



சுதிக லோரரி ஃமீலரி
தேசிய லோத்தர் சபை
NATIONAL LOTTERIES BOARD

Unassuming Journey

லார்கிக லார்கி
ஂஸ்ட்நர்கிக
Annual Report
2013



National Lotteries Board, 50th Anniversary

NAME OF THE INSTITUTION

National Lotteries Board

LEGAL FORM

The National Lotteries Board (NLB) was established after abolishing Hospital Lotteries, under the Finance Act.No.11 of 1963. Certain sections of the above act were repealed and amended in 1997 under the Finance(amendment) Act. No. 35 of 1997.

YEAR OF ESTABLISHMENT

1963

ACCOUNTING YEAR END

31st December

REGISTERED OFFICE

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AUDITORS

Auditor General,
Auditor General's Department,
Independence Square,
Colombo 07.

BANKERS

People's Bank

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OVERVIEW

CORPORATE PROFILE & GUIDING Principles





VISION

The leader creating state investment through the contribution of all communities aimed at socio-economic development of the country.

MISSION

A socially responsible, esteemed organization marching towards a wonderful country with a competent and committed staff, whilst earning the customer trust, ensuring achievement of their aspirations through the introduction of innovative lotteries using modern technology.

ORGANIZATIONAL GOALS

- To generate funds to meet the development needs of the Government
- To function as the best income generating institution to the Government among other institutions
- To uplift the living condition of the people
- To contribute to the employment levels of the Country

OBJECTIVES OF THE BOARD

- To increase the contribution to the Government by increasing the present level of revenue and profitability
- To maintain the market leadership position
- To improve the operational efficiency
- To improve the infrastructure facilities of the institution
- To improve the efficiency and effectiveness among staff
- To achieve the customer satisfaction

CORE VALUES

- We are responsible and accountable
- We are honest and transparent
- We trust team efforts and competence
- We use modern technology and desire change
- We believe in superior customer service

BOARD OF DIRECTORS



Left to Right

Mr. Chaminda Athuluwage
Chairman

Mr. Janaka Sri Warnasinghe
Working Director

Mr. R. J. T. Abeywardene
Director

Mr. Sampath Dissanayake
Director

Mr. Saman Galappaththi
Observer





Treasury Representatives

Left to Right

- | | |
|-------------------------------|---|
| Mr. V. M. Ameen | - Director (From July 2010 to March 2013) |
| Mr. S. Ekanayake | - Director (From April 2013 to August 2013) |
| Mr. H. G. Sumanasinghe | - Director (From October 2013 to date) |

SENIOR MANAGEMENT



Mr. M. S. Karunaratne (B.A.)
General Manager



Mr. Ashok Vitharana
Additional General Manager



Mr. Harsha Bandara
FCMA(UK), FCCA (UK),
MBA(USA,)AMSLIM, FCMA(SL),
FCPM, CGMA, FCAA
Chief Financial Officer



Mr. Rohana Wijewickrema (FCA)
Deputy General Manager
(Corporate Finance)



Mr. V. Sundareshwaran
Deputy General Manager
(Revenue Finance)



Mr. Vijaya Samaranayake
Deputy General Manager
(Corporate Communication)



Mrs. Geetha Perera
Deputy General Manager
(Operational Finance)



Mr. Ravindra Fernando
Deputy General Manager
(Supplies)



UNASSUMING JOURNEY

Originally the lottery was set up in Sri Lanka by the Government to finance the health services of the country. In 1949, the Minister of Local Government proposed to the Government to set up a lottery in order to improve and expand the health services of the country. As a result of this proposal, the Hospital Lotteries Board was established under the Act. No. 04 of 1955.

In 1960s, the government felt the need to widen the scope of activities of organized lottery in Sri Lanka. Funds were needed for development projects apart from the health services.

As a result of this, the National Lotteries Board was established after abolishing the Hospital Lotteries under the Finance Act. No. 11 of 1963 to generate funds for the development of the country.

Snapshots on a Journey

1st decade 1963- 1972

- 1963 Establishment of NLB under Finance Act no.11 of 1963
- 1964 First draw of the Jathika Lottery at Torrington Square (20/02/1964)
- 1965 First Benz car offer
- 1967 Opened the first Branch office – Ratnapura
- 1968 Introduction of Jathika Sampatha Lottery
- 1970 Converted Jathika Sampatha lottery to Mahajana Sampatha lottery (28/07/1970)

2nd decade 1973- 1982

- 1975 Shifted to new building at No.111/1, Sir Chiththampalam A Gardiner Mawatha
- 1977 Increased the price of Jathika Lottery from 50 Cts. to Re.1/-

3rd decade 1983- 1992

- 1987 Introduction of Supiri Jathika lottery (11/04/1987)
- 1988 Increased the price of Mahajana Sampatha from Rs.1/- Rs.8/-.
Introduction of Lotto lottery (Sep 1988)
First draw of the Mahajana Sampatha over the Rupavahini (10/05/1988)
- 1989 Increased the prize of Mahajana Sampatha from Rs.8/- to Rs.10/-
- 1992 Introduction of Airport Super Draw Lottery

4th decade 1993- 2002

- 1994 Introduction of Vasana Sampatha lottery
- 1995 Introduction of Govisetha lottery
- 1996 Introduction of Samurdhi lottery
- 1997 Introduction of Shrama Vasana lottery
Amalgamation of the Sevana lottery with NLB
- 1999 Introduction of Supiri Vasana lottery
- 2000 Introduction of Jayaviru lottery



- 2004 Introduced Sarana lottery to generate financial assistance for Tsunami victims.
Established Welfare & Thrift funds to provide benefits to employees.
- 2005 Mahajana Samapatha was awarded 'Most Preferred Brand for 2005' under 'Banking, Financial Services' category conducted by SLIM.
- 2006 Introduced the Suwasetha lottery after abolishing the Lotto lottery. Offered the highest ever Super Prize from the Mahajana Sampatha lottery (Rs.61.3mn).
- 2007 Introduced New Airport lottery

The price of the Airport Super Draw lottery was increased from US\$ 25 to US\$ 50.
- 2008 The price of the passive lottery tickets were increased from Rs.10/- to Rs.20/- (02/09/08).
- 2010 Introduced the Jathika Sampatha Lottery in place of Shrama Vasana and Suwasetha Lotteries.
- 2011 Passed the Rs.10 billion marks in sales for the year(1st time in history)

Supiri vasana Sampatha Lottery was introduced to Wednesdays in place of Jayaviru lottery which was abolished.

Mahajana Sampatha lottery was introduced to Sundays too.

New Airport lottery was conducted. Due to poor performance, this lottery was abolished.

Offered five super prizes over Rs.10 mn within a 3 week period which included 4 back -to-back super prizes in a row.

Supiri Vasana lottery was introduced to Wednesdays in place of Jayaviru lottery which was abolished.
- 2012 Introduced a new lottery named Sampath Rekha

Govisetha Lottery was introduced to Thursdays too.

Vasana Sampatha Lottery was introduced to Mondays too.
- 2013 Super Prize of Govisetha lottery was increased from Rs.10 Mn to Rs.40 Mn.

Super Prize of Sampath Rekha lottery was increased from Rs.5 Mn to Rs.10 Mn.

27 Super prizes were offered.

Introduced Mega 50 lottery on behalf of 50th Anniversary of NLB

PRODUCT PORTFOLIO

PASSIVE TYPE LOTTERIES



மஹஜனா சம்பத MAHAJANA SAMPATHA

Description

Oldest Lottery in the Lottery market. Price of this ticket is Rs.20/-.

Draw Days

Tuesday, Friday, Sunday

Prizes

A super prize of Rs.10 mn or more, a first prize of Rs.2 mn and other attractive prizes

Contribution

16.5% of the turnover is contributed to Consolidated Fund



வசனா சம்பத VASANA SAMPATHA

Description

Introduced to the Market in 1994. Price of this ticket is Rs.20/-.

Draw Days

Monday, Thursday

Prizes

A super prize of Rs.10 mn or more, a first prize of Rs.1 mn and other attractive prizes

Contribution

16.5% of the turnover is contributed to Consolidated Fund



கொவிசெத Govisetha

Description

Introduced to the Market In 1995 on behalf of the Ministry of Agriculture and Land with the objective of generating funds for the "Farmers Trust Fund". To achieve higher sales, the super prize of this lottery was increased from Rs.10 mn to Rs. 40 Mn in November 2013. Price of this ticket is Rs.20/-.

Draw Days

Monday, Thursday

Prizes

A super prize of Rs.40 mn or more, a first prize of Rs.1mn and other attractive prizes

Contribution

10% of the turnover is contributed to Agriculture Ministry



சூபிரி வசனா சம்பத சுபிரி வாசனா சம்பத SUPIRI WASANA SAMPATHA

Description

Supiri Vasana Sampatha lottery was introduced in 1999. Price of this ticket is Rs.20/-.

Draw Days

Wednesday, Saturday

Prizes

A super prize of Rs.10 mn or more, a first prize of Rs.1 mn and other attractive prizes

Contribution

10 % of the turnover of the Wednesdays draw is sent to Ranaviru Sewa Authority and 10% of the turnover of the Saturday draw is equally distributed between the Ministry of Sports and Social Service



ජාතික සම්පත ஜாதிக சம்பத JATHIKA SAMPATHA

Description

The Board introduced this lottery in place of Suwasetha and Shrama Vasana lottery from March 2010. Price of this ticket is Rs.20/-.

Draw Days

Wednesday, Saturday

Prizes

A super prize of Rs.10 mn or more, a first prize of Rs.2 mn and other attractive prizes

Contribution

10% of the turnover of the Wednesdays draw is sent to Ministry of Health and 10% of the turnover of the Saturday draw is sent to the Ministry of Labour



சம்பத் ரேகா சம்பத் ரேகா SAMPATH REKHA

Description

This Lottery was introduced in March 2012. Price of this ticket is Rs.20/-.

Draw Days

Tuesday, Friday, Sunday

Prizes

A super prize of Rs.10 mn or more, a first prize of Rs.1 mn and other attractive prizes

Contribution

5% of the turnover is contributed to the Consolidated Fund



Description

This lottery was introduced in October 2013 for the 50th Anniversary of the National Lotteries Board. Price of this ticket is Rs.100/-. First and second draws were held on October 2013 and December 2013 respectively

Draw Days

Monday, Thursday

Prizes

A super prize of Rs. 50 Mn is offered. Other prizes are changed, based on the prize structure for each draw

50 Panda cars were offered as the first prizes for the 1st draw. 28 Zotye Jeeps were offered as first prizes of the 2nd Draw

Contribution

10% of the turnover is contributed to the Consolidated Fund



Description.

This lottery was introduced in 1992 to generate funds for the Airport Aviation Authority. Every ticket is presently sold at 50 US\$ or its equivalent in any convertible currency. The draw of this lottery is held once the specified number of tickets are sold (presently 6,000 tickets)

Prizes.

A Super Luxury car (BMW or Benz car)

Contribution

Net proceed is Contributed to Airport & Aviation Authority

INSTANT LOTTERIES



சேவன்
செவன
SEVANA

Description

This was introduced in 1985 to generate funds for the construction of houses. This is the most popular Scratch type lottery in the market which adopts the internationally accepted scratch & match technology. This lottery was conducted by Sevana, a separate institution and was subsequently amalgamated with NLB in the late 1990's.

Contribution.

10% of the turnover is contributed to the Ministry of Housing



சமர்த்
சமுர்தி
SAMURDHI

Description.

Introduced to the market in August 1996 to generate funds for the Samurdhi Authority. This was the first scratch type instant lottery introduced by NLB to the market. This lottery also adopts the internationally accepted scratch & match technology to determine the winners.

Contribution.

10 % of the turnover is contributed to Ministry of Samurdhi & Youth Affairs

In addition to these, two special scratch lotteries were also introduced in 2013 for the 50th Anniversary, at Rs.50/- & Rs.20/-, to meet the market demand. Contribution to the Consolidated Fund was 10% of the Turnover.



EXECUTIVE STATEMENTS

CHAIRMAN'S REVIEW



“ As another financial year comes to end, it gives me great pleasure to address through this review as past 5th consecutive year to present to you the audited financial statements and Annual report for the year ended 31st December 2013.

The year 2013 is very remarkable, conspicuous and prominent year to National Lotteries Board as it has celebrated its 50th Anniversary.

The National Lotteries Board was established in the year 1963 under the finance Act no.11 and the Board has served the country in various ways during this 50 years period by providing job opportunities, offering massive amounts of money as prizes and contributing funds to the Government for development needs, etc.

”

Performance

Executing the government objective of generating funds for development needs of the country, National Lotteries Board performed the lottery market as pioneers despite the severe competition in the lottery industry by facing variations which are occurred in economy with high strength and unobstructed courage. I am very proud to say we reached to 14,000 mn (14bn) turnover level for the year ended 31st December 2013 making highest sales level in the history and we performed very well by making steady progress.

The year under review was remarkable one is the history of the Board for achieving the highest ever turnover so far recorded. It is more significant and marvelous for recording the highest ever results in its 50th anniversary despite the severe competition at the lottery market launched by the main competitor.

The Board recorded a Gross Turnover of Rs.14,537.3 Mn in year 2013 compared to Rs.12,004.2 Mn achieved in year 2012 resulting in a 21.1% increase over the last year.

Strategies used during the year were performed very effectively to increase the sales. The turnover of existing lotteries such as Govisetha, Vasana Sampatha, Jathika Sampatha were increased by a significant amount. However, main fact of the sales increase were Sampath Rekha lottery sales and Mega 50 lottery sales. Sampath Rekha lottery was introduced in March 2012 and at the initial stage this lottery drawn on only Sundays. From October 2012, the Board decided to draw this lottery on Tuesdays, Fridays and Sundays.

New lottery named Mega 50 was introduced by the Board in October 2013 to capture the different Customer group. The price of the ticket was Rs.100/-. Main objective of these two categories was to generate funds to cover the 50th anniversary expenses. Contribution of these two lotteries to increase the turnover was 46.7%.

In addition to that super prize of Govisetha lottery was increased from Rs. 10 Mn to Rs.40 mn to get more customer attraction. By this strategy National Lotteries Board achieved 13.5 % Govisetha lottery turnover increased compared with the last year.

The instant lottery sales also increased by 20.3%

when compared with the last year. New lottery games with new prize structures, expansion of North and East market etc., caused increases in the instant lottery sales. 67% of the sales increase covered by the above mentioned three lotteries and National Lotteries Board remains Island wide market leader even as of today.

The prizes declared in 2013 was Rs.7,083.6 Mn as against Rs.5,787.2 Mn paid in 2012 which is an increase of 22.3%. Nearly 50% of the total turnover is paid back as prizes among the public by the Board.

In the year 2013, the Board recorded 27 super prize winners of over 10 Mn rupees, 263 Nos. of two Mn winners, 438 Nos. of one million winners and 3,712 Nos. of hundred thousand winners. I hope these winners will improve their sound states by serving the country very positive way directly and indirectly

The Board paid as agency commission of Rs. 2,701.5 Mn in year 2013 compared to Rs.2,232.5 Mn achieved in year 2012 resulting in a 21.1% increase over the last year.

Agency network of National Lotteries Board consists on District Dealers, Agents and Sales Assistants. National Lotteries Board provides around 20,000 people with indirect job opportunity. This year also necessary steps were taken to strengthen our distribution network by appointing new District Dealers and Agents. These networks consist of various type of people such as educated, uneducated, young, old even disabled persons, etc. National Lotteries Board is very pleasant to say that the disabled people who are neglected by the normal society are joined with us and could be able to change their lifestyle. Accordingly, I believe that NLB has given a very positive answer for unemployment problem of the country.

The Board's contribution to Consolidated fund on sales in 2013 was 1,753.1 Mn as against Rs.1574.1 in 2012 which showed an increase of 39.6%. Further Rs.500 Mn was paid in 2013 as special contribution to Treasury in addition to normal payments.

The total contribution to the Government along with taxes & special contributions (VAT, NBT, Income tax, Deemed dividend tax) in the current

year amounted to Rs. 3,822.2 Mn compared to Rs. 3,341.1 mn in the previous year which indicated an increase of 14.3% (Rs.480.9 Mn). The total contribution to the Government in year 2013 as percentage of sales was 26.2%.

The Board's other income in 2013 was Rs.220.2 Mn in comparison to Rs.275.1 Mn earned in 2012 thus recording a decrease of Rs.54.9 Mn. However the decrease in general was attributable to the decreasing interest rates in the market.

The Board's operating expenses were Rs.1,571.3 Mn in 2013 which was 10.8% per cent on Turnover compared to Rs.1,112.9 Mn in the previous year which was 9.2% percent on Turnover figure in 2012. The main reasons attributable for this increase are the increase in marketing & sales promotional expenses by Rs.391.4 mn due to 50th anniversary celebration expenses and sales driven expenses. To increase the turnover by 21.1%, the Board had to undertake various sales promotional campaigns to stay alive in the market.

The Board made a profit before tax for the year 2013 of Rs.476.6 Mn , 3.2% on turnover as against Rs.581.7 Mn reported in 2012 , 4.8% on Turnover. The Board recorded loss after tax of Rs. 133.4 Mn in the year under review compared to Rs.312.1 mn made in the previous year, which showed a reduction. This was mainly due to the deemed dividend tax figure of Rs.314.0 Mn.

A new Porche car was introduced as super prize of Airport Superdraw lottery, instead of BMW car, to get customer attraction. A circuit bungalow was constructed in Mannar and operations were started.

50th Anniversary Activities

2013 was a very remarkable year due to the 50th Anniversary of the National Lotteries Board. To celebrate the 50th Anniversary, various activities were carried out by National Lotteries Board. A special lottery named "Mega 50" was introduced to the market for Rs.100.00 with an attractive prize structure such as a Rs. 50 Mn worth super prize, 50 Micro panda cars and other prizes. National Lotteries Board expected to gain the attention of different income groups. This lottery created history as the lottery which offered the highest number of vehicles in one draw.

A Pirith chanting ceremony during the whole night and following day alms giving was held for 50 Buddhist monks on 5th October 2013. An alms giving was held at the Leprosy Hospital at Welisara and shoes were offered to the patients. An electronic organ was donated to the Church situated inside the Leprosy Hospital and special Deva Meheya was held for blessing the above mentioned patients. Considering Tamil employees, 1008 Sangapisheham Pooja was held at Modara Kovil in Kotahena and a special donation was given to the Hare Krishna Kovil in Kotahena for the constructions of new Kovil building. All the staff participated at these religious activities without religious differences.

In addition, various donations were offered to different religious places situated island wide. By engaging in these religious activities, it was expected to obtain blessings for the National Lotteries Board for optimum service to the nation. In December 2013 a large get-together was held at "Apegama" in Battaramulla for the all staff and their family members.

Staff

Satisfied, highly-motivated and loyal employees represent the basis of a competitive company. The growth of satisfaction is to be reflected in the increase of productivity, improvement of the products, quality or rendered services and higher number of innovations. Satisfied employees form positive references to the employer and thus increase its attractiveness for potential job seekers and strengthen its competitive position in the market as a result of contribution provided by all the staff.

Therefore, the Board has done everything possible to keep staff motivated by providing numerous facilities. Sales incentive scheme, Medical insurance, Uniform facilities, Bonuses and training courses were continued as in previous years. Selection of 'Best Employees' monthly and annually were continued. Also a New Year festival for employees was held in 2013 and it will be continued every year.

Agency Network

To strengthen the agency network, several actions were taken by the Board as in previous years. Signing of agreements, appointing new agents, Insurance scheme, scholarships to agents' children, paying incentives, providing sales promotional items, giving sales counters and providing training by conducting district-wise agent conferences were carried out very effectively.

CSR Activities

Under the corporate image advertising budget, several activities were conducted to build up the image of National lotteries Board by contributing to educational, social, religious, environmental and economic development activities in the country. Accordingly, National Lotteries Board sponsored national events such as Deyata Kirula Exhibition, Carlton Super Cross, Tharunyata Hetak programs, etc. In addition, various religious activities such as Navam Perahera, Sri Dalada Perehera, Bellanvila Perahera and Ruhunu Kataragama Perehera had been sponsored.

Various community development projects were conducted in several Districts. Sponsored TV programmes served the nation by imparting educational, social, cultural and religious knowledge.

Expectation for the Future

Previously, there were two lottery institution in the industry, namely, National Lotteries Board and Development Lotteries Board. Presently a foreign company has also entered the lottery market. Severe competition has been created in the market due to this reason.

Despite the competition in the lotteries field to share the common cake, the Board is planning to further strengthen the lotteries through new strategies.

The Board has projected a Turnover figure of Rs.18.5 Bn in 2014 which is an increase of around 27.5% over the previous year. This seems satisfactory considering the continuous improvement shown during the last few years. The Board will be focusing on special strategies to achieve the projected sales in 2014.

In keeping with the e-government policy the Board has been planning to introduce e-lotteries through internet, website, mobile phones, super markets and popular shops since this is the world trend now. It is very important to commence these lotteries if we are to survive in future with passive and scratch lotteries, which will reach a saturation point within a couple of years. In the year 2013 National Lotteries Board planned to finalize the initial works of this. However it was postponed due to delays in the necessary approvals which have to be granted by external authorities.

ERP (Enterprise Resource Planning) system was implemented to increase the operational efficiencies which would cover lottery management and isolated applications such as accounting modules, vehicle maintenance, asset verification, call management, etc., under one umbrella. National Lotteries Board expects to optimize the work performance through this ERP system during the next year.

The Board expects to move to a new location with a view to providing better amenities to the staff, which will result in improved performance. Therefore, NLB expects to construct a permanent building at our own land located at Vauxhall street, Colombo 02.

The agency network will be further reinforced by providing more infrastructure facilities such as new sales counters, bicycles, etc., while vacant areas or unmanned locations will be covered by filling the vacancies. Also the agency network will be monitored through a mapping system via a computer software with a view to taking remedial action as and when required.

Gratitude

Facing the challenging competition in the lottery industry, achievement of Rs. 14.0 Bn by contributing Rs.3,822.1 to the Government is not in an easy task. To record this performance all stakeholders were given their valuable support to the Board. Accordingly, I wish to convey my sincere gratitude to the management and entire staff for effectively driving the operations and if not for their hard work, we would not have achieved these results. The commitment of our talented and capable staff made matters easier

for effective operations during the year. Further I pay my gratitude to the Board of Directors for the kind support extended to me in providing valuable guidance.

I wish to thank all the lottery consumers for keeping unbroken trust on the product range of the National Lotteries Board. I sincerely look forward to the continued trust with us in the years ahead.

I will be failing in my duty if I do not extend a very special thanks to our esteemed Dealer network for being loyal to National Lotteries Board and keeping trust in our Board as the most reliable lottery institution and for their continued dedicated services, though at times facing difficulties such as removal of sales counters due to beautification of cities, etc.

I also wish to thank the Auditor General and his staff, the Internal Auditors, the External Auditors, the individual lottery Auditors for extending valuable support and guidance to make improvements wherever possible, the printers for supplying tickets speedily so as to supply to the market at the right time without delay, the Examiner of Questionable documents for examining the prizes, Advertising agencies, and the Peoples Bank, our main banker, for the excellent services provided during the year.

I wish to pay my deepest gratitude to his Excellency, President Mahinda Rajapaksa for placing trust in us, the officials of the Presidential Secretariat and the Ministry of Finance for providing valuable advice during our forward March.

I earnestly hope that all our stakeholders will remain with us in future as well.



Chaminda Athuluwage,
Chairman,
National Lotteries Board.
30th June 2014
Colombo.

WORKING DIRECTOR'S REPORT



“ The Directors of National Lotteries Board are pleased to submit their report with the Audited Accounts for the year ended 31st December 2013 ”

Going Concern

The Board is satisfied that the National Lotteries Board has adequate resources to continue its operations in the foreseeable future thus adopting the "Going concern basis" in the preparation of the Financial Statements.

Principal Activities

The Principal Activity of the National Lotteries Board is conducting of both Draw and Scratch lotteries and there has been no change in the nature of such activity during the year.

Review of Operations

The Chairman's Review on pages 25 to 30 describes the Board's affairs and highlights the important events that occurred during the year and Product portfolio Page on 19 describes the operational results of the products. These reports together with the audited financial statements reflect the state of affairs of the Board.

The reserves and accumulated profit as at 31st December 2013 amount to Rs. 1,325.8 mn as against Rs.1,672.3 mn in the previous year. The break up and the movement are shown in the statement of changes in equity in the financial statements.

The Directors confirm that to the best of their knowledge all taxes and levies payable by the Board and all other known statutory obligations as were due as at the balance sheet date have been either duly paid or appropriately provided for in the financial statements.

Human Resource Development

The Board continued various benefits granted to employees with a view to keep a contented workforce who would thus be motivated to contribute positively for the achievement of set targets by the management. Incentive schemes on lottery sales, Medical facilities, Uniform Allowance and transport allowance were some of the benefits given to the employees. Selection of Monthly and Annual 'Best Employee' also were continued.

Contribution to State

The Board remittances to the State by way of direct remittances to consolidated fund, indirect remittances in the form of taxes and special contributions was Rs 3,822.0 Mn in 2013 as against Rs. 3,341.1 Mn in 2012, the detail of which is given below. During the year under review, the Board invested Rs. 20.3 Mn in property, plant and equipment, compared to Rs. 96.4 Mn in 2012.

Remittances to State	2013	2012
	Rs.Mn	Rs.Mn
Direct Remittances		
Contribution to Consolidated Fund	1,753.1	1,574.1
Special Levy to Treasury	500.0	702.0
	2,253.1	2,276.1
Indirect Remittances		
VAT	507.7	428.8
NBT	203.5	168.8
Income Tax/SRL	610.0	269.6
Forfeited prizes	247.7	197.8
	1,568.9	1,065.0
Total remittances to State	3,822.0	3,341.1

The total operational expenditure in respect of the year under review was Rs.1,571.3 Mn compared to Rs. 1,112.9 Mn in the previous year. This represents 10.8 % of the total turnover compared to 9.2% last year.

Board of Directors

The Board comprised the following officials during the year under review.

Mr. Chaminda Athuluwage	-	Chairman
Mr. Janaka Sri Warnasinghe	-	Working Director
Mr. R. J. T. Abeywardene	-	Director
Mr. Sampath Dissanayake	-	Director
Mr. Saman Galappaththi	-	Observer

Treasury representative

Mr. V. M. Ameen	-	Director (From July 2010 to March 2013)
Mr. S. Ekanayake	-	Director (From April 2013 to August 2013)
Mr. H. G. Sumanasinghe	-	Director (From October 2013 to date)

Conclusion

The Directors of National Lotteries Board wish to express their gratitude to the management team and the entire staff for their dedication, loyalty, creativity and hard work which have brought excellent results.

The Board also wishes to extend sincere thanks to the district dealers, agents, the banker – People's Bank, the suppliers, the printers and the auditors for their continued loyalty and for the outstanding services provided through out the year.



Janaka Sri Warnasinghe,
Working Director,
National Lotteries Board,
30th June 2014
Colombo

REPORT OF THE
AUDIT & MANAGEMENT
COMMITTEE

Overview

The Audit & Management Committee has been providing an invaluable service since it was formed in 2005. The committee was reconstituted in 2011 and comprised the following members.

Mr. R. J. T. Abeywardene
Chairman (Non-Executive Director)

Mr. S. Dissanayake
Member (Non-Executive Director)

Mrs. S. Balasuriya
Secretary (AGM – Legal/Secretary to the Board)

Treasury representative - Member

Mr. V. M. Ameen
Director (From July 2010 to March 2013)

Mr. S. Ekanayake
Director (From April 2013 to August 2013)

Mr. H. G. Sumanasinghe
Director (From October 2013 to date)

Observers

Internal Auditor
Representative from Auditor General's Dept.

The committee held 04 meetings during year 2013. The General Manager and the Chief Financial Officer were present by invitation when required and the other management personnel were called for clarifications as and when needed.

Responsibilities

The Audit Committee helps the Board to achieve a balance between conformance and performance. The purpose of the Committee is to assist the Board in discharging its responsibilities for the integrity of the Board's financial statements, the assessment of the effectiveness of the control environment and ensuring the objectivity and independence of external and internal auditors.

The Committee reviews the financial statements and various other reports and makes recommendations wherever necessary. It focuses on their fair presentation and significant

accounting policies adopted in preparation of financial statements.

The committee also reviews the internal audit reports, external audit reports, Outstanding issues and make necessary recommendations. The minutes of each meeting is submitted to the Board for further review at the Board level.

Progress on implementation of internal audit recommendations is regularly followed up by the committee to ensure operating of effective internal controls and enhancement of the overall control environment.

Internal Audit function is outsourced to a leading audit firm to have more independence. Follow up reviews are scheduled to ascertain that audit recommendations are being acted upon.

The committee reviewed information and support from the management during the year to enable it to carry out its duties and responsibilities effectively.

Compliance

The audit committee is satisfied that the Board's operational controls and accounting policies provide reasonable assurance that the affairs are conducted satisfactorily and in accordance with the accepted policies.



R.J.T. Abeywardene,
Chairman,
Audit & Management Committee,
National Lotteries Board.
30th April 2013.
Colombo.

FINANCIAL STATEMENTS AND INFORMATION

AUDITOR GENERAL'S REPORT

The Chairman National Lotteries Board

Report of the Auditor General on the financial Statements of National Lotteries Board for the year ended
31 December 2013 in terms of Section (14 (2) © of the Finance Act, No 38 of 1971.

The audit of financial Statements of the National Lotteries Board for the year ended 31st December 2013 comprising the Statement of Financial Position as at 31st December 2013, Statement of Comprehensive Income and 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 11 (b) of the Finance Act No. 11 of 1963. My comments and observations which I consider should be published with the Annual Report of the Board in terms Section 14 (2) (c) of the Finance Act appear in this report. A detailed report in terms Section 13(7) (a) of the Finance Act was issued to the Chairman of the Board on 20 October 2014.

1.2 Management Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka 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 Standards of Supreme Audit Institutions (ISSAI – 1000 – 1810). These 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 Board for the 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 internal control of the Board. 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 power 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 Adverse Opinion

Had the matters described in paragraph 2.2 of this report been adjusted, many elements in the accompanying financial statements would have been materially affected.

2. Financial Statements

2.1 Adverse opinion

In my opinion, because of the significance of the matters described in paragraph 2.2 of this report, the financial statements do not give a true and fair view of the financial position of the National Lotteries Board as at 31st December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Accounting Deficiencies.

The following observations are made.

(a)

As the amount of Rs. 1,753,135,197 remitted to the Consolidated Fund during the year under review from the income generated by the Board by drawing lotteries, had been adjusted as a cost of sales in the Financial Statements, the gross profit of the year under review had been understated by that amount.

(b)

In the absence of the winners to claim their prizes, the cash prize should be credited to the Fund of the Board and transferred to the Treasury subsequently. However, as in the previous years and the year under review, an amount of Rs.247,738,070 unclaimed for six months after the draw had been directly paid to the Treasury without being credited to the Fund of the Board and, that amount had not been disclosed in the Financial Statements.

(c)

As non-cash prizes had been given to the winners, an amount of Rs. 8,850,393 paid by the Board to the Commissioner General of Inland revenue in the year under review as withholding tax, had been accounted under financial expenses instead of being accounted under allocations for prizes.

(d)

Lottery tickets worth of Rs. 7,707,160 remained in the custody of an officer of the mobile propaganda division of the Board as at the end of the year under review, had been accounted as sales on credit. Hence sales income and debtor value had been overstated in the accounts by that amount.

2.3 Accounts receivable and Payable

The following observations are made.

(a)

An Advance of Rs. 8,072,087 paid to a private contractor by the Board in the years 2011 and 2012 for the construction of a circuit Bungalow in Anuradhapura remained unsettled as at 31 December 2013.

(b)

The value of debtors balances remained outstanding for more than 2 years as at 31st December 2013, amounted to Rs. 3,992,562. There was a balance of Rs. 714,298 to be recovered with regard to 09 dishonored cheques given by 3 sales agents relating to the period 1999 – 2004.

(c)

It was observed that an amount of Rs.5,693,536, out of the balance amounting to Rs.10,129,401 to be recovered as at December 2013 in connection with bicycles and lottery outlets provided to sales Agents on credit by the Board, remained unrecovered since the year 2012 and previous years.

(d)

A sum of Rs.12,000,000 to be paid by the Board to the Airport Development Authority for the period from 2008 to 2013 on the drawing of "Colombo Airport Superdraw Lottery" had not been settled even as at the end of the year under review.

2.4. Non-Compliance with Laws, Rules, Regulations and Management Decisions.

Following instances of non-compliance were observed in audit.

Reference to laws, Rules, Regulations, etc	Non-Compliance
(a) Finance Act.No. 11 of 1963 as amended by Finance Act (amendment) No.35 of 1997	
(i) Sections 14 (2) and 17 (1) a	The cash prize for a draw should be deducted from the cash allocated for the prizes and only the balance amount should be credited to the Prize Reserve Account. Contrary to that, an amount of Rs. 301,800,000 had been credited to Prize Reserve Account from the retained profit
(ii) Section 14 (2) and 17(2)	As per provisions of the sections, only the expenses approved by the Secretary to the relevant Ministry could be deducted from the lottery income. However, no such approval had been obtained for the expenses incurred in the year under review.
(iii) Section 20 (2) (1)	A sales income of Rs. 1,964,171,400 had been earned through “Sampath Rekha” and mega 50 Million” lotteries without formulating rules for operating those lotteries and publishing in the Gazette with the approval of the Minister in charge of the subject as per provisions of the section. Out of the said amount, a sum of Rs.1,023,591,494 had been allocated for prizes and sum of Rs.367,997,582 had been spent for the payment of commissions to Sales Agents.
(b) Establishments code of the Democratic Socialist Republic of Sri Lanka	
(i) Section 11. of Chapter xxiv	Property loans should be granted through banks with effect from 01 January 2005, nevertheless property loans totaling Rs.125,672,534 had been granted to officers using the funds of the Board from the aforesaid date up to the end of the year under review.
(ii) Section 11.4.1 of Chapter xxiv	Officers who obtained property loans under a maximum limit equivalent to 5 years’ monthly salary prior to 01 January 2005, had again obtained the difference between the monthly salary of 7 years and previously obtained 5 years loan by erroneously interpreting this section. Loans totaling Rs.19,073,496 had been granted to 55 officers from the year 2009 up to the end of the year under review.
(iii) Section 11.5.1 of Chapter xxiv	The interest recoverable from officers with respect to Property Loans obtained should be 4, 8, or 11 per cent based on the loan amount; nevertheless, the Board had provided all the Property Loans under the minimum interests rate of 4 percent.
(iv) Section 11.2.2 of Chapter xxiv	Property Loans totaling Rs.2,223,380 had been granted to 2 Officers who had not completed 5 years’ permanent Service period.

(c) Public Enterprises Circular No.PED/12 dated 02 June 2003.	
(i) Paragraph 9.7	An amount of Rs. 9,900,700 had been paid on the approval of the Board of Directors in the year under review and the previous years as well, to the officers who participated in the draws of lotteries without the approval of the Treasury.
(ii) Paragraph 9.12	<p>(i) Welfare allowances amounting to Rs.10,511,041, had been paid for the staff on a request made by the Welfare Association on the approval of the Chairman, without obtaining the approval of the Treasury.</p> <p>(ii) Cash Prizes totaling Rs. 12,040,000 had been distributed among the Officers of the Board in commemoration of the 50th Anniversary of the Board. Particulars such as values and information of prizes had not been presented when Treasury approval was sought.</p>
(d) Department of Public Enterprises Circular No.95 dated 14 June 1994 and Public Enterprises Circular No. PED/12 dated 02 June 2003.	An amount of Rs. 64,263,101 had been paid as incentives in the year under review and the previous years as well on the approval of the Board of Directors without obtaining the approval of the Treasury in terms of Circulars.
(e) Guideline 1.3.2 of Government Procurement Guidelines – 2006	All “ Sampath Rekha “ lotteries of the year under review and all other lottery drawn up to 23 October of the year under review had been printed through a printer selected without being complied with procurement procedure and, an amount of Rs.217,556,830 had been paid.
(f) Public Administration Circular No. 13/2008 (iv) dated 09 February 2011	Payments amounting to Rs. 2,532,727 had been made to 09 Officers entitled to assigned vehicles by exceeding the monthly fuel allowances.
(g) Department of management Services Circular NO 30 dated 24 August 2010.	Although the approved initial salary step of an Officer of the Board had been Rs.25,640 action had been taken to pay salaries by placing him on the initial salary step of Rs.32,870 with effect from 16 February 2009. Accordingly, over payment of salaries amounting to Rs.414,120 had been made from the year 2009 up to the end of the year under review.
(h) Paragraphs 6 (iii) and (iv) of Public Enterprises Circulars NO.57 dated 11 February 2011.	Approval of the Minister in charge as per the aforesaid provisions, had not been obtained on the sponsorships and donations totaling Rs.46,167,803 spent by the Board on Private and Public institutes, and religious ceremonies during the year under review.

3. Financial review

3.1. Financial Results

According to the financial statements presented, the financial results of the Board for the year under review amounted to a deficiency of Rs.133,406,928 as against the corresponding surplus of Rs.312,190,960 for the preceding year, thus indicating a deterioration of Rs.445,597,888 or 143 percent in the surplus for the year under review as compared with the preceding year. The adverse variation of administrative expenses, other expenses and tax expenses amounting to Rs.2,923,704,082, as compared with the favorable variation of the income amounting to Rs.2,478,106,194 for the year under review had mainly attributed to the deterioration of financial results.

4.1. Performance Data

Particulars of important operating items of the Board for the year under review and past 03 years are as follows.

Particulars	2013 Rs	2012 Rs.	2011 Rs.	2010 Rs.
Income	14,537,362,545	12,004,268,616	10,092,330,623	8,862,869,826
Other Income	220,209,583	275,197,318	178,866,138	212,424,233
Printing cost	459,877,814	393,049,086	376,528,826	293,504,383
Promotional Expenses	1,010,422,751	618,985,298	496,428,627	470,189,405
Remuneration to employees	247,527,709	222,844,221	203,294,269	203,535,560
Contribution to Consolidated Fund	1,753,135,197	1,574,149,137	1,345,046,907	1,173,460,051

The following observations are made.

a) Promotional expenses for the year under review as compared with the year 2010, had increased by 115 percent. Correspondingly, the increase in the income had increased by 64 percent. It was further observed that promotional expenses for the year under review had increased by 63 percent as compared with the previous year, though the increase in the income was 21 percent.

3.2. Legal Proceedings Instituted Against the Board.

An employee, interdicted by the Board, had filed a case with the labour tribunal claiming compensation amounting to Rs. 3,000,000 while an external person had instituted legal proceedings against the Board on defamation claiming compensation of Rs.50,000,000.

4. Operating Review

b) When the sales income was compared with the total marketing advertising and distribution expenses incurred by the Board for the year under review and the previous year, a sales income of Rs.18.52 per Rupee spent on sales, advertising and distribution expenses for the previous year had been earned. However, that value was Rs. 14.04 per Rupee for the year under review. Hence, the sales income earned per Rupee spent on Advertising had decreased by Rs.4.48. The success of advertising activities conducted remains questionable.

4.2. Management Inefficiencies

The following observations are made

(a) Particulars on 2 draws that took place during the year under review with respect to “Mega 50 Million” Lottery introduced to the market in the year under review to commemorate the 50th Anniversary of the Board are as follows.

Description	Mega 50 Million 1st Draw Rs.	Mega 50 Million 2nd Draw Rs.	Total Rs.
Lottery Income	279,174,000	236,230,600	515,404,600
Allocations for Prizes (58 per cent from the Income)	161,920,920	137,013,748	298,934,668
Actual Prizes granted	181,579,300	147,630,391	329,209,691
Amount obtained from Rewards Reserve Accounts of other lotteries to award prizes	19,658,380	10,616,643	30,275,023
Contribution to the Consolidated Fund (10 percent from the Income)	27,917,400	23,623,060	51,540,460

Despite 47 – 49 percent of the sales income generated by other lotteries of the Board had been allocated to prizes, 58 percent had been allocated for the prizes of “Mega 50 Million” lottery. However, 64 percent of the sales income had been spent on prizes with regard to 2 draws of the lottery.

(b) Out of an income amounting to Rs. 1,448,766,800 earned by the Board through “Sampath Rekha” lottery during the year under review, only a sum of Rs.72,438,340 or 5 per cent had been credited to the Consolidated Fund. A sum of Rs. 68,816,423 or 4.75 percent from the total income had been allocated to settle the expenses of the Board, whereas a sum of Rs. 373,057,451 income or 25.75 per cent had been allocated to settle the expenses of the 50th Anniversary of the Board.

(c) The following inefficiencies were observed in connection with printing of lottery tickets.

(i) Lottery tickets of “Govisetha”, “Jathika Sampatha”, “Supiri Vasana Sampatha” and “Vasana Sampatha” had been printed up to 23 October 2013 through the same private company which printed lottery tickets since the year 1995, without selecting a printer by following the procurement procedure. As per the information made available for audit, the value of the lottery tickets printed in that manner without being adhered to the procurement procedure up to 23 October of the year under review and past 5 years amounted to Rs.1,003,068,565.

(ii) Even though bids had been called by the Board on 31 October 2011 to select a new printer, 2 years had been spent to select a printer. The computable loss incurred by the Board due to delay in selecting a printer despite calling for bids, was as follows.

Description	Expenditure in terms of cost per tickets at Rs.0.5661 provided without adhering procurement procedure Rs.	Expenditure in terms of cost per ticket at Rs.0.537 provided by adhering procurement procedure Rs.	Loss Rs.
Position as at 23 October 2013 in case a supplier was selected on 01 January 2012 by calling for quotations on 31 October 2011	352,715,366	334,584,264	18,131,102
Position as at 23 October 2013 in case a supplier was selected on 01 January 2013 by calling for quotations on 31 October 2011.	174,094,997	165,145,758	8,949,239

4.3 Operating Inefficiencies

The following observations are made.

(a) Lottery tickets of special draws and scratching lotteries valued at Rs.1,054,348,000 had been sold to agents on credit basis during the year under review without the approval of the Board of Directors. Out of those credit sales no guarantee whatsoever had been obtained on the credit sales of Rs. 75,353,610. Sales valued at Rs.15,198,728 had been made by exceeding the maximum limit for guarantee. Out of a debtor balance of Rs.98,940,951 recoverable as at the last date of the year under review, the balance to be recovered further as at 26 September 2014 amounted to Rs.38,130,804. Furthermore, the Board had not introduced a proper methodology to regulate the lotteries given to agents on credit basis.

(b) The following matters were observed in connection with promotional expenses of the Board in the year under review.

(i) The Board had not introduced either a criteria or a proper methodology to select items and decide on the amount of money given in providing sponsorships and assistance under marketing campaigns.

(ii) Expenses amounting to Rs.959,275,274 had been made for promotional programmes during the year under review, without obtaining the approval of the Department of Public Enterprises in terms of Public Enterprises Circular No. 57 dated 11 February 2011.

(iii) A sum of Rs. 2,288,500 had been paid for sponsorships without getting the recommendation of the Regional Manager appointed by the Board in the relevant area and without getting an assurance whether expected publicity had taken place and without verifying that the publicity was actually conducted.

(iv) Although an amount of Rs. 10 million had been allocated in the year under review and the previous year as well, for the reconstruction of vandalized sacred places in Northern and Eastern provinces, no provision had been spent in that regard and those provisions had been spent on other promotional activities by deviating from the relevant objective.

(c) As per information made available to audit, there were 85,055,730 unsold Lottery tickets out of 714,783,300 lottery tickets printed during the year under review. The printing cost of those lottery tickets was approximately Rs 54.7 million.

(d) There was a balance of Rs. 853,842,734 in the Building Reserve Account as at 01 January 2013, out of which an amount of Rs. 301,800,000.00 had been transferred to Rewards Reserve Fund and the balance amounting to Rs. 552,042.734 had been transferred to retained profit during the year under review without being utilized for the intended purpose by closing the Building Reserve Account.

4.4. Transactions of Contentious Nature

The following observations are made.

(a) A commission of 20 cents per ticket paid by the Board to distributors for distributing lottery tickets to the sales agents. Distributors had directly sold 21,084,569 lottery tickets without being distributed to sales agents. Nevertheless, the Board had paid a sum of Rs.4,216,914 based on the above rates to the distributors for distributing those lotteries as well.

(b) A sum of Rs. 9,113,280 had been spent during the year under review for displaying the brand name of the Board on privately-owned websites without entering into a formal agreement as per Procurement Guidelines.

(c) A supplier selected by the Board without calling for open competitive bids as per Procurement Guidelines, had printed 76,774,126 "Sampath Rekha" lottery tickets valued at Rs. 43,461,833 from October 2012 up to the end of the year under review.

(d) The Board had purchased 278,000 key holders valued at Rs. 9,980,200 during the year under review based on Technical Evaluation Committee recommendations made only by inspecting the samples presented by bidders without a pre-prepared specification as per paragraphs 2.3.2(d), 2.6.1(a)(ii) and 5.6 of Government Procurement Guidelines. This purchase, which should have been made by calling for open competitive bids, had been made by calling for limited competitive bids by misinterpreting the paragraph 3.3 of procurement Guidelines.

(e) The Board had purchased 450 sarees of inferior quality for uniforms at Rs. 3,950 each at a cost of Rs. 1,777,500 during the year under review, as bids had been called without properly preparing specifications and the standard of samples presented when bids had been called and the item supplied following the order, had not been inspected by a technical institute.

4.5. Idle and Underutilized Assets

The following observations are made .

(a) Amounts of Rs.1,708,286 and Rs.122,778 in the Current Accounts maintained by the Board for "Shrama Vasana" and "Suwasetha" Lotteries had remained idle from April 2011 and June 2011 respectively up to the end of the year under review.

(b) Only 28 jeeps had been won in the draw, although 40 jeeps had been allocated as prizes for the 2nd draw of the "Mega 50 Million" lottery. As the Board had taken steps to purchase all 40 jeeps, 12 jeeps valued at Rs. 25,178,568 remained idle even as at 31 August 2014.

4.6. Resources of the Board Given to the Other Public Institutes

The following observations are made .

(a) Even though it was not possible for the resources owned by the Board to be utilized by the Line Ministry or any other public Institute in terms of paragraph 8.3.9 of public Enterprises Circular No PED/12 dated 02 June 2003, the Board had released 3 vehicles to other public institutes since the year 2006 and amount of 610,721 had been spent as repair and maintenance expenses for those vehicles during the year under review.

(b) Three officers drawing salaries from the Board, had been released to external institute in the years 2007 and 2008 and step had not been taken to reimburse a sum of Rs.1,131,833 paid to those 03 officers as remunerations during the year under review.

4.7. Personnel Management

Even though the approved cadre had been 293 as at 31 December 2013, the Board had deployed a staff of 313 in services. The vacancies in the approved staff had been 09 and 29 person had been recruited outside the approved cadre on contract basis.

5. Accountability and Good Governance

5.1. Budgetary Control

A significant variance ranging from – 6 per cent to + 900 per cent was observed between the budgeted expenditure and the actual expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control.

5.2. Procurement Plan

A Procurement Plan for the year under review had been prepared by the Board. However, all the procurements of the Board had not been covered there from terms of Guideline 4.2 of Government Procurement Guidelines.

5.3. Unresolved Audit Paragraphs

The following observations are made.

(a) Even though the Committee on Public Enterprises had directed on 21 March 2013 that the employee gratuity amounting to Rs.7,392,287 overpaid during the previous year be recovered to the Board, the amount had neither been recovered, nor disclosed in the financial statement as an amount receivable. The Board had only informed the relevant retired officer in writing that the overpaid gratuity be reimbursed to the Board.

(b) Two building obtained on rent had been used to maintain the head office and stores without taking actions to construct a building for the Board on the land owned by the Board since the year 2005 with an extent of 112 perches situated in the vicinity of Colombo City. The Building being used to

maintain the head office had been obtained on rent since the year 1999 and a rental of 1,368,880 had been paid during the year under review. A building in the vicinity of Colombo had been obtained on rent for storage facilities for several years and a rental of Rs.1,521,880 had been paid during the year under review. Furthermore, the written agreement on the rent of the building in which the stores had been maintained, had not been presented to audit.

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 Board from time to time. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Human Resources Management
- (c) Assets Management
- (d) Expenditure Management



W. P. C. Wickramaratna
Acting Auditor General

STATEMENT OF INCOME

FOR THE YEAR ENDED 31ST DECEMBER	NOTE	2013 Rs	Restated 2012 Rs
REVENUE	2	14,537,362,245	12,004,268,616
Less: Cost of Sales	3	12,709,585,791	10,584,753,723
Gross Profit		1,827,776,754	1,419,514,893
Other Income	4	220,209,583	275,197,318
		2,047,986,337	1,694,712,211
LESS EXPENSES			
Distribution Costs	5	24,635,220	29,173,702
Administrative Expenses	6	388,743,935	346,831,633
Other Expenses	7	1,120,735,313	710,817,388
Finance Costs	8	37,190,847	26,094,291
Profit before Tax		476,681,022	581,795,198
Income Tax Expense	9	610,087,950	269,604,238
PROFIT (LOSS) FOR THE YEAR		(133,406,928)	312,190,960

The Accounting policies which represents note 01, are indicated under the note to the Financial Statements.

Note: Contribution to Consolidated Fund which was shown under Equity Statement in 2012 was brought back to Income Statement in 2013 since it is treated as an allowable expense again. Accordingly, 2012 figures were restated for comparative purposes.

STATEMENT OF COMPREHENSIVE INCOME


For the year ended 31st December	2013 Rs	Restated 2012 Rs
Profit / (Loss) for the year Other Comprehensive income/(Loss) for the year net of tax	(133,406,928)	312,190,960
Add: Gain on Revaluation Inventory items – Gold Coins	1,342,522	-
Add: Gain on Revaluation of Property, Plant & Equipment	263,640,924	-
Add: Gain on Exchange Fluctuation	245,524	7,825,409
Add: Over provision for Gratuity	12,385,733	-
Total Comprehensive Income for the year net of tax	144,208,775	320,016,368

STATEMENT OF FINANCIAL POSITION

	NOTE	2013 Rs.	Restated 2012 Rs.	2012 Rs.
ASSETS NON CURRENT ASSETS				
As at 31st December				
Property, Plant and Equipments	10	739,286,832	444,061,935	388,203,362
Capital Work in Progress – Building		-	22,909,114	5,331,951
Income Tax Receivable from Consol. Fund		1,736,370,634	2,287,791,736	2,150,590,123
Investment in Sri Lanka Savings Bank		5,336,575	5,336,575	5,336,575
TOTAL NON CURRENT ASSETS		2,480,994,041	2,760,099,360	2,549,462,011
CURRENT ASSETS				
Inventories	11	149,137,662	42,269,083	71,715,536
Trade Receivables	12	241,678,915	29,691,558	18,871,365
Other Current Assets	13	702,043,808	672,198,617	188,596,931
Cash & Cash Equivalents	14	2,089,399,814	2,178,058,460	2,320,535,435
TOTAL CURRENT ASSETS		3,182,260,198	2,922,217,718	2,599,719,267
TOTAL ASSETS		5,663,254,240	5,682,317,079	5,149,181,278
EQUITY & LIABILITIES				
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Retained Earnings	15	435,775,890	531,283,063	542,656,501
Other Components of Equity	16	890,098,987	1,141,034,183	1,365,553,993
TOTAL EQUITY		1,325,874,875	1,672,317,246	1,908,210,494
NON CURRENT LIABILITIES				
Deferred Tax	17	10,319,839	6,608,391	14,787,878
Long - Term Provisions	18	1,761,554,939	2,325,688,239	2,194,088,341
TOTAL NON CURRENT LIABILITIES		1,771,874,778	2,332,296,630	2,208,876,219
CURRENT LIABILITIES				
Trade & Other Payables	19	1,771,698,128	1,049,276,958	976,784,731
Current Tax Payables	20	793,806,460	628,426,245	55,309,834
Total Current Liabilities		2,565,504,587	1,677,703,203	1,032,094,565
TOTAL LIABILITIES		4,337,379,365	4,009,999,833	3,240,970,784
TOTAL EQUITY & LIABILITIES		5,663,254,240	5,682,317,079	5,149,181,278

The accounting policies & notes form an integral part of these Financial Statements. These Financial statements give a true and fair view of the state of affairs of National Lotteries Board as at 31st December 2013 & its profit for the year ended 31st December 2013.


Harsha Bandara
 Chief Financial Officer


V. Sundareswaran
 DGM - Finance

The Board of Directors are responsible for the preparation and presentation of these Financial Statements.


Chaminda Athulwage
 Chairman


Janaka Sri Warnasinghe
 Working Director

STATEMENT OF CASH FLOW

For the Year Ended 31st December

	2013 Rs.	Restated 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	476,681,022	581,795,198
Adjustment for Excess Duty & Cess Recovery from Cont.		
Consol. Fund - Sev & SMD	-	78,173,292
Adjustment for Accumulated Treasury Fund	-	(21,263,101)
Adjustment for Transfer to Building Reserve	-	(235,000,000)
Adjustment for IT on Contribution to Consolidated Fund	-	629,659,655
Adjustment for CASD Duty Recoverable Write-off	(26,774,238)	-
Adjustment for Transfer from Building Reserve to Treasury	365,000,000	
Adjustment for Transfer from Building Reserve -Vauxhall Land	187,042,734	-
Adjustment in Respect of Over Provision for Gratuity	12,385,733	-
Adjustment for Gain on Exchange Fluctuation	245,524	7,825,409
Increase/(Decrease) in Revaluation Reserve	264,984,446	-
Increase/(Decrease) in Prizes Reserve	337,923,091	67,917,089
Increase/(Decrease) in Building Reserve	(853,842,734)	235,000,000
Increase/(Decrease) in Accumulated Treasury Fund	-	21,263,101
Increase/(Decrease) in Provision for Gratuity	(12,385,733)	-
Decrease/(Increase) in Capital Work-in Progress - Building	22,909,114	(17,577,163)
Decrease/(Increase) in IT on Receivable from Consol. Fund	551,421,102	(137,201,613)
Adjustments For		
Depreciation	43,900,791	37,707,066
Provision for VAT & NBT	711,338,615	597,705,389
Profit on Disposal of Property, Plant & Equipment	(6,144,211)	(2,363,892)
Written-off Net Value of Property, Plant & Equipment Cost & Depreciation	-	2,929,971
Allocation for Consolidated Fund	1,753,135,197	1,574,149,137
Allocation for Prizes	7,083,652,537	5,787,269,625
	10,911,472,990	9,207,989,163
Changes in Working Capital		
(Increase)/Decrease in Inventories	(106,868,579)	29,446,453
(Increase)/Decrease in Trade Receivables	(211,987,356)	(10,820,193)
(Increase)/Decrease in Other Current Assets	(29,845,191)	(483,601,686)
Increase/(Decrease) in Trade & Other Payables & Long Term Provisions	251,675,224	(39,370,167)
NET CASH FLOW FROM OPERATING ACTIVITIES	10,814,447,088	8,782,383,903
CASH FLOW FROM INVESTING ACTIVITIES		
Additions Property, Plant & Equipment	(75,978,081)	(96,495,609)
Gain on Revaluation to Property, Plant & Equipment	(263,640,924)	-
Proceeds from Disposal of Property, Plant & Equipment	6,637,529	2,363,892
NET CASH FLOW FROM INVESTING ACTIVITIES	(332,981,477)	(94,131,717)
CASH FLOW FROM FINANCE ACTIVITIES		
Payment Made to the Consolidated Fund	(1,776,179,552)	(1,577,099,724)
Special Contribution to General Treasury	(500,000,000)	(702,000,000)
Prizes Paid	(6,589,862,236)	(5,751,196,978)
Gratuity Payment	(326,465)	(5,601,715)
VAT & NBT Payment	(681,423,198)	(587,778,448)
Income Tax & Deferred Tax Payment	(1,022,332,806)	(207,052,296)
NET CASH FLOW FROM FINANCE ACTIVITIES	(10,570,124,257)	(8,830,729,162)
Net Changes in Cash & Cash Equivalent During the Year	(88,658,646)	(142,476,975)
Cash & Cash Equivalent at the Beginning of the Year	2,178,058,460	2,320,535,435
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	2,089,399,814	2,178,058,460
Notes to the Cash Flow Statement		
Cash & Cash Equivalent	2013	2012
Short term Investments	1,589,431,447	1,904,415,947
Cash in Hand & Balance at Bank	499,968,366	273,642,513
NET CASH & CASH EQUIVALENT AT THE END OF THE YEAR	2,089,399,814	2,178,058,460

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December	Accumulated Treasury Fund (Rs)	Revaluation Reserve Rs.	Building Reserve (Rs)	Prizes Reserve (Rs)	Retained Earnings (Rs)	Total (Rs)
Balance as at 01/01/2012	-	-	618,842,734	746,711,260	542,656,501	1,908,210,494
Net changes in Prizes Reserves	-	-	-	67,917,089	-	67,917,089
Special Levy to General Treasury	-	-	-	(548,700,000)	-	(548,700,000)
Transfer to Accumulated Treasury Fund	21,263,101	-	-	-	(21,263,101)	-
Excess Duty & Cess Recov. From Cont.						
Consol. Fund - Sevana	-	-	-	-	71,971,545	71,971,545
Excess Duty & Cess Recov. From Cont.						
Consol. Fund - Samurdhi	-	-	-	-	6,201,747	6,201,747
Special Contribution to Consolidated Fund	-	-	-	-	(153,300,000)	(153,300,000)
Transfer to Building Reserve from Current Year Profit	-	-	35,000,000	-	(35,000,000)	-
Transfer to Building Reserve from Retained Earnings	-	-	200,000,000	-	(200,000,000)	-
Gain on Exchange Fluctuation	-	-	-	-	7,825,409	7,825,409
Profit/(Loss) for the year 2012	-	-	-	-	312,190,960	312,190,960
Balance as at 31/12/2012	21,263,101	-	853,842,734	265,928,349	531,283,063	1,672,317,247
Net Changes in Prizes Reserves	-	-	-	36,123,091	-	36,123,091
Transfer from Building Reserve	-	-	(301,800,000)	301,800,000	-	-
Transfer from Building Reserve	-	-	(365,000,000)	-	365,000,000	-
Transfer from Building Reserve - Vauxhall Land	-	-	(187,042,734)	-	187,042,734	-
Special Contribution to General Treasury	-	-	-	-	(500,000,000)	(500,000,000)
Over Provision for Gratuity	-	-	-	-	12,385,733	12,385,733
Written off CASD Duty recoverable	-	-	-	-	(26,774,238)	(26,774,238)
Gain on Revaluation Inventory Items- Gold coins	-	1,343,522	-	-	-	1,343,522
Gain on Revaluation of Property , Plant & Equipment	-	263,640,924	-	-	-	263,640,924
Gain on Exchange Fluctuation	-	-	-	-	245,524	245,524
Profit/(Loss) for the year 2013	-	-	-	-	(133,406,928)	(133,406,928)
Balance as at 31/12/2013	21,263,101	264,984,446	-	603,851,440	435,775,888	1,325,874,877

NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1.1.1 General Accounting Convention

The financial statements have been prepared in accordance with new Sri Lanka Accounting Standards hereinafter referred to as SLFRS/LKAS as issued by the Institute of Chartered Accounts of Sri Lanka and the provision of Finance Act No. 38 of 1971 which have been applied consistently on historical cost basis with no adjustments being made for inflationary factors affecting the financial statements.

1.1.2 Sevana Lottery

Sevana Lottery has been assigned to the National Lotteries Board from 7th November 1997 by the Ministry of Finance and Planning. Instead of amalgamating Sevana Lottery with National Lotteries Board, it has been identified as one of the products of the National Lotteries Board and accounting was done accordingly. Adequate disclosure had been made in the financial statements of National Lotteries Board where appropriate.

1.1.3 Financial Year

Financial Statements have been prepared for the calendar year ended 31st December 2013.

1.1.4 Comparative Information

Where necessary, previous year figures were restated for comparative purposes.

1.2 Assets & Basis of their Valuation

1.2.1 Freehold Property, Plant & Equipment

The Property, Plant & Equipment are stated at cost, less accumulated depreciation. The cost of the assets is the cost of acquisition or construction together with an expense incurred in bringing the assets to its working condition for the intended use.

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business have been treated as capital expenditure.

1.2.2 Leasehold Property

Leasehold property is stated at recorded carrying values as at the effective date of LKAS 17 – Leases. Such carrying amounts are amortized over the remaining lease term or useful life of the leased property, whichever is shorter.

The Non Current assets comprised leasehold property located at Anuradhapura and Mannar. In Anuradhapura, the Board constructed a circuit bungalow on the land acquired in 1986 for a 30 year lease period and in Mannar, also on a 30 year lease, another circuit bungalow was constructed in 2013, lease of which is renewable every year.

Fixed Assets except Motor Vehicles and a few other were revalued by the Dept. of valuation as per LKS 16 The gains were transferred to Revaluation Reserve

1.2.2.1 Restoration Cost

Expenditure incurred on repairs or maintenance of Property, Plant & Equipment in order to maintain the future economic benefits expected from originally assessed performance is recognized as an expense when incurred.

1.2.2.2 Depreciation

Provision for depreciation is calculated by using straight line method on the cost or valuation of all property, plant and equipment, other than freehold land in order to write off such amounts over the estimated useful economic life of such assets. As per LKS 16 all Fixed assets were physically verified and reconciled with Fixed assets register and new numbers were marked to each asset. The damaged fixed assets were Identified and written off from the books of accounts. The present net written down value is Rs.739,286,832/-.

The depreciation rates of the assets are as follows.

Assets	Rate of Depreciation %
Motor Vehicles	25
Computers	25
Air Conditioners, General & Office Equipment	20
Draw Barrels/Lottery Equipment	20
Furniture & Fittings	10
Freehold Buildings & Partitions	05

The useful life, residual values and depreciation methods of assets are reviewed, and adjusted if required, at the end of each financial year.

Disposal of Fixed Assets have been duly accounted in the Financial Statements.

Anuradhapura Bungalow which is on a 30 year lease is amortized equally over the remaining lease period of four years from 2013. Mannar Bungalow which is also on a 30 year lease is amortized over a 30 year lease from 2013.

1.2.3 Inventories

Inventories are valued at cost. Cost is determined on First In First Out basis and includes the cost of acquisition and other incidental expenses incurred in bringing them to present location and condition. Further the Gold inventory items are valued at market price and accounted.

1.2.4 Trade Receivables and Other Current Assets

Debtors are stated at the amounts which they are expected to realize. Adequate provision has been made for bad and doubtful debts. Other receivables and dues are stated at cost.

1.2.5 Cash and Cash Equivalents

1.2.5.1 Cash and Cash Equivalents are defined as cash in hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1.2.5.2 Short Term Investments in Treasury Bills, Treasury Bonds, Treasury Investments and bank Fixed Deposits are stated at cost plus interest receivables at the Statement of Financial Position date. All investments are considered as short term.

1.3 Liabilities and Provisions

1.3.1 Liabilities

All known liabilities have been accounted for in preparing the financial statements.

1.3.2 Current Liabilities

Liabilities classified as current liabilities on the Statement of Financial Position are those which fall due for payment on demand or within one year from the Statement of Financial Position date.

1.3.3 Non Current Liabilities

Liabilities are classified as non current when those balances fall due for payment after one year from the Statement of Financial Position date.

1.3.4 Retirement Benefits

1.3.4.1 Defined Contribution Plans EPF & ETF

All employees who are eligible for Employees Provident Fund contribution and Employee Trust Fund contribution are covered by relevant contribution funds in line with respective statutes and regulations.

Contribution to defined contribution plans are recognized as expenditure in the Income Statement.

1.3.4.2 Defined Benefit Plan Retiring Gratuity

Provision is made in financial statements for retirement gratuities payable under the provision of Gratuity Act No. 12 of 1983 for all employees who have completed one year of continued service with the Board. The Board obtained an actuarial valuation report from an expert and provision for gratuity was made using the projected unit credit (PUC) method as recommended by LKAS 19.

In year 2011 gratuity was provided based on one month salary and was accounted under PUC method which amounted to Rs. 3,620,091. However since August 2012 this was reversed back to half month salary for each completed year of service.

1.3.5 Trade and Other Payables & Short-term Provisions

Trade and other payables are stated at cost.

1.4 Taxation

1.4.1 Current Taxes

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act. No. 10 of 2006.

1.4.2 Deferred Taxation

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

1.4.3 Income Tax on Consolidated Fund

The Board has to pay income tax on contribution to the consolidated fund for the years of assessment 2007/2008 to 2009/2010 amounting to Rs1,136,146,578/- in 26 monthly instalments out of amounts due to Consolidated Fund commencing from January 2013 as per the payment schedule agreed with the Treasury. Payment is being done accordingly.

Similarly, assessments were received by the Board for the year of assessment 2010/2011 to 2012/2013 amounting to Rs. 1,644,103,198/- and payments will be made in 30 monthly instalments from march 2015 till August 2017. The additional tax on contribution made to the Consolidated Fund was adjusted in the statement of changes in equity.

1.5 Contingent Liabilities

1.5.1 Income Tax on Contribution to the Consolidated Fund

The Department of Inland revenue imposed additional assessments of Income Tax on consolidated Fund payments from 2007 to 2012 as this payment was disallowed for taxation during that period. This payment is made as per 1.4.3 above.

1.5.2 Prizes Claim

The Board may have to Pay Rs. 2,000,000 to a prize winner who filed legal action against the Board for claiming a prize which has already been paid to another person who has presented the winning ticket to the Board.

1.5.3 Reinstatement or Compensation

The Board may have to pay Rs. 3,000,000/- as compensation for a former employee who filed action in the Labour Tribunal, Colombo.

1.5.4. Defamation

The NLB may have to pay Rs. 50,000,000/- as defamation for a person who had filed action against NLB in the District Court of Colombo.

1.6 Income Statement

1.6.1 Revenue

The Revenue presents the value of sweep tickets sold for draws conducted during the financial year.

1.6.2 Revenue Expenditure

All expenditure incurred in running the business and maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the surplus for the year.

1.6.3 Borrowing Cost

Borrowing Cost is recognized as expenditure in the period in which they are incurred.

1.6.4 Gain on Revaluation

Gains on revenue nature on the revaluation of Fixed Assets have been accounted in the Statement of Comprehensive Income.

1.7 Revenue Recognition

1.7.1 Revenue from tickets sold is recognized on accrual basis.

1.7.2 Interest income is accrued on a time basis.

1.7.3 Other income is recognized on accrual basis.

1.8 Distribution of Funds

1.8.1 The Board was incorporated under the Finance Act No. 11 of 1963 as the successor to the Hospital Lotteries Board.

With the approval of the Ministry of Finance and Planning, the Board increased the price of a ticket from Rs. 10.00 to Rs. 20.00 with effect from 02nd September 2008. Agency commission too increased from 15% to 17.5% accordingly.

1.8.2 Distributions of income for passive lotteries are as follows.

	Mahajana Sampatha	Vasana Sampatha	Govisetha	Supiri Vasana	Jathika Sampatha	Sampath Rekha	Mega 50
Prizes	49%	47%	47%	47%	47%	$\frac{52\% *}{47\%}$	58%
Dealer Commission	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%
Consolidated Fund	16.5%	16.5%	10%	10%	10%	5%	10%
Board	17%	19%	25.5%	25.5%	25.5%	$\frac{25.5%*}{30.5\%}$	14.5%

During the year the percentages were changed as shown above.

The Board conducts the Colombo Airport Super Draw lottery on behalf of the Airport & Aviation Services (Sri Lanka) Ltd. The net proceeds are

payable to the Airport & Aviation Services (Sri Lanka) Ltd through the Consolidated Fund.

1.8.3 Distribution Income for Scratch Lotteries

	Samurdhi 10/-	Sevana 10/-	Sevana 20/-	Special Scratch 50/-	Special Scratch 20/-
Prizes	49%	49%	53%	53%	53%
Dealer Commission	15%	15%	17.5%	17.5%	17.5%
Consolidated Fund	10%	10%	10%	5%	5%
Board	26%	26%	19.5%	24.5%	24.5%

1.8.4 Contributions to the Consolidated Fund and the Relevant Ministries Through the Consolidated Fund are as

Passive Lotteries

Mahajana Sampatha	- Sunday, Tuesday, Friday	- 16.5%	- Consolidated Fund
Vasana Sampatha	- Monday & Thursday	- 16.5%	- Consolidated Fund
Govisetha	- Monday & Thursday	- 10%	- Ministry of Agriculture
Supiri Vasana	- Wednesday	- 10%	- Ranawiru Sewa Authority
	- Saturday	- 10%	- Ministry of Sports & Ministry of Social Services (5% each)
Jathika Sampatha	- Wednesday	- 10%	- Ministry of Health
	- Saturday	- 10%	- Ministry of Labour
Sampath Rekha	- Sunday, Tuesday, Friday	- 5%	- Consolidated Fund
Mega 50	- Dates decided by Management	- 10%	- Consolidated Fund

Instant Lotteries

Samurdhi	- 10%	- Ministry of Samurdhi & Youth Affairs
Sevana	- 10%	- Ministry of Housing
Special Scratch	- 5%	- Consolidated Fund

1.8.5 Treatment of Consolidated Fund Payments in Income Statement

The Consolidated Fund up to 2011 was shown as a direct expense under Income Statement. However in year 2012, the Consolidated Fund was shown under equity statement as Consolidated Fund was disallowed for tax calculation. From January 2013 onwards,

Consolidated Fund payments are treated as qualifying expenses and hence we have shown it in the Income statement as direct expenses as was the practice prior to 2012. For comparative purposes 2012 figures are also adjusted.

Note No. 02 - Revenue	2013 Rs.	Restated 2012 Rs.
Mahajana Sampatha	4,399,835,800	4,699,507,800
Vasana Sampatha	1,489,470,800	1,342,410,200
Govisetha	1,962,201,080	1,622,118,600
Supiri Vasana Sampatha	1,942,297,000	2,024,200,600
Jathika Sampatha	1,248,899,000	1,023,548,200
Sampath Rekha	1,448,766,800	265,760,600
Mega 50	515,404,600	-
Colombo Airport Superdraw	38,483,465	33,063,646
Samurdhi	132,024,000	37,276,000
Sevana	1,269,374,000	956,382,970
Special Scratch	90,606,000	-
Total	14,537,362,545	12,004,268,616

Note No. 03 Cost of Sales	2013 Rs.	Restated 2012 Rs.
Ticket Printing Charges	459,877,814	393,049,086
Agency Commission	2,701,581,629	2,232,580,487
Prizes Declared	7,083,652,537	5,787,269,625
Consolidated Fund	1,753,135,197	1,574,149,137
VAT & NBT	711,338,615	597,705,389
Total	12,709,585,791	10,584,753,723

Note No. 03-01 Ticket printing charges	2013 Rs.	Restated 2012 Rs.
Opening Stock as at 1st January		
Passive Lottery	3,865,641	-
Sevana Lottery	11,873,897	48,789,495
Samurdhi Lottery	1,361,468	-
	17,101,006	48,789,495
Add: Purchase of Tickets during the year	472,684,558	361,360,596
	489,785,563	410,150,091
Less: Closing Stock as at 31st December		
Passive Lottery	1,857,486	3,865,641
Sevana Lottery	23,395,443	11,873,897
Samurdhi Lottery	3,284,900	1,361,468
Special Scratch	1,369,921	-
	29,907,750	17,101,006
Total	459,877,814	393,049,086

Note No. 03-02 - Agency Commission	2013 Rs.	Restated 2012 Rs.
Mahajana Sampatha	824,628,923	881,040,451
Vasana Sampatha	279,112,865	251,675,313
Govisetha	367,715,777	304,157,707
Supiri Vasana Sampatha	703,915,828	379,490,875
Jathika Sampatha	234,034,947	191,896,843
Sampath Rekha	271,530,677	49,833,890
Mega 50	96,466,905	-
Colombo Airport Superdraw	-	12,432
Samurdhi	20,859,792	5,889,608
Sevana	226,636,992	168,583,369
Special Scratch	16,580,898	-
Total	2,701,581,629	2,232,580,487

Note No. 03-03 - Prizes Declared	2013 Rs.	Restated 2012 Rs.
Mahajana Sampatha	2,156,116,095	2,302,757,337
Vasana Sampatha	699,151,016	630,932,794
Govisetha	922,352,768	762,395,742
Supiri Vasana Sampatha	913,001,330	951,374,282
Jathika Sampatha	585,988,824	481,067,654
Sampath Rekha	724,656,826	138,195,512
Mega 50	298,934,668	-
Colombo Airport Superdraw	7,334,050	5,987,832
Samurdhi	64,691,760	18,265,240
Sevana	663,404,020	496,293,231
Special Scratch	48,021,180	-
Total	7,083,652,537	5,787,269,625

Note No. 03-04 - Consolidated Fund	2013 Rs.	Restated 2012 Rs.
Mahajana Sampatha	725,972,907	775,418,787
Vasana Sampatha	245,762,682	221,497,683
Govisetha	196,220,108	162,211,860
Supiri Vasana Sampatha	194,229,700	202,420,060
Jathika Sampatha	124,889,900	102,354,820
Sampath Rekha	72,438,340	13,288,030
Mega 50	51,540,460	-
Samurdhi	13,202,400	3,727,600
Sevana	124,348,400	93,230,297
Special Scratch	4,530,300	-
Total	1,753,135,197	1,574,149,137

Note No. 03 -05 - VAT & NBT	2013 Rs.	Restated 2012 Rs.
Value Added Tax	507,792,059	428,810,159
Nation Building Tax	203,546,556	168,895,230
Total	711,338,615	597,705,389

Note No. 04 - Other Income	2013 Rs.	Restated 2012 Rs.
Interest Income	211,592,849	269,829,488
Sundry Income	8,616,734	5,367,830
Total	220,209,583	275,197,318

Note No. 05 - Distribution Cost	2013 Rs.	Restated 2012 Rs.
Ticket Transport Charges	5,425,175	5,048,390
Agent Relief Exp/Cost of returned- Tickets	542,982	164,746
Dealers and Agents training	3,854,498	323,500
Scholarships to Agents Children	1,317,500	1,481,000
Sales pro. Incentive for Dealers & Agents	9,587,403	15,385,596
Agent Medical Expenses	1,845,000	3,404,000
Agents Additional Sales Promotional Exp.	2,062,662	3,366,470
Total	24,635,220	29,173,702

Note No. 06 - Administrative Expenses	2013 Rs.	Restated 2012 Rs.
Personnel Emoluments	247,527,709	222,844,221
Other Administrative Expenses	141,216,226	123,987,412
Total	388,743,935	346,831,633

Note No. 07 - Other Expenses	2013 Rs.	Restated 2012 Rs.
Establishment Expenses	76,370,178	65,081,969
Marketing & Sales Promotion	1,010,422,751	618,985,298
Communication Expenses	33,942,384	26,750,121
Total	1,120,735,313	710,817,388

Note No. 08 - Finance Cost	2013 Rs.	Restated 2012 Rs.
Bank Charges	28,340,454	25,599,202
WHT on Non Cash Lottery Prizes	8,850,393	495,089
Total	37,190,847	26,094,291

Note No. 09 - Income tax	2013 Rs.	Restated 2012 Rs.
Current Year Income Tax	292,294,911	277,783,725
Deemed Dividend Tax - 2012	314,081,591	-
Deferred Tax Expenses	3,711,448	(8,179,487)
Total	610,087,950	269,604,238

As at 31st December

Note 10 -
Property, Plant & Equipment

Note 10 -1 Free Hold Property	Land Rs.	Buildings Rs.	Motor Vehicles Rs.	Computers & Accessories Rs.
COST				
Balance Beginning of the Year	312,151,670	2,322,929	186,680,747	137,015,451
Written off Fixed Assets Cost	-	-	-	-
Additions/Transfers During the Year	-	-	-	10,070,956
	312,151,670	2,322,929	186,680,747	147,086,407
Accumulated Depreciation-Revaluation	-	(2,140,054)	-	(50,927,529)
Gain on Revaluation	187,848,330	9,717,124	-	30,962,094
Disposals/Transfers During the Year	-	-	(4,839,582)	(3,130,720)
Balance End of the Year	500,000,000	9,900,000	181,841,164	123,990,252
PROVISION FOR DEPRECIATION				
Balance Beginning of the Year	-	2,023,907	115,827,108	97,895,204
Written-off Fixed Assets Depreciation	-	-	-	-
Depreciation for the Year	-	116,146	22,777,163	14,347,081
		(2,140,054)	138,604,271	112,242,285
Depreciation on Disposal	-	-	(4,839,582)	(3,127,863)
Accumulated Depreciation-Revaluation	-	(2,140,054)		(50,927,529)
Balance End of the Year	-	-	133,764,688	58,186,893
Written Down Value as at 31.12.2013	500,000,000	9,900,000	48,076,476	65,803,359
Written Down Value as at 31.12.2012	312,151,670	299,022	70,853,639	39,120,247
Written Down Value as at 01.01.2012	312,151,670	415,168	40,182,035	17,547,934
Rate of Depreciation	-	05%	25%	25%

Office Equipment Rs.	Draw Barrels Rs.	Furniture & Fittings Rs.	2013 Total Rs.	Restated 2012 Total Rs.	01.01.2012 Total Rs.
34,136,242	17,523,035	16,691,796	706,521,870	637,709,100	601,692,891
-	-	-	-	(24,087,839)	-
6,246,101	551,940	3,445,916	20,314,913	96,495,609	39,682,876
40,382,343	18,074,975	20,137,712	726,836,783	710,116,870	641,375,767
(15,639,494)	(13,381,245)	(7,306,996)	(89,395,319)	-	-
7,489,916	7,954,221	4,116,305	875,478,007	-	-
(438,307)	(951,887)	(690,952)	(10,051,448)	(3,595,000)	(3,666,667)
31,794,459	11,696,063	16,256,068	875,478,007	706,521,870	637,709,100
			-		
25,353,418	13,156,059	8,840,252	263,095,949	250,300,754	218,604,176
-	-	-	-	(21,157,867)	-
3,471,156	1,132,761	1,434,112	43,278,420	37,548,062	35,363,245
28,824,574	14,288,820	10,274,365	306,374,369	266,690,949	253,967,421
(411,563)	(745,553)	(433,569)	(9,558,131)	(3,595,000)	(3,666,667)
(15,639,494)	(13,381,245)	(7,306,996)	(89,395,319)	-	218,604,176
12,773,517	162,021	2,533,799	207,420,919	263,095,949	250,300,754
			-		
19,020,942	11,534,042	13,722,269	668,057,088	-	-
			-		
8,782,824	4,366,976	7,851,544		443,425,922	-
			-		
10,559,437	1,412,303	5,139,799		-	387,408,346
20%	20%	10%			

Note No. 10 - 2 Lease Hold Property Buildings	2013 Rs.	2012 Rs.	01.01.2012 Rs.
COST			
Balance Beginning of the Year	3,759,162	3,759,162	3,562,762
Additions/Transfers During the Year	55,663,168	-	196,400
	59,422,330	3,759,162	3,759,162
Accumulated Depreciation-Revaluation	(3,282,096)	-	-
Gain on Revaluation	15,552,933	-	-
Balance end of the Year	71,693,168	3,759,162	3,759,162
PROVISION FOR DEPRECIATION			
Balance Beginning of the Year	3,123,149	2,964,146	2,805,142
Depreciation for the Year	622,371	159,003	159,003
	3,745,520	3,123,149	2,964,146
Accumulated Depreciation-Revaluation	(3,282,096)	-	-
Balance End of the Year	463,424	3,123,149	2,964,146
Written Down Value as at 31.12.2013	71,229,744	-	-
Written Down Value as at 31.12.2012	-	636,013	-
Written Down Value as at 01.01.2012	-	-	795,016

Note: 1. Anuradhapura Bungalow - Amoritize over the remaining Lease period of 4 years from 2013

2. Mannar Bungalow - Amoritize over 30 years period from 2013

	2013	2012	01.01.2012
Grand Total (10-1 +10-2)	739,286,832	444,061,935	388,203,362

Note No. 11 - Inventories	2013 Rs.	Restated 2012 Rs.	01.01.2012 Rs.
Printed Ticket Stocks	29,907,750	17,101,006	48,857,409
Prizes Stocks	107,934,989	19,719,099	19,342,943
Consumable Stocks	11,294,923	5,448,979	3,515,184
Total	149,137,662	42,269,083	71,715,536

Note No. 12 - Trade Receivables	2013 Rs.	Restated 2012 Rs.	01.01.2012 Rs.
Sweep / Trade Debtors	251,778,646	39,768,090	46,868,675
Return Cheques - Sevana & Samurdhi	714,297	757,497	1,405,967
	252,492,944	40,525,587	48,274,642
Less Provision for Doubtful Debts	(10,814,029)	(10,834,029)	(29,403,277)
Total	241,678,915	29,691,558	18,871,365

Note No. 13 - Other Current Assets	2013 Rs.	Restated 2012 Rs.	01.01.2012 Rs.
Other Debtors	22,268,264	46,433,569	48,708,636
Accounts Receivables	9,050,071	32,728,141	32,655,029
Staff Loans	95,424,888	92,517,643	96,594,542
Deposit & Prepayments	23,879,485	8,061,222	10,638,724
Income Tax Receivable from Consolidated Fund	551,421,101	492,458,042	-
Total	702,043,808	672,198,617	188,596,931

Note No. 14 - Cash & Cash Equivalents	2013 Rs.	Restated 2012 Rs.	01.01.2012 Rs.
Cash in Hand and at Bank	499,968,366	273,642,513	225,413,201
Short Term Deposits	1,589,431,447	1,904,415,947	2,095,122,234
Total	2,089,399,814	2,178,058,460	2,320,535,435

Note No. 15 - Retained Earnings	2013 Rs.	Restated 2012 Rs.	01.01.2012 Rs.
Balance at the beginning of the year	531,283,063	542,656,501	284,285,324
Profit /(Loss) for the year	(133,406,928)	312,190,960	209,104,029
	397,876,137	854,847,462	493,389,353
Add: Previous year Interest on Investments from SLSB	-	-	336,575
Add: Previous year written back to Bad Debt Pramuka Bank	-	-	5,000,000
Less: Transfer to Building Reserve from Current year Profit	-	(35,000,000)	-
Less: Transfer to Building Reserve from Retained Earnings	-	(200,000,000)	-
Less: Special Contribution to General Treasury	(500,000,000)	(153,300,000)	-
Add: Transfer from Building Reserve	365,000,000	-	-
Add: Transfer from Building Reserve - Vauxall Land	187,042,734	-	-
Add: Over provision for Gratuity	12,385,733	-	-
Add: Written off CASD Duty Recoverable	(26,774,238)	-	-
Add: Gain on Exchange Fluctuation	245,524	7,825,409	10,071,377
Less: Transfer to Accumulated Treasury Fund	-	(21,263,101)	-
Add: Over provision Income tax balance	-	-	33,859,196
Add: Excess Duty & Cess Recov. from Contd. Conso. F -Sev	-	71,971,545	-
Add: Excess Duty & Cess Recov. from Contd .Conso. F -Smd	-	6,201,747	-
Balance at the end of the year	435,775,890	531,283,063	542,656,501

Note No. 16 - Other Components of Equity	2013 Rs.	Restated 2012 Rs.	01.01.2012 Rs.
Accumulated Treasury Fund	21,263,101	21,263,101	-
Revaluation Reserve	264,984,446	-	-
Building Reserve	-	853,842,734	618,842,734
Prizes Reserve	603,851,440	265,928,349	746,711,260
Total	890,098,987	1,141,034,183	1,365,553,993

Note No. 17 Deferred Tax Liability	2013 Rs.	Restated 2012 Rs.	01.01.2012 Rs.
Balance at the beginning of the year	6,608,391	14,787,878	15,953,117
Current year Deferred tax Provision	3,711,448	-	-
Previous year Over Provision	-	(8,179,487)	(1,165,239)
Balance at the end of the year	10,319,839	6,608,391	14,787,878

Note No. 18 - Long - term Provisions	2013 Rs.	Restated 2012 Rs.	01.01.2012 Rs.
Provision for Gratuity	25,184,305	37,896,503	43,498,218
Income Tax payable on - Consolidated fund	1,736,370,634	2,287,791,736	2,150,590,123
Total	1,761,554,939	2,325,688,239	2,194,088,341

Note No. 19 - Trade & Other Payables	2013 Rs.	Restated 2012 Rs.	01.01.2012 Rs.
Payable to Consolidated Fund	188,393,449	211,437,804	214,388,391
Sweep Collection in advance	111,153,236	102,593,667	84,466,045
Deferred Revenue Expenditure- CASD	-	10,272,291	26,232,843
Prizes Obligations	963,436,220	469,645,919	433,573,272
Trade & Other Creditors	108,554,145	73,007,267	51,447,351
Accrued expenses	400,161,079	182,320,011	166,676,830
Total	1,771,698,128	1,049,276,958	976,784,731

Note No. 20 - Current Tax Payables	2013 Rs.	Restated 2012 Rs.	01.01.2012 Rs.
VAT and NBT Payables	72,521,485	42,606,068	32,679,128
Income Tax Payable	721,284,975	585,820,177	22,630,706
Total	793,806,460	628,426,245	55,309,834

OPERATING & FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

For the year ended 31st December

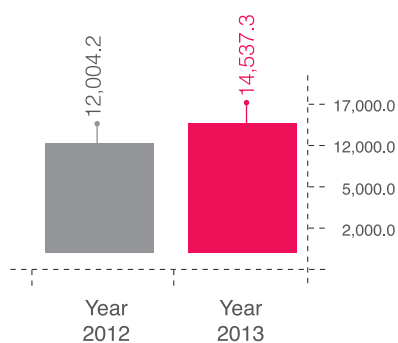
Description	2013 Rs.Mn	2012 Rs.Mn	Change Compared with 2012 (%)
Turnover	14,537.3	12,004.2	21.1
Contribution to Consolidated Fund *	1,753.1	1,574.1	11.3
Agency Commission	2,701.5	2,232.5	21.0
Prizes Allocation	7,083.6	5,787.2	22.4
Value Added Tax	507.7	428.8	18.4
Nations Building Tax	203.5	168.8	20.5
Other Income	220.2	275.1	(19.9)
Expenses	1,571.3	1,112.9	41.1
Profit Before Tax	476.6	581.7	(18.0)
Profit for the Year	(133.4)	312.1	(142.7)
Total Assets	5,663.2	5,682.3	(0.33)
Total Net Assets/ Equity	1,325.8	1,672.3	(20.7)
Profit Before Tax to Turnover %	3.27%	4.84%	-
Profit Before Tax to Total Assets %	8.41%	10.20%	-
Liquidity Ratio	1.2:1	1.7:1	-

Excluding special contribution of Rs.500.0 mn in 2013

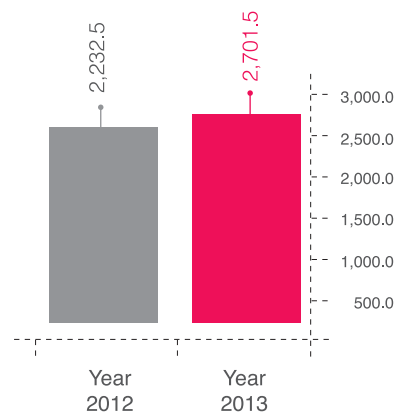
OVERALL PERFORMANCE

Performance Compared with Last Year

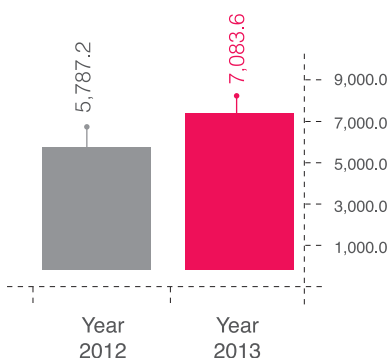
Turnover (Rs.Mn)



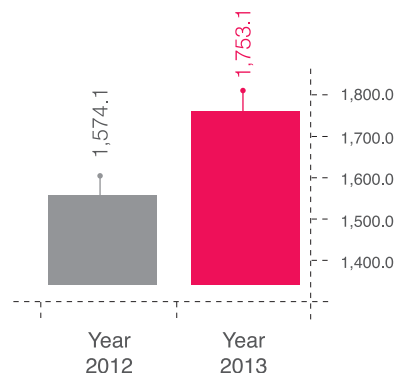
Agency Commission (Rs.Mn)



Prizes Declared (Rs. Mn)

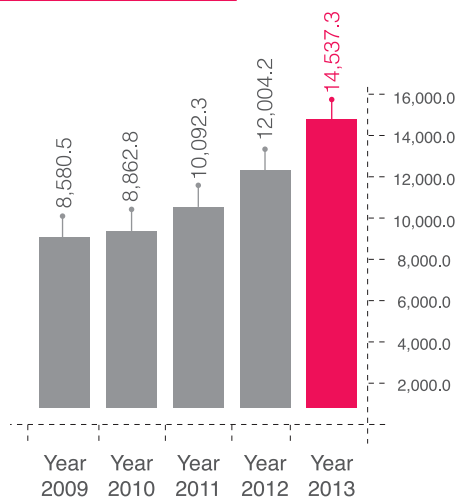


Contribution to Consolidated Fund (Rs.Mn)

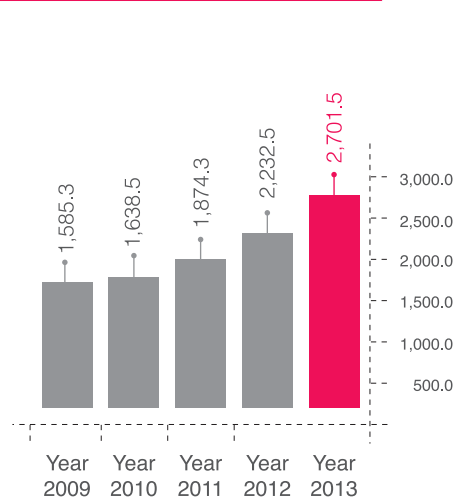


Performance Compared with Last Four Years

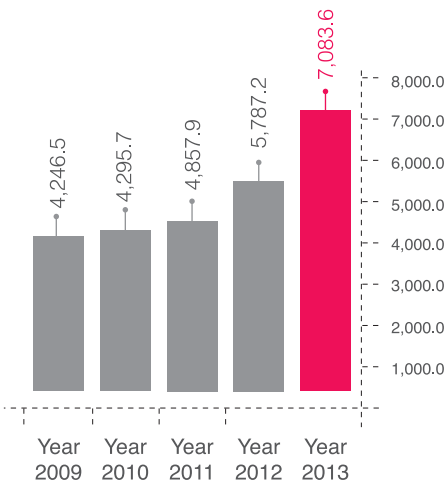
Turnover (Rs.Mn)



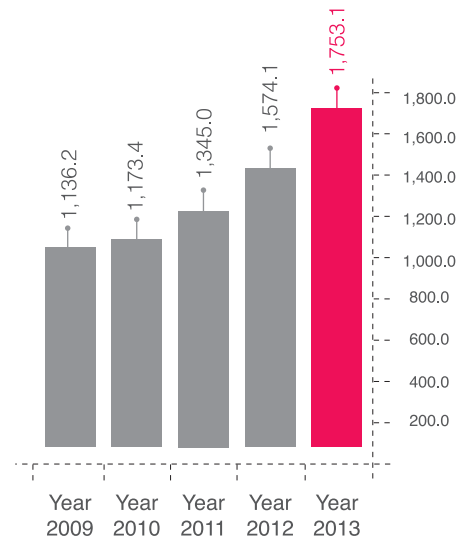
Agency Commission (Rs.Mn)



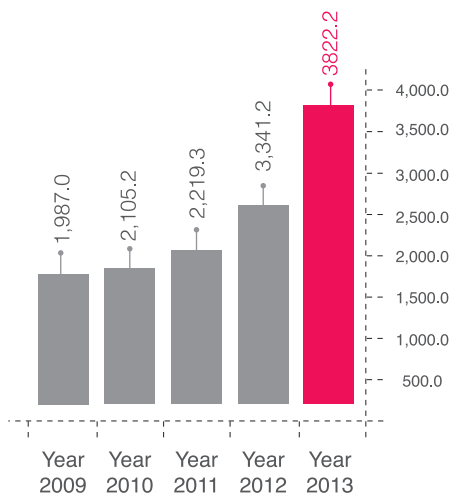
Prizes Declared (Rs.Mn)



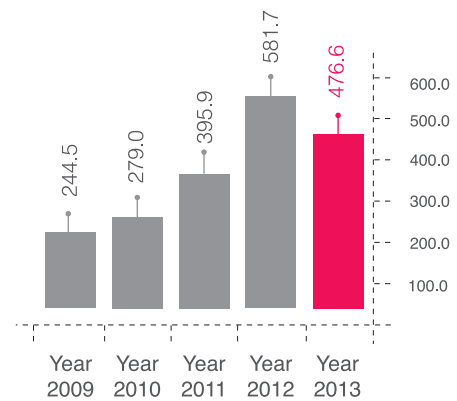
Contribution to Consolidated Fund (Rs.Mn)



Total Contributions to Government (Rs.Mn)



Profit Before Tax (Rs.Mn)



PRODUCT-WISE

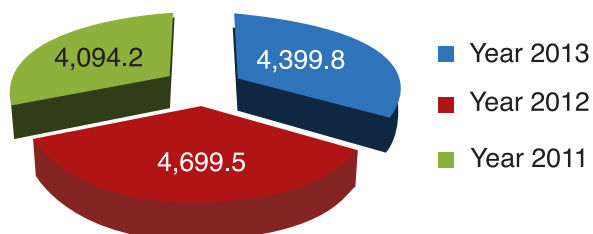
PERFORMANCE

MAHAJANA SAMPATHA

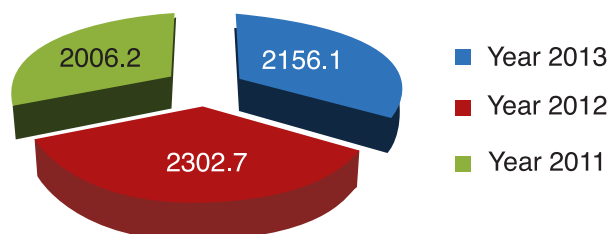
Performance of this lottery as compared with the last two year figures are as follows.

Description	2013 Rs. Mn	2012 Rs. Mn	2011 Rs. Mn	2013 Increase
Turnover	4,399.8	4,699.5	4,094.2	(6.3 %)
Prizes Declared	2,156.1	2,302.7	2,006.2	
Agency Commission	824.5	881.0	767.6	
Contribution to Consolidated Fund	725.9	775.4	675.5	

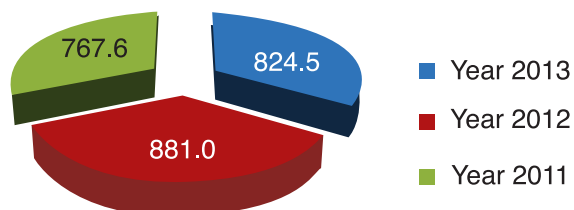
Turnover (Rs. Mn)



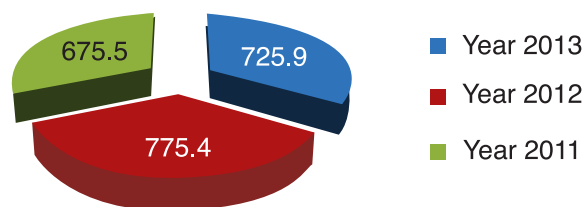
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



Contribution to Consolidated Fund (Rs. Mn)

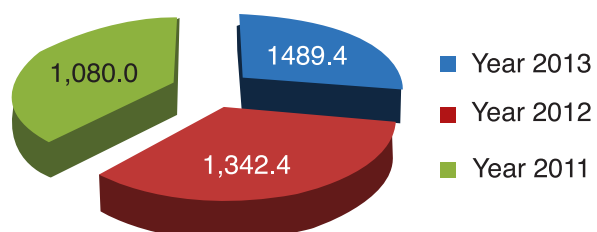


VASANA SAMPATHA

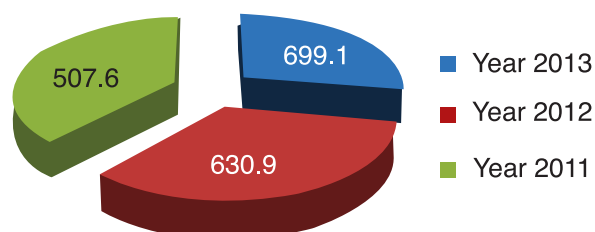
Performance of this lottery as compared with the last two year figures are as follows.

Description	2013 Rs.Mn	2012 Rs.Mn	2011 Rs.Mn	2013 Increase
Turnover	1,489.4	1,342.4	1,080.0	10.9 %
Prizes Declared	699.1	630.9	507.6	
Agency Commission	279.0	251.6	202.4	
Contribution to Consolidated Fund	245.7	221.5	178.2	

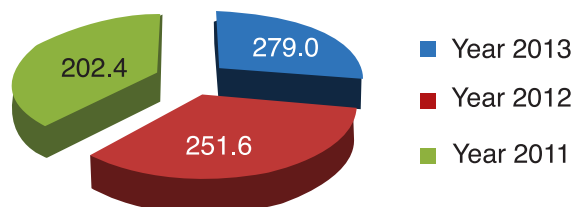
Turnover (Rs. Mn)



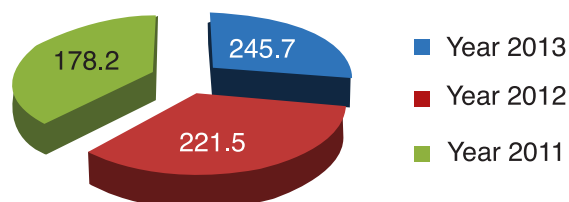
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



Contribution to Consolidated Fund (Rs. Mn)

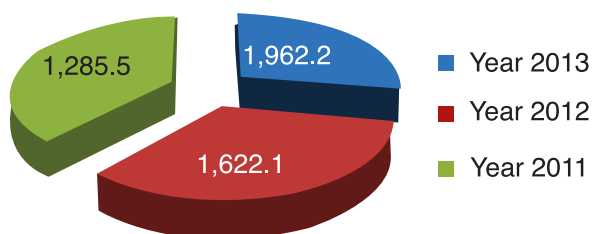


GOVISETHA

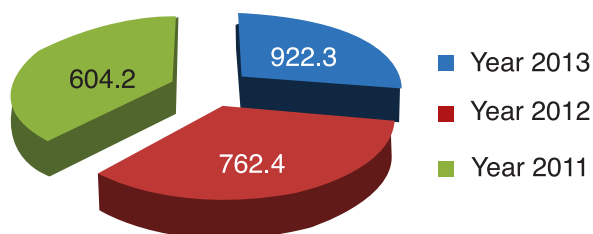
Performance of this lottery as compared with the last two year figures are as follows.

Description	2013 Rs.Mn	2012 Rs.Mn	2011 Rs.Mn	2013 Increase
Turnover	1,962.2	1,622.1	1,285.5	20.9 %
Prizes Declared	922.3	762.4	604.2	
Agency Commission	367.6	304.1	241.0	
Contribution to Consolidated Fund	196.2	162.2	128.5	

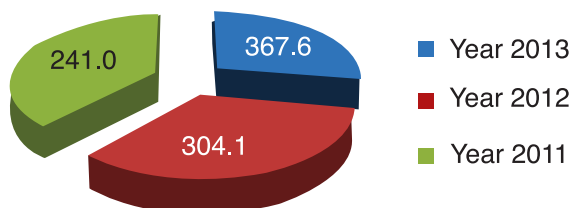
Turnover (Rs. Mn)



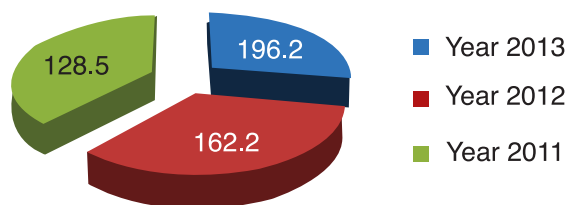
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



Contribution to Consolidated Fund (Rs. Mn)

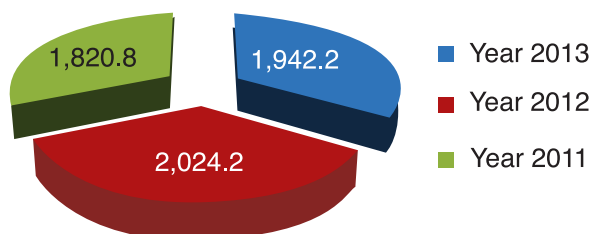


SUPIRI VASANA SAMPATHA

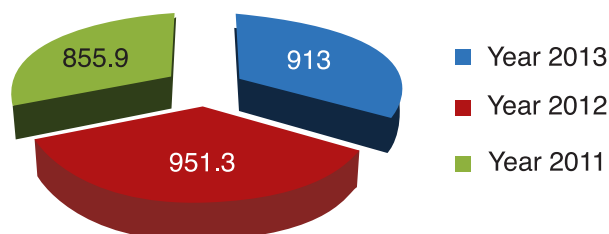
Performance of this lottery as compared with the last two year figures are as follows.

Description	2013 Rs.Mn	2012 Rs.Mn	2011 Rs.Mn	2012 Increase
Turnover	1,942.2	2,024.2	1,820.8	(4.0 %)
Prizes Declared	913.0	951.3	855.9	
Agency Commission	364.0	379.4	341.3	
Contribution to Consolidated Fund	194.2	202.4	182.0	

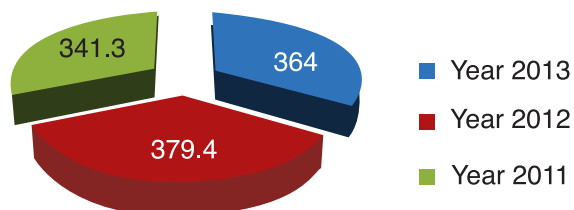
Turnover (Rs. Mn)



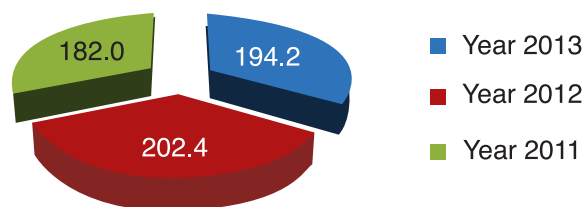
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



Contribution to Consolidated Fund (Rs. Mn)

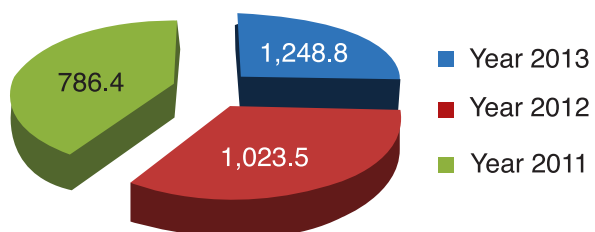


JATHIKA SAMPATHA

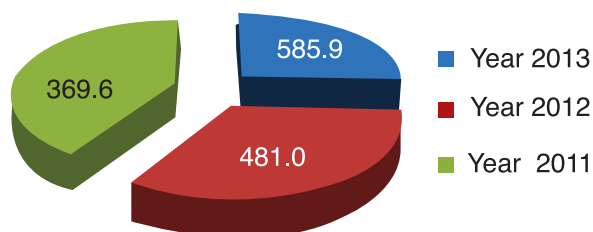
Performance of this lottery as compared with the last two year figures are as follows.

Description	2013 Rs.Mn	2012 Rs.Mn	2011 Rs.Mn	2012 Increase
Turnover	1,248.8	1,023.5	786.4	21.9 %
Prizes Declared	585.9	481.0	369.6	
Agency Commission	233.9	191.8	147.4	
Contribution to Consolidated Fund	124.8	102.3	78.6	

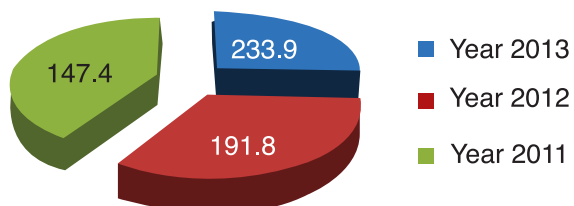
Turnover (Rs. Mn)



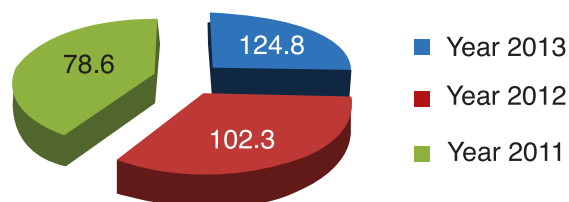
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



Contribution to Consolidated Fund (Rs. Mn)

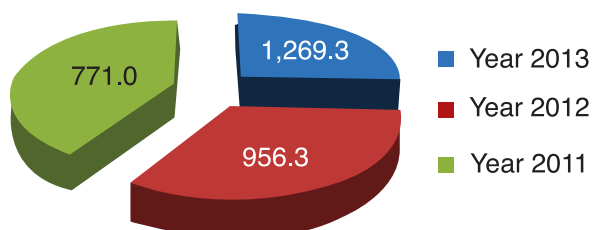


SEVANA

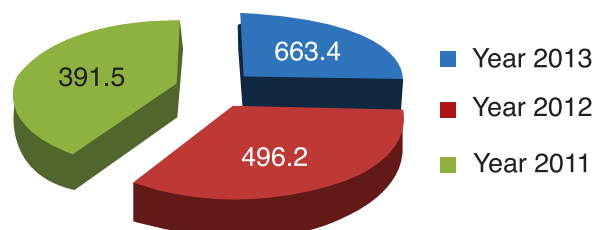
Performance of this lottery as compared with the last two year figures are as follows.

Description	2013 Rs.Mn	2012 Rs.Mn	2011 Rs.Mn	2012 Increase
Turnover	1,269.3	956.3	771.0	32.7 %
Prizes Declared	663.4	496.2	391.5	
Agency Commission	226.5	168.5	130.3	
Contribution to Consolidated Fund	124.3	93.2	77.1	

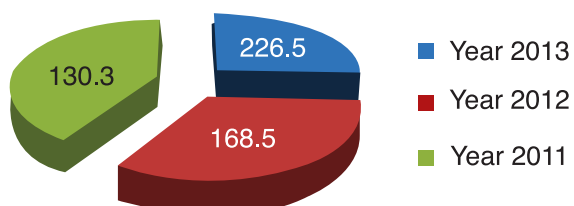
Turnover (Rs. Mn)



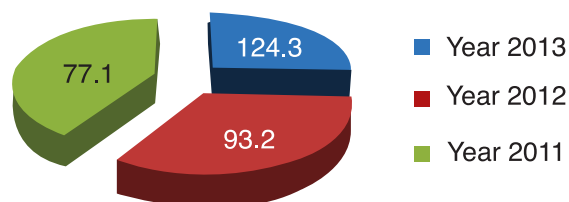
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



Contribution to Consolidated Fund (Rs. Mn)



SPECIAL

EVENTS 2013

PRIZE GIVINGS



Super Prize winner of Govisetha lottery special draw - cheque was handed over by Hon. Speaker Mr. Chamal Rajapaksha (Rs.71.1 Mn)



First Prize winner of Govisetha lottery special draw - the key of the prize car was handed over by Hon. Speaker Mr. Chamal Rajapaksha



Super Prize winner of Mega 50 lottery draw , cheque was handed over by Hon. M. P. Mr. Namal Rajapaksha (Rs. 50.0 Mn)



50 Panda cars – First prize of Mega 50 lottery



First Prize winners of Mega 50 Million lottery draw, the keys of prize jeeps were given by Hon. Speaker Mr. Chamal Rajapaksha



The Winner of Airport Super Draw lottery, the key of the prize car (BMW) was given by the Chairman

50th Anniversary Activities



Pirith Chanting Ceremony and Alms Giving for 50 Monks



1008 Sangapisheham Pooja at
Modara Kovil



Special Deva Meheya at the Church inside
the Leprosy Hospital, Welisara



Offered a Yamaha Organ to the St.
Francis Xavier Church



Alms Giving for patients at
Leprosy Hospital



Offered two Dialysis Machines for
Colombo General Hospital



50th Anniversary Night at Battaramulla
'Apegama' Premises

COOPORATE IMAGE ACTIVITIES



Opening the Gram Dansala by the Chairman



Releasing a cow to mark
Poson Poya, by the
General Manager



Offering wheelchairs to disabled people at
Victoria Elders Home, by Chairman NLB

STAFF RELATED ACTIVITIES



Conducting 5S Shramadana



Training for Staff



New Year Prince & Princess – New Year Festival

SALES RELATED ACTIVITIES



Agents' Conference

TEN YEAR OPERATIONAL Round-Up

Ten Year Operational Round-up	2004	2005	2006	2007
Revenue	6,489,740,091	6,166,897,652	6,460,015,752	6,079,850,149
Less: Cost of Sales				
Ticket Printing Charges	528,014,558	404,809,076	394,484,461	315,362,150
Agency Commission	968,625,493	968,319,771	1,025,881,243	971,932,383
Prizes Declared	3,064,898,835	2,952,266,317	3,115,594,961	2,944,926,273
Contribution to Consolidated Fund on Sales	957,999,258	957,406,531	845,908,023	767,590,790
VAT & NBT	254,469,361	290,868,023	300,652,152	280,749,153
	5,774,007,505	5,573,669,718	5,682,520,840	5,280,560,749
Gross Profit	715,732,586	593,227,934	777,494,912	799,289,400
Add: Other Income	136,869,969	114,548,796	136,114,584	191,205,560
	852,602,555	707,776,730	913,609,496	990,494,960
Less: Expenses				
Distribution Cost	49,254,301	3,248,840	633,823	1,637,076
Administrative Expenses	148,347,230	128,688,225	173,839,726	211,251,009
Other Expenses	342,941,066	293,640,110	469,876,312	545,116,834
Finance Cost	19,052,715	12,789,382	44,893,795	21,746,255
Profit Before Tax	293,007,243	269,410,173	224,365,840	210,743,786
Less: Income Tax Expense	61,005,636	111,264,623	166,051,524	140,065,071
Profit/(Loss) for the year	232,001,607	158,145,550	58,314,316	70,678,715
Less: Special Contribution to Treasury	127,962,730	-	-	-
Net Surplus/ (Deficit) to Board	104,038,877	158,145,550	58,314,316	70,678,715
Direct & Indirect Contribution to Government				
Contribution to Consolidated Fund on Sales	957,999,258	957,406,531	845,908,023	767,590,790
Special Contribution to General Treasury	127,962,730	-	-	-
Contribution to Treasury on Forfeited Prizes	149,785,810	146,390,083	127,809,507	147,893,404
Contribution to Treasury from Equity Funds	-	-	-	-
Indirect Contributions - Taxes	315,474,997	402,132,646	466,703,676	420,814,224
Total	1,551,222,795	1,505,929,260	1,440,421,206	1,336,298,418
Performance Indicators				
Gross Profit as a % of Turnover	11.03%	9.62%	12.04%	13.15%
Profit Before Tax as a % of Turnover	4.51%	4.37%	3.47%	3.47%
Expenses as a % of Turnover	8.62%	7.11%	10.67%	12.83%
Profit/ (Loss) for the year as a % on Turnover	3.57%	2.56%	0.90%	1.16%
Total Contribution to Govt. as a % on Turnover	23.90%	24.42%	22.30%	21.98%
Growth rate of Turnover	(.9.63%)	(.4.97%)	4.75%	(.5.88)%

Note : Figures in the Ten year summary were restated in line with 2013 presentation for comparative purpose. Additional tax of 40% on contribution to consolidated fund payments already made was imposed from 2007 treating it as a disallowable expense for income tax calculation. As a result, a sum of Rs. 2,780,249,776/- is to be recovered from January 2013 to August 2017 out of provisions to Consolidated Fund payments. However, from January 2013 consolidated fund payments were again allowed for income tax calculation as it was the practice earlier.

	2008	2009	2010	2011	2012	2013
	6,832,519,239	8,580,538,712	8,862,869,826	10,092,330,623	12,004,268,616	14,537,362,545
	289,619,018	271,803,581	293,504,383	376,528,826	393,049,086	459,877,814
	1,163,307,511	1,585,329,388	1,638,501,705	1,874,354,373	2,232,580,487	2,701,581,629
	3,373,592,920	4,246,564,845	4,295,786,207	4,857,951,333	5,787,269,625	7,083,652,537
	898,282,571	1,136,298,465	1,173,460,051	1,345,046,907	1,574,149,137	1,753,135,197
	298,114,596	457,226,688	501,891,271	506,927,892	597,705,389	711,338,615
	6,022,916,616	7,697,222,967	7,903,143,617	8,960,809,331	10,584,753,724	12,709,585,792
	809,602,623	883,315,745	959,726,209	1,131,521,292	1,419,514,892	1,827,776,753
	257,996,742	340,680,571	212,424,233	178,866,137	275,197,318	220,209,583
	1,067,599,365	1,223,996,316	1,172,150,442	1,310,387,429	1,694,712,210	2,047,986,336
	3,520,855	8,895,497	7,992,173	12,429,908	29,173,702	24,635,220
	244,653,465	296,178,938	292,493,432	302,061,060	346,831,633	388,743,935
	620,679,997	643,934,955	562,697,648	574,106,586	710,817,388	1,120,735,313
	25,717,200	30,483,249	29,936,142	25,807,844	26,094,291	37,190,847
	173,027,848	244,503,677	279,031,047	395,982,031	581,795,198	476,681,023
	129,986,050	198,991,306	231,393,156	186,878,002	269,604,238	610,087,951
	43,041,798	45,512,371	47,637,891	209,104,029	312,190,960	(133,406,928)
	-	-	16,000,000	-	-	-
	43,041,798	45,512,371	31,637,891	209,104,029	312,190,960	(133,406,928)
	898,282,571	1,136,298,465	1,173,460,051	1,345,046,907	1,574,149,137	1,753,135,197
	-	-	16,000,000	-	-	-
	127,081,500	194,511,177	182,465,862	180,473,400	197,806,370	247,738,070
	-	-	-	-	702,000,000	500,000,000
	428,100,646	656,217,994	733,284,427	693,805,894	867,309,627	1,321,426,566
	1,453,464,717	1,987,027,636	2,105,210,340	2,219,326,201	3,341,265,134	3,822,299,833
	11.85%	10.29%	10.83%	11.21%	11.83%	12.57%
	2.53%	2.85%	3.15%	3.92%	4.85%	3.28%
	13.09%	11.42%	10.08%	9.06%	9.27%	10.81%
	0.63%	0.53%	0.54%	2.07%	2.60%	-0.9%
	21.27%	23.16%	23.75%	21.99%	27.83%	26.29%
	12.37%	25.58%	3.29%	13.87%	18.94%	21.10%

