468,321.29	215,957,130.83
NET ASSETS/EQUITY			
Capital Contribution		6,433,492.69	6,433,492.69
Accumulated Surplus / (deficit)	14	279,034,828.60	209,523,638.20
Total Net Assets/Equity		285,468,321.29	215,957,130.89

The Assistant Manager Finance certifies that the financial statements have been prepared in compliance with the requirements of the Sri Lanka Financial Reporting Standards, Finance Act No 38 of 1971 and Sri Lanka Tourism Act No 38 of 2005.

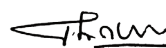


Ranjika Perera
Assistant Manager - Accounts
Prepared By

The Board of directors is responsible for the preparation of these Financial Statements. These Financial statements were authorized by the Board of directors on 28.02.2018.



J.K. De Silva
Chairman
Sri Lanka Convention Bureau



Board Member
Sri Lanka Convention Bureau

Income Statement

Statement of Financial Performance For The Year 2017

	Note	2017 Actual Rs	2017 Budget Rs	2016 Actual Rs	2016 Budget Rs
Revenue					
Embarkation Levy		95,153,128.48	110,030,000.00	94,217,651.02	93,010,000.00
Tourism Development Levy		61,859,531.14	49,600,000.00	51,278,967.01	47,430,000.00
Other Revenue	14	15,596,638.60	9,000,000.00	11,128,515.95	8,300,000.0
Total Revenue		172,609,298.22	168,630,000.00	156,625,133.98	148,740,000.00
Expenses					
Wages, Salaries & Employee Benefits	15	12,240,837.44	16,080,000.00	11,818,796.67	13,880,000.00
Supplies and Consumables Used	16	5,296,456.92	6,320,000.00	7,009,745.86	5,870,000.00
Marketing Related Expenditure	17	79,589,242.15	198,010,000.00	102,938,436.23	204,645,000.00
Research & Development	18	3,958,205.15	28,000,000.00	1,199,375.69	7,400,000.00
Depreciation and Amortization Expenses	11	1,036,485.10	-	1,982,364.26	-
Other Expenses	19	967,321.00	1,625,000.00	765,825.00	1,525,000.00
Finance Costs	20	9,560.00	50,000.00	14,725.13	60,000.00
		-	-	-	-
Total Expenses		103,098,107.76	250,085,000.00	125,729,268.84	233,380,000.00
Surplus/ (Deficit) for the Period		69,511,190.46		30,895,865.14	
Surplus / (deficit) brought Forward		249,523,638.14		218,627,773.00	
Tourism Development Fund		(40,000,000.00)			
Surplus /(Deficit) carried forward		279,034,828.60		249,523,638.14	



Notes to Accounts

Year ended 31st December 2017

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 registered office and 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 Financial statements of the Sri Lanka Convention Bureau have been prepared in conformity with the Sri Lanka Public Sector Accounting Standards and the applied consistently on historical cost basis. Income and cost have been accrued and recorded in the financial statements of the period to which they relate. Where appropriate, significant accounting policies are explained in the succeeding notes. No adjustments have been made for inflation factors affecting the accounts.

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. On straight line method

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

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. Terminal benefits are provided for on the basis of half month current salary for every year of continued service. However the liability becomes due on completion of 5 years.

6 Stocks value based on purchase value or market value which ever is lowest.

Notes to the Financial Statements

For the period ended 31st December 2017

6 Cash in Hand and at Bank

Item	2017 (Rs)	2016 (Rs)
Cash at Bank - Bank of Ceylon	(3,228,245.92)	(91,794.29)
Cash at Bank - Peoples Bank	15,726,592.71	4,978,114.86
BOC Fund mgt A/C	193,479,062.19	117,606,905.23
Total of cash in hand & bank balance	<u>205,977,408.98</u>	<u>122,493,225.80</u>

Pls note that this negative balance is of the closing balance of 31st of Dec 2017. There are no overdraft charges but occurring due to the process of the BOC fund mgt account

We have already advised bank to maintain Rs 2 M balance per day when they transfer

7 Receivables

Item	2017 (Rs)	2016 (Rs)
Staff Loan	762,915.20	441,873.20
Stocks	-	345,252.00
Jetwing Travels	105,200.00	-
Receivable from SNAV	-	6,273,477.85
Sri lanka Tourism Development Authority	51,921,857.27	56,890,546.41
Total	<u>52,789,972.47</u>	<u>63,951,149.46</u>

8 Prepayments

Item	2017 (Rs)	2016 (Rs)
Payment for Promotions	101,018.37	101,018.37
Insurance	149,816.60	88,934.51
Office Equipment Maintnace	82,595.52	66,119.92
Web maintenace prepayment	10,000.00	10,000.00
Total	<u>343,430.49</u>	<u>266,072.80</u>



Notes to the Financial Statements

For the period ended 31st December 2017

9 SLCB Stockes As At 31/12/2017

	Balance	Rate	Total Value Rs
1 Incentive Brochure	324	160	51,840.00
2 Meeting Planner	2885	195	562,575.00
3 MICE Activity brochure	511	452	230,972.00
4 Gardens of Lanka books	9	4500	40,500.00
5 Wood Wall Plaques	1	637.5	637.50
6 Hambantota Brochure	727	210	152,670.00
7 MICE brochure	261	247	64,467.00
8 Porcelain mugs	252	384.9	96,994.80
9 Ramayanaya brochures	380	175.77	66,792.60
10 Paper bags	1198	91.6	109,736.80
11 Stickers	4355	3.5	15,242.50
			1,392,428.20

10 Deposits

Item	2017 (Rs)	2016 (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



11 Property, Plant & Equipment

Note	Code	Description	Balance as at 01.01.2017	Additions 2017	Transfer 2017	Balance as at 31.12.2017	Acc.Depreciation as at 01.01.2017	Depreciation 31.12.2017	Acc.Depreciation as at 31.12.2017	Net Book Value as at 31.12.2017
3.1	101	Office Equipments	7,249,319.49	17,900.00		7,267,219.49	5,864,497.21	180,874.92	6,045,372.13	1,221,847.36
3.3	103	Furniture & Fittings	1,883,047.89	121,000.00		2,004,047.89	1,232,811.58	105,610.18	1,338,421.76	665,626.13
3.4	110	Motor Vehicles	9,995,500.00	(158,500.00)		9,837,000.00	6,748,718.25	750,000.00	7,498,718.25	2,338,281.75
		Sub Total	19,127,867.38	(19,600.00)		19,108,267.38	13,846,027.04	1,036,485.10	14,882,512.14	4,225,755.24



Notes to the Financial Statements

For the period ended 31st December 2017

12 Long Term Investment

Item	2017 (Rs)	2016 (Rs)
BOC Fixed Deposit 76093078	10,300,000.00	10,300,000.00
BOC Fixed Deposit 76075215	19,492,107.26	16,348,658.01
Total	29,792,107.26	26,648,658.01

13 Creditors & Accrued Expenses

Item	2017 (Rs)	2016 (Rs)
SLTDA - Welfare Association	5,000.00	5,100.00
Sri Lanka Telecom	24,329.73	-
Payable to staff	-	290,849.00
E P F Payable	110,980.00	193,861.40
Payee Payable	4,469.00	(571.00)
Phoenix Ogilvy	-	1,785.93
E T F Payable	13,317.60	32,839.13
American Premium	-	(0.88)
GARI winter research	-	47,000.00
TIHKM - Social Science	60,000.00	-
SAARC law Conference	80,000.00	-
Booth Construction IBTM	3,153,000.00	-
Auditor General	300,000.00	-
Global Academic Research	-	91,000.00
STC	3,173,302.50	-
Dialog Broadband	5,417.75	-
Mobitel Pvt Ltd	9,980.27	-
S.L.Medicle Association	-	250,000.00
Total	6,986,796.85	864,863.58

Notes to the Financial Statements

For the period ended 31st December 2017

15 Other Revenue

Item	Actual 2017 (Rs)	Budget (Rs) 2017	Actual 2016 (Rs)	Budget 2016 (Rs)
Staff Loan Interest income	25,621.00	30,000.00	21,188.00	50,000.00
Participation fees	4,475,000.00	4,020,000.00	5,330,000.00	3,000,000.00
Call deposit interest	4,218,261.31	4,950,000.00	2,174,173.38	3,000,000.00
IATO Participation fees	240,000.00	-	-	-
Re valuation loss	(158,500.00)	-	-	-
Fund Mgt interest	6,796,256.29	-	3,603,154.57	-
Total	15,596,638.60	9,000,000.00	11,128,515.95	8,300,000.00

16 Wages,Salaries & Employee Benefits

Item	Actual 2017 (Rs)	Budget (Rs) 2017	Actual 2016 (Rs)	Budget 2016 (Rs)
Staff Salaries	5,648,061.00	8,000,000.00	6,352,892.00	7,000,000.00
Casual Wages & Other Allowances	597,225.00	1,000,000.00	380,262.71	400,000.00
Chairmans Allowances	1,010,000.00	1,080,000.00	960,000.00	1,080,000.00
Chairman fuel & Vehicle Rent	764,400.00	700,000.00	590,350.00	600,000.00
Staff Overtime	175,844.00	300,000.00	257,982.97	300,000.00
Employees Provident Fund	792,137.25	700,000.00	678,108.75	600,000.00
Employees Trust Fund	153,257.44	200,000.00	140,151.71	200,000.00
Staff Welfare	148,183.10	600,000.00	482,099.03	600,000.00
Contribution to S.L. Tourism	231,207.50	200,000.00	51,200.00	100,000.00
Uniforms to Staff	231,223.65	200,000.00	166,600.00	200,000.00
Traveling local	190,958.00	400,000.00	116,283.00	400,000.00
Gratuity	247,032.50	-	215,857.50	-
Attendance Incentives	388,929.00	700,000.00	290,849.00	600,000.00
Staff Transport & Fuel Allowance	1,662,379.00	2,000,000.00	1,136,160.00	1,800,000.00
Total	12,240,837.44	16,080,000.00	11,818,796.67	13,880,000.00



Notes to the Financial Statements

For the period ended 31st December 2017

17 Supplies and Consumables Used

Item	Actual 2017 (Rs)	Budget (Rs) 2017	Actual 2016 (Rs)	Budget 2016 (Rs)
Printing & Stationery	374,388.23	500,000.00	837,768.09	650,000.00
Telephones	575,967.67	800,000.00	553,886.43	700,000.00
Postage & Courier	8,885.00	100,000.00	26,323.55	200,000.00
General Office Expenses	621,705.91	500,000.00	102,555.10	500,000.00
Insurance	1,426,618.97	1,400,000.00	913,054.79	1,000,000.00
Maintenance - Office	227,342.25	400,000.00	2,132,696.95	400,000.00
Vehicle fuel	158,349.00	700,000.00	357,869.50	600,000.00
Maint. & Repair vehicles	565,475.00	400,000.00	289,648.28	300,000.00
Sundry	17,724.89	200,000.00	25,389.60	200,000.00
Write off	-	-	450,553.57	-
Office Rent	1,320,000.00	1,320,000.00	1,320,000.00	1,320,000.00
Total	5,296,456.92	6,320,000.00	7,009,745.86	5,870,000.00

18 Marketing Related Expenditure

Item	Actual 2017 (Rs)	Budget (Rs) 2017	Actual 2016 (Rs)	Budget 2016 (Rs)
Overseas Promotions /Fairs	54,685,870.03	95,500,000.00	57,587,624.38	100,700,000.00
Printing /Production	3,065,473.80	9,200,000.00	577,021.82	13,050,000.00
Advertising	1,205,913.37	5,950,000.00	3,493,674.35	6,250,000.00
SLCB Web	222,938.58	10,060,000.00	43,254.97	145,000.00
Marketing Expenses-Other	97,647.35	500,000.00	531,124.98	500,000.00
Event Supports	7,260,734.30	15,000,000.00	10,005,399.11	15,000,000.00
Fam Tours	-	6,800,000.00	207,725.00	4,000,000.00
Special projects & Activities	13,050,664.72	55,000,000.00	5,780,404.95	10,000,000.00
SNAV 2016	-	-	24,712,206.67	55,000,000.00
Total	79,589,242.15	198,010,000.00	102,938,436.23	204,645,000.00

Notes to the Financial Statements

For the period ended 31st December 2017

19 Research & Development

Item	Actual 2017 (Rs)	Budget (Rs) 2017	Actual 2016 (Rs)	Budget 2016 (Rs)
ICCA Membership	492,592.09	500,000.00	1,023,085.69	700,000.00
Database Maintenance	-	300,000.00	-	500,000.00
ICCA Congress	855,845.31	2,200,000.00	-	-
SLCB Training Programmes	2,456,292.75	10,000,000.00	-	5,000,000.00
Conference Bid Supports	153,475.00	15,000,000.00	176,290.00	1,200,000.00
Total	3,958,205.15	28,000,000.00	1,199,375.69	7,400,000.00

20 Other Expenses

Item	Actual 2017 (Rs)	Budget (Rs) 2017	Actual 2016 (Rs)	Budget 2016 (Rs)
Board Member Allowance	664,321.00	1,225,000.00	549,950.00	1,225,000.00
Professional Fees	303,000.00	400,000.00	215,875.00	300,000.00
Total	967,321.00	1,625,000.00	765,825.00	1,525,000.00

21 Finance Costs

Item	Actual 2017 (Rs)	Budget (Rs) 2017	Actual 2016 (Rs)	Budget 2016 (Rs)
Bank charges	9,560.00	50,000.00	14,725.13	60,000.00
Total	9,560.00	50,000.00	14,725.13	60,000.00



Statement of Changes in NET Assets / Equity

For the period ended 31st December 2017

Attributable to owners of the Controlling entity

	Contributed Capital Rs	Accumulated Surpluses / (Deficits) Rs	Total net Asset / Equity Rs
Balance at December 31, 2016 carried forward	6,433,492.69	249,523,638.14	
Tourism Development Fund		(40,000,000.00)	
Surplus for the period		69,511,190.46	
Balance at December 31, 2017 C/F	6,433,492.69	279,034,828.60	285,468,321.29

Cash Flow Statement

For the period ended 31st December 2017

		2017		2016
Cash flows from operating activities	69,511,190.46	-	30,895,865.14	-
Surplus / (Deficit)				
Non - cash movements				
Depreciation	1,036,485.10	-	1,763,470.26	-
Increase/ Decrease in Accounts Receivables	11,136,966.99	-	(19,292,577.98)	-
Increase/ Decrease in WHT	-	3,250.00	-	-
Increase/ Decrease in Festival Advance	-	2,500.00	-	-
Increase / Decrease in Prepayments	(77,627.69)	-	19,791.03	-
Increase / Decrease in Staff Loan	(321,042.00)	-	114,816.00	-
Increase / Decrease in Accounts Payables	6,121,933.27	-	545,708.87	-
Increase / Decrease in stocks	(1,047,176.20)	-	(345,252.00)	-
Increase / Decrease Provision for Gratuity	247,032.50	-	(278,295.50)	-
Net cash flows from operating activities	-	17,096,841.97	-	(17,466,589.32)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property, plant and equipments	19,600.00	-	(318,283.60)	-
Building refurbishment	-	2,020,565.00	-	-
Fixed Deposit	(3,143,449.25)		(1,348,658.01)	-
Advance Payment	-	4,733,855.70	-	-
Net cash flow from Investing Activities	(3,123,849.25)		5,087,479.09	
Refund - Inland Revenue VAT	-	447,303.57	447,303.57	-
Net increase / (decrease) in cash and cash equivalent	83,484,183.18	-	18,964,058.48	-
Cash and cash equivalents at beginning of period	122,493,225.80	-	103,529,167.32	-
Cash and Cash equivalents at end of period	205,977,408.98	-	122,493,225.80	-



The Auditor General's Report



ජාතික විගණන කාර්යාලය தேசிய கணக்காய்வு அலுவலகம் NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

TIP/A/SLCB/01/17/03

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

15 October 2018

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 2017 in terms of Section 14(2) (c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Sri Lanka Convention Bureau for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017 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 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.

1.2 Management's Responsibility 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 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 consistent with International Auditing 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 from 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 misstatements of the financial statements, 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and the extent of the audit.

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

1.4 Basis for Qualified Opinion

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

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters 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 2017 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on the Financial Statements

2.2.1 Accounting Deficiencies

The following observations are made.

- (a) Provision for accumulated depreciation of Rs.3,158,500 in relation to the revaluation of a motor vehicle during the year under review, had not been eliminated from those account thus an amount of Rs.158,500 had been debited to the Comprehensive Income Statement as revaluation loss. As a result, the surplus for the year under review and revaluation loss had been decreased by Rs.158,500 and Rs.3,000,000 and the provision for accumulated depreciation had been increased by Rs.3,158,500.
- (b) The fixed deposit interest of Rs.1,249,988 received on behalf of the previous year had been accounted as the interest income of the year under review without making adjustments to the retained profit.

2.2.2 Lack of Evidence for Audit

Fixed Assets Register and physical verification reports pertaining to the office equipment and furniture and fittings costing Rs.6,390,756 had not been made available to audit.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result of the Bureau for the year ended 31 December 2017 had been a surplus of Rs. 69,511,190 as compared with the corresponding surplus of Rs.30,895,865 for the preceding year, thus indicating an increase of Rs.38,615,325 in the financial result of the year under review. The marketing expenditure had been decreased by Rs.23,349,194 and the increase of Revenue by Rs.15,984,164 had been the main reason for the improvement of the above financial result.

While analyzing the financial result of the year under review with the four preceding years, the surplus in the year 2013 amounted to Rs.60,811,425 had been fluctuated gradually in the year 2016 up to Rs.30,895,865 had been increased again in the 2017 up to Rs.69,511,190. However, re-adjusting of employees remuneration and depreciation on non-current assets to the financial results, the contribution of the Bureau amounting to Rs.71,320,070 of the year 2013 had continuously decreased up to Rs.44,697,026 as at the end of the year 2016 and had been increased again upto Rs.81,471,882 in the year 2017.

4. Operating Review

4.1 Performance

4.1.1 Planning

The following observations are made.

- (a) According to the paragraph 04 of the public Finance Circular No.01/2014 dated 17 February 2014 an annual action plan should be prepared including activities aimed to achieving the objectives and as per the sub-section (c) of the circular, an activity plan, time line and output/ outcome of the activities should be included in the respective year based on the priority on the Annual Budget estimates. But none of them had been so done in the action plan prepared by the Bureau.
- (b) The performance Report including material information to confirm on whether the expected goals and targets set out in the Annual Action Plan had been achieved were not submitted to audit.

4.1.2 Activity and Review

Following observations are made.

- (a) The following objectives of the Bureau in terms of Section 42(2) of Tourism Act, No.38 of 2005, had not been achieved until now.
 - (i) To provide a common policy design to ensure co-ordinated and co-operative development and marketing of Sri Lanka as a venue for

international, regional and domestic conventions, meetings and exhibitions and as an incentive travel destination.

- (ii) To prescribe and enforce the maintenance of professional standards by persons or organizations involved in handling various aspects of conventions, meetings, exhibitions and incentive travel.
 - (iii) To encourage and promote the development of professional skills among the different categories of persons or organizations involved in handling convention, meetings, exhibitions and incentive travel.
 - (iv) To affiliate with, obtain membership of, or enter into any agreement with any association or organization engaged in developing or promoting conventions, meetings, exhibitions and incentive travel.
 - (v) 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.
 - (vi) To develop and promote adequate, attractive and efficient tourist services, inclusive of the hospitality industry, in a sustainable manner.
- (b) According to the Annual Performance Report, out of the allocated sum of Rs.312.45 million only a sum of Rs.84.45 million had been utilized for 09 key activities during the year under review or 27 per cent and even though under those activities it had been plan to complete 128 projects only had been able to complete 84 projects.

4.2 Management Activities

The MEEDEX TRADE FAIR which was held on 21 and 22 September 2017 by incurring a cost of Rs. 7,005,069 representing local representatives, where only 04 persons had visited to the stall placed representing Sri Lanka. And it had been informed under the comment in the follow up reports of the representatives to the Bureau, it had been questionable in audit as whether the objectives of the programme had been fulfilled as the investment outcome had become zero and the promotion programme was totally failed.



4.3 Under Utilization of Funds

An average balance of Rs.137,737,994 was existed in the Fund Management Account during the year under review, hence the Management did not focus on investing that money in productive investment.

4.4 Staff Administration

Without fulfilling of the basic qualifications according to the recruitment procedure a General Manager had been recruited and paid a sum of Rs.483,372 as salaries and allowances during the period from December 2016 to January 2017. Further, the post had been vacant during the period from February up to 31 December and also the post of Manager Supervision and Development was also vacant since 3 years.

5. Sustainable Development

5.1 Achieve Sustainable Development Objectives

Every government entity should take action in accordance with the letter No.NP/SP/SDG/17 of 14 August 2017 issued by the Secretary to the Ministry of National Policies and Economic Affairs and the “2030 agenda” of the United Nations on Sustainable Development. Nevertheless, as the Bureau was aware about how to act in respect of the functions coming under the scope of the Bureau relating to the year under review, Sustainable Development Goals, targets and the manner how to reach those targets and the indicators to measure the targets had not been identified.

6. Accountability and Good Governance

6.1 Internal Audit

An Internal Audit Unit had not been established to carry out internal audit in the Bureau while the transactions of the year under review had not been examined even by the Internal Audit Unit of the line Ministry.

6.2 Procurement

The following observations are made.

- (a) A Master Procurement Plan had not been prepared in terms of the Guideline 4.2.1 of the Government Procurement Procedure dated 25 January 2006.
- (b) Even though Rs.6,732,588 had been spent for the construction of stalls for 2 promotional programmes, neither the bid documents which prepared had been used according to the Guideline 5.3.1 of the Government Procurement Procedure nor the bid documents had been reviewed by the Technical Evaluation Committee. Further, approval of the Department Procurement Committee had not been obtained for bidding and bidding methodology in terms of Section 2.14.1 of the Supplement of Procurement Manual 2006, and it had not been observed a letter which was formally prepared for the award of contract according to the Guideline 8.7.1 of the Government Procurement Procedure.

6.3 Budgetary Control

Variances ranging between 25 per cent and 100 per cent were observed between the budgeted and the actual amounts during the year under review, thus indicating that the budget had not been made use of as an effective instrument of management control.

6.4 Tabling of Annual Reports

Annual reports of the Bureau relating to the years 2015 and 2016 had not been tabled in Parliament even by 30 July 2018.



7 Systems and Controls

Weaknesses in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Bureau from time to time. Special attention is needed in respect of the following areas of control.

Areas of Systems and Controls	Observations
(a) Budgetary Control	Attention had not been taken to minimize the variances between budgeted and actual amounts.
(b) Operational Control	(i) Follow-up reports had not been obtained from the local representatives participated for the foreign promotions. (ii) Satisfaction report had not been obtained from the participated officers at the end of the promotional programmes.

Sgd./ H.M. GAMINI WIJESINGHE
Auditor General

H.M.Gamini Wijesinghe
Auditor General



SRI LANKA

CONVENTION BUREAU

Address :

4th Floor, Hotel School Building,
No 78, Galle Road,
Colombo -03,
Sri Lanka

Telephone : + 94 11 4865050/1 2440002

Fax : + 94 11 2472985

Email address (s) : slcb@sltnet.lk

Web address : www.visitsrilanka.net