

2020

வார்கீக வார்கால
வருடாந்த அறிக்கை
ANNUAL REPORT



சுகிக லுாறல்குை மது்வுலுச
தேசிய லுாத்தர் சபை
NATIONAL LOTTERIES BOARD





NATIONAL LOTTERIES

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01. OVERVIEW

CORPORATE PROFILE & GUIDING PRINCIPLES

CORPORATE PROFILE

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. The certain sections of the above act were repealed and amended in 1997 under the (amendment) Act.No. 35 of 1997and in 1998 under the (amendment) Act no.22 of 1998.

YEAR OF ESTABLISHMENT

1963

ACCOUNTING YEAR END

31st December

REGISTERED OFFICE

ADDRESS

No. 32,
Deshamanya N.W.J Mudalige Mawatha
Colombo 01.

TELEPHONE

4607001, 4607000,

FAX

114669443,114669475,114669458,
11466416

EMAIL

nlbgen@sltnet.lk

WEB SITE

www.nlb.lk

AUDITORS

Auditor General
National Audit Office
No. 306/72,
Polduwa Road,
Battaramulla.

BANKERS

Peoples Bank
Bank of Ceylon
Sampath Bank

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 of the Country

OBJECTIVES OF THE BOARD

- To increase the contribution to the Government by increasing present level of revenue and profitability
- To maintain the market leadership position
- To improve the operational efficiency
- To improve the infrastructure facilities of the institute
- 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

GUIDING PRINCIPLES

Chairman and Board of Directors



Chairman
Mr. Lalith Piyum Perera
Attorney-at-law
LL.M (Business Law) Kingston, UK

Directors



Mr. Kelum Priyankara Liyanage
Director -
National Youth Council



Mr. D.D. Jayasiri
Assistant Superintendent
(Retired)
Employees' Provident Fund
Department
Central Bank of Sri Lanka



Mr. H.C.D.L. Silva
(MPM.BSc.Pub.Admin. Hon.,
FPFA, CBA, MAAT, CIPFA)
Director General
Department of Treasury
Operations
Ministry of Finance

Mr. Kamil Hussein
Director (Up to 06.06.2020)

Top Management



Mr. Dharshana Wijesiriwardena

Bsc (2nd upper)
MA, Pg Dip (Business Studies)
Pg Dip (Development Studies)
SLAS (Class 01)
General Manager
(Up to 23.10.2020)



Mrs. Y.K. Shiromi Jeewamala

MBA (e governance)
University of Moratuwa
MA (Peradeniya)
SLAS (Class I)
General Manager
(From 2020.12.10)



Mr. Sanjeewa Edirisinghe

Attorney –at-law
MBS (Colombo)
Additional General Manager
(From 28.02.2020)



Dr Harsha Bandara

DBA, MBA, FCMA(UK), FCCA (UK),
AMSLIM, FCMA(SL), FCPM, FCAA
CGMA.
Chief Financial Officer

Senior Management



Mr. Rohana Wijewickrema (FCA)

Deputy General Manager
(Corporate Project Finance)
(Up to 09.04.2020)



Mrs. Geetha Perera

Deputy General Manager
(Operational Finance)



Mrs. Shyamini Balasuriya

Attorney –at- law, Notary public
& Commissioner for oaths,
Deputy General Manager
(Legal & Secretary to the Board)



Mrs. Kumudini Madalussa

B.Com.Special (1st Class Hons)
(Peradeniya)
Deputy General Manager (Acting)
(Revenue Finance)

Middle Management



Mr. Menura Chathuranga
BBA
Asst. General Manager
(Sales)



Mr. K.A. Achala Jayathilake
B.Sc(Mgt & IS)
Asst. General Manager
(IT)



Mr. D.S. Weerathna
B.Sc(Special-BM)
Asst. General Manager
(Credit Recovery)



Mrs. H.M. Chandra Herath
BA
Asst. General Manager
(Administration)



Mrs. R.A. Thanuja Sammani
MFE, BBA(Special-Accountancy)
(Internal Auditor)



Mrs. B.G.D. Nandika De Silva
B.com(Special)
Asst. General Manager
(Supply & Distribution)



Mr. Kasun Kurudukumbura
MBS, PHD(Reading)
Asst. General Manager
(Procurement)



Mr. Kapila Senanayake
Asst. General Manager
(Finance)



Mr. Chrishan D. Jayasinghe
MSc (IT & Mgt),B.Sc (Physics)
Asst. General Manager
(IT)



Mr. D. Suneth Jayawardhane
BBM(Special-Marketing)
Asst. General Manager
(Dealer Administration)

Junior Management (Internal)

- 1 **Mrs. W. Thamara Perera**
Public Relation Officer
- 2 **Mr. S.D.A. Vithana**
MIAE, NDT Auto Eng, IAE II, CGTTII(Auto)
Transport Officer
- 3 **Mr. Lasantha Ravindra Kumara**
Sales Officer
- 4 **Mrs. K.M.C. Subhashini Kangara**
Sales Officer
- 5 **Mrs. Danisha Gunasekara**
MBA, B.com(Accounting & Finance)
Finance Officer
- 6 **Mrs. M.G. Vimukthi Kaushalya**
MBS(Reading), PGDHRM
Administrative Officer
- 7 **Miss. L. Sanjeewani**
MBA, PQHRM
Personal Assitant
- 8 **Mrs. D.M.D. Loshandika**
MA(Mass com)(Reading), PGDip(Human Rights), BA
Communication Officer
- 9 **Mr. K.L.P.I. Gunawardhana**
BA
Promotion Officer
- 10 **Mr. N. Aruna De Silva**
Lottery Ordering Officer
- 11 **Miss. Priyani Hinguruuduwa**
Prizes Payment Officer
- 12 **Mrs. H.A. Deepa Priyangani**
Cashier Officer
- 13 **Mr. Nirosan Wijayawardena**
Procurement Officer
- 14 **Miss. N.N.M.A. Upeka Nillegoda**
MA, PGDip(Economics), BA
Human Resources Officer
- 15 **Mr. A.M. Danushka Aththanayake**
B.com(Special)
Passive Lottery Officer
- 16 **Mrs. Shirani Kalupahana**
Closing & Checking Officer
- 17 **Mr. G.V.G. Rohana Hettiarachchi**
Distribution Officer
- 18 **Mrs. S.M. Asanka Samarathuranga**
BA
Marketing Officer
- 19 **Mr. J.M. Amila Madushanka**
NDES(Engineering)
Maintenance Officer
- 20 **Mr. J.K.D. Buddika Jayaneththi**
B.Sc(Special-Agriculture)
Instant Lottery Officer

Junior Management (Field)

- 1 **Mr. P.N. Prageeth Uyangoda**
B.Sc(Mgt-Pub)
Territory Manager
- 2 **Mr. K.N. Tharaka Liyanage**
PGDip(MM), HDip(MM)Dip(MM)
Territory Manager
- 3 **Mr. B. Cinthaka Gunerathna**
Reading MA(Economics), BBA(Special)
Territory Manager
- 4 **Mr. Pradeep Rathnasoma**
BBM(Special-HR)
Territory Manager
- 5 **Mr. A. Manjula Wanniarachchi**
B.Sc(Special-Marketing)
Territory Manager
- 6 **Mr. K. Nevil Dimuthu**
B.Sc(Special-Marketing)
Territory Manager
- 7 **Mr. M.G.L. Rohitha Senarathne**
BBM(Marketing-Special)
Territory Manager
- 8 **Mr. R.P. Sarath Jayanama**
MA(Economics), B.Sc(Special-BA)
Territory Manager
- 9 **Mr. K.A. Hiron Lasantha**
Reading MA(Mass Com), BA
Territory Manager
- 10 **Mr. K.L. Priyantha**
MHRM, B.Com(Special)
Territory Manager
- 11 **Mr. M.M. Sumith Wijethilaka**
B.Sc(Special-HR)
Territory Manager
- 12 **Mr. M.M.P. Manjula Kumara**
BBA(Special-Finance)
Territory Manager
- 13 **Mr. W.A.K. Priyadarshana Wijerathna**
BBM(Special-Marketing)
Territory Manager
- 14 **Mr. B. Nuwan Chandrakumara**
BBA
Territory Manager
- 15 **Mr. R.A. Gayan Nishara**
B.Sc(Special-BA)
Territory Manager
- 16 **Mr. W. Peshan Dinesh Kumara Rajapaksa**
PGDip(Marketing), HND(Marketing)
Territory Manager
- 17 **Mr. S. Kelum Darshana Karunathilake**
BMS
Territory Manager
- 18 **Mr. A.A. Gayan Sanjeewa Wanniarachchi**
BBA(Special-Accounting)
Territory Manager
- 19 **Mr. T.M.S. Damith Kumara Jayasundara**
B.Sc(Applied Mathematics and Computing)
Territory Manager
- 20 **Mr. Sundaralingam Naresh**
BBA
Territory Manager
- 21 **Mr. I. Thanesh Emerson**
BBA
Territory Manager
- 22 **Mr. Sivarajah Barathan**
B.Eng(Electronic & Telecommunication)
Territory Manager
- 23 **Mr. Vajithilingam Thuvaragan**
BBA
Territory Manager
- 24 **Mr. G.R. Chamara Thilakarathne**
BA
Territory Manager

History

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 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.



**1st decade
(1963 - 1972)**

**2nd decade
(1973 - 1982)**

Milestones

- 1963 Establishment of NLB under Finance Act no.11 of 1963
- 1964 First draw of the Jathika Lottery at Torington 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)

- 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 Rs.1/-

**3rd decade
(1983 - 1992)**

- 1987 Introduction of Supiri Jathika lottery (11/04/1987)
- 1988 Increased the price of Mahajana Sampatha from Rs.1/- to 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

**5th decade
(2003 - 2012)**

- 2004 Introduced Sarana lottery to generate financial assistance for Tsunami Victims.
Established Welfare & Thrift funds to provide benefits to employees.
- 2005 Mahajana Sampatha 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.
Mahajana Sampatha lottery was introduced to Sundays too.
- 2011 Passed the Rs.10 billion marks in sales for the year (1st time in the history)
Supiri vasana Sampatha Lottery was introduced to Wednesdays in place of Jayaviru lottery which was abolished.
New Airport lottery was drawn.
Offered five super prizes over Rs.10 mn within a 3 week period which included 4 back to back super prizes in a row.
- 2012 Introduced a new lottery named Sampath Rekha
Govisetha Lottery was introduced to Thursdays too.
Vasana Sampatha lottery was introduced to Mondays too.

**Current Decade
(2013 – 2022)**

- 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.
Introduced Mega 50 lottery on behalf of 50th Anniversary of NLB.
- 2014 Introduced a new lottery named Power Lotto
- 2015 Implemented "Divisarana" Insurance scheme for lottery sellers (June 2015)
Introduced a new lottery named Neerogha (25.07.2015)
31st Airport Superdraw draw was held (31.08.2015)
Commenced drawing three passive lottery draws in a single day (from 01.09.2015)
Held Dealer convention award ceremony for the 1st time named "Mahathma" (December 2015)
- 2016 Achieved Rs.20.0 Billion Sales target
Introduced Doller Fortune Lottery (30.03.2016)
Abolished "Power lotto" lottery and introduced "Mega Power" lottery(11.05.2016)
Introduced Supiri Delakshapathi lottery (27.05.2016)
Started selling lotteries through SMS
Manusath Mehewara lottery has been introduced in order to assist to the flood affected people. (04.08.2016)
Kept foundation stone to construct Head office building at Vauxall lane land (01.12.2016)
National Business Excellence award state sector service – Runner up (Organized by National Chamber of Commerce)
- 2017 Mahajana Sampatha Lottery draw was scheduled for five days a week except Wednesday & Saturday. (From May 2017)
Govisetha Lottery draw was scheduled for five days a week except Friday & Sunday (From June 2017).
Sevana Lottery was launched as a draw lottery with luxury house as the super Prize.
Super Prize of the Govisetha Lottery was increased from Rs. 40Mn to 60Mn from 26th October 2017.
Introduced four draws per day except Sundays from July 2017.
NLB received a merit award for the state sector at the National Business Excellence Awards ceremony 2017. (Organized by National Chamber of Commerce)
NLB received the 2nd Runner up for the best commercial for "Mahajana Sampatha" in Sumathi Tele Awards held in September 2017.

**Current Decade
(2013 – 2022)**

- 2018 Product Mix was changed from 01st January 2018
- Govisetha Lottery draw was scheduled for seven days a week from 5 days a week previously.
- Mega power draw was increased to 3 days from 2 days a week.
- Jathika Sampatha Super prize was increased to Rs.10 million from Rs.5 million from January 2018.
- Neerogha Super prize was increased to Rs.10 million from Rs.5 million from January 2018.
- Dhana Nidhanaya lottery was introduced on 2nd April 2018 and initial draw was held on 25th May 2018.
- Sampath Rekha and Delakshapathy lotteries were stopped.
- NLB shifted to a new building at No.32 , Mudalige Mw Fort from October 2018.
- Colombo Airport Super Draw was held on January 2018.
- 2019 Daru Diri Sampatha Lottery was Introduced to the Market on 14.11.2019. (01st Draw on 30.01.2020)
- Mahajana Sampatha 4000th draw (Rankirula) was held on 06.09.2019.
- 2020 Supiri Vasana Lottery Prizes structure was changed on 11.07.2020 and Super Prize reduced from 10Mn to 2.5Mn and First Prize reduced from 1Mn to 500,000/=.
- Introduced five Draws per day from 08.07.2020.
- Mahajana Sampatha, Mega Power & Dhana Nidhanaya lottery drawn an all 07 days per week.
- Highest ever Super Prize a (Rs.236Mn) was offered from Mega Power Lottery in history and.
- Mahajana Sampatha 50th Anniversary celebration was held on 26.09.2020.
- World wide Corona Pandemic had an adverse effect on lottery industry as well from March 2020 onwards which led to closure of business for over 02 months.

PRODUCT PORTFOLIO



PASSIVE TYPE LOTTERIES

MAHAJANA SAMPATHA

- Description** : Oldest Lottery in the Lottery market. Price of this ticket is Rs.20/.
- Draw Days** : Monday, Tuesday, Wednesday Thursday, Friday, Saturday, 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 was contributed to Consolidated Fund



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 was contributed to Consolidated Fund.



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”. Price of this ticket is Rs.20/=
- Draw Days** : Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday
- Prizes** : A super prize of Rs.60 Mn or more, a first prize of Rs.1 Mn and other attractive prizes.
- Contribution** : 10% of the turnover was contributed to Ministry of Agriculture through Consolidated Fund.



SUPIRI VASANA

- Description** : Supiri Vasana Sampatha lottery was introduced in 1999. Price of this ticket is Rs.20/-.
- Draw Days** : Monday, Saturday
- Prize** : Super Prize was reduced from 10Mn to Rs.2.5Mn and first prize reduced from 01Mn to 500,000/= in July 2020 and other attractive prizes. The Prizes Percentage of Supiri Vasana was increased from 47% to 49% from 11.07.2020.
- Contribution** : 10% of the turnover of the Monday draw was sent to Ranaviru Sava Authority and 10% of the turnover of the Saturday draw was distributed between the Ministry of Sports and Social Service through Consolidated Fund.



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 was sent to Ministry of health and 10% of the turnover of the Saturday draw was sent to the Ministry of Labour through Consolidated Fund.



NEEROGHA

- Description** : This Lottery was introduced in 25th July 2015. Price of this ticket is Rs.20/-.
- Draw Days** : Tuesday, Friday
- 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 was contributed to National Kidney Fund through Consolidated Fund.



MEGA POWER

- Description** : This Lottery was introduced in 11th May 2016. Price of this ticket is Rs. 20/-.
- Draw Days** : Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday
- Prizes** : Three major Prizes as follows and also one million first Prizes and other attractive prizes.
- Mega Super Prize - 50.0 Mn or more
 - Power Super Prize - 10.0 Mn or more
 - Grand Super Prize - 10.0 Mn or more
- Contribution** : 10 % of the turnover was contributed to Consolidated Fund



SEVANA PASSIVE

- Description** : This Lottery was introduced in 27th July 2017 Price of this ticket is Rs.20/-.
- Draw Days** : Sunday, Wednesday
- Prizes** : A super prize Rs. 14 Mn for a Build up a house and first prize of Rs.1 Mn and other attractive prizes.
- Contribution** : 10 % of the turnover was contributed to Sevana Fund through Consolidated Fund



DHANA NIDHANAYA

- Description** : This Lottery was introduced on 2nd April 2018. Price of this ticket is Rs.20/-.
- Draw Days** : Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday.
- Prizes** : A super prize of Rs.80. Mn or more, a first prize of Rs.1 Mn and other attractive prizes
- Contribution** : 10 % of the turnover was contributed to Consolidated Fund



DARU DIRI SAMAPATHA

- Description** : This Lottery was introduced to the Market on 14th November 2019 and First draw was held on 30th January 2020. Price of this ticket is Rs. 20/-.
- Draw Days** : Thursday
- Prizes** : A super prize of Rs.5. Mn or more, a first prize of Rs.1 Mn and other attractive prizes.
- Contribution** : 10 % of the turnover was contributed to National Trust Fund through Consolidated Fund for Protection of children.



DOLLAR FORTUNE

- Description** : This lottery was introduced in 30th March 2016. Every ticket is presently sold at 10 US\$ or its equivalent in any convertible currency. The draw shall be held upon the sale of 30,000 dollar fortune lottery tickets.
- Prize** : 100,000 US Dollars
- Contribution** : Net Surplus to Consolidated Fund



INSTANT LOTTERIES

SEVANA INSTANT

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 and match technology. This lottery was conducted by Sevana, a separate institution and was subsequently amalgamated with NLB in the late 1997's.

Contribution : 10 % of the turnover was contributed to Ministry of Housing through consolidated fund



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 was contributed to Ministry of Samurdhi & Youth Affairs through consolidated fund.

02 EXECUTIVE STATEMENTS



Chairman's Message

“
It is a great pleasure to address you through the Chairman's Review of the Annual Report of the National Lotteries Board for the financial year ending on 31st of December 2020 for the second time as well as in the previous year.
”

It is a great pleasure to address you through the Chairman's Review of the Annual Report of the National Lotteries Board for the financial year ending on 31st of December 2020 for the second time as well as in the previous year.

Back Ground

The recent outbreak of Covid-19 pandemic which has taken entire population of the world by surprise invaded Sri Lanka too in March 2020 and the lives of the people completely ruined and this situation led to a complete closure of the country.

Since the majority of the representation of our target marketing group is low income

ordinary people, adverse impact of the Covid-19 pandemic was felt more strongly in the lottery industry than any other field. Although marketing activities were continued in January and February 2020, we had to stop selling of lottery tickets completely from the third week of March to the third week of May.

District Marketing Representatives, Marketing Representatives and Marketing Assistants of this industry who represent our marketing network with 20,000 people became helpless. Amidst those challenges we commenced our selling process from May 2020 and it was not an easy task to continue operations suppressing various obstacles.

However, despite these serious challenges, it may be considered that we are enough fortunate to mark the year 2020 as a year with great achievements.

Operational Review

No country had a recent experience that the activities of all the fields, including all import and export industries and services had to stop at once and it was also a similar experience to Sri Lanka.

In such a situation, it may be expected that the economy of a country will be in crisis and it is commendable that the National Lotteries Board has fulfilled its responsibilities as an institution

that comes under the purview of the Ministry of Finance has been able to achieve a marketing target of Rs. 18 billion even though we were unable to continue our sales for 2 months in the year 2020. According to the situation, prevailed at the end of 2019 we expected it would be nearly Rs. 17 billion. However, it was a decrease of 18.2% compared with the sales turnover of Rs. 22 billion that achieved in the year 2019. If such a crisis situation did not prevail, we had planned to easily achieve about Rs. 23 billion.

During the year 2020, Rs. 2,205.0 million was contributed to the Consolidated Fund by the National Lotteries Board as the direct contribution from the sales of lottery tickets. In addition, Rs. 1,134.1 has been contributed indirectly as direct taxes, indirect taxes and unclaimed prizes. We were able to make a total contribution of Rs. 3,339.2 million to the government. This will prove that we, as a government institution have fulfilled our responsibility to the country in a catastrophic situation.

Our sales representative network which consists of nearly hundred district sales representatives, nearly 2,900 sales representatives and nearly 20,000 sales assistants constantly have direct contacts with the general public and their effort to turn the recession at the beginning of the year, towards a successful journey during a period when people physically and mentally away from lotteries were the foundation of this success. It was a great strength to disburse Rs. 3,608.0 million as representative commission among them and we are also proud to be able to protect those entrepreneurs without burdening to the country. We distributed an amount of Rs. 42.7 million among our helpless sales representatives (Rs.2500

for each person) and Sales Representative and Sales Assistant Insurance Schemes, Funeral Aid Facilities and Scholarships were further continued for their benefit.

We were able to distribute 48% (nearly one half) of lottery turnover i.e. an amount of Rs. 8,667.5 million among winners during the year under review.

Mega Power lottery offered the highest ever super prize of Rs. 230 million of the history of Sri Lankan lotteries. 33 millionaire super winners including this super prize winner were produced in the year 2020 and we are pleased to recall that an amount of Rs. 1,162.9 million was distributed among them as follows.

One super prize winner was produced by Darudiri Sampatha lottery and the prize was Rs. 5 million and one super prize winner was produced by Sewana lottery and the prize was Rs. 14.0 million. 3 winners were produced by Jathika Sampatha lottery and Rs. 47.7 million was distributed among them. Another 6 super winners were produced by Govisetha lottery and Rs. 456.2 was distributed among them. Rs. 384.7 million was distributed among 10 super prize winners of Mega Power lottery. Super prizes of Rs. 255.1 million were distributed among 12 super winners of Mahajana Sampatha lottery. Overall, we are pleased to recall that we have distributed Rs. 1,162.9 million among above 33 super prize winners.

In addition to these super prize winners, 310 winners won two million rupees each, 368 winners won one million rupees each and 6,850 winners won one hundred thousand rupees each island wide. Further, board granted various special prizes through special draws. 8 luxury vehicles, a land

master, 8 motor scooters and motor bicycles, 2 Three Wheelers, 66 golden coins, 4 mobile phones, 50 computers, 10 vouchers worth Rs. 25,000 each, 15 vouchers worth Rs. 50,000 each, 10 vouchers worth Rs. 100,000 each, 49 mountain bicycles and 100 cash prizes worth Rs. 25,000 each among them. Total value of those prizes were nearly Rs. 53 million and this was in addition to Rs. 8,667.5 million which was paid as a percentage of the lottery income.

It can be said that almost half of the proceeds of lottery income or nearly 50% with the value of those prizes are returned to the public as prizes. If those amounts are directly invested to create small, medium or large scale entrepreneurs, the contribution of the National Lotteries Board towards the sustainable development of the country will be incalculable.

However, our prize giving mechanism was inactivated during this pandemic and therefore we went to their homes and distributed their prizes. This was greatly appreciated by them.

Operational expenditure of the year 2020 was Rs. 1,675.1 million against Rs. 2,342.0 million of the year 2019 and the Board was able to decrease it from 28.4%. Main reasons for this was decrease of marketing and advertising expenses. Marketing and advertising expenses of the year 2020 were Rs. 893.0 million and in 2019 the same was Rs. 1,507.8 million. That was a decrease of 40.7% compared with 2019. This was 4.8% of sales turnover in 2020 and 6.8% in 2019.

The Board was able to reduce administrative expenditure by 4.5% in 2020 compared to 2019. Financial expenses were reduced by Rs. 15 million i.e. 61% in 2020 compared to 2019. The main

reason for this was that the Peoples' Bank who is our main banker decided not to charge commissions for their service counters.

Various strategies were made to increase lottery sales turnover by holding continuous discussions with the management. Among them, dates of lottery draws were changed as follows and it was a great help to increase lottery sales amidst prevailed challenges.

Vasana Sampatha lottery draws, which were held only on Thursdays were held on Mondays also from July and in December it was drawn on Mondays, Thursdays and Sundays too. Supiri Vasana lottery draws, which were held on Mondays and Saturdays were held on Tuesdays and Fridays from December. Neeroga lottery draws, which were held on Sundays, Tuesdays and Thursdays were limited to two days and draws were held on Tuesdays and Fridays. Neeroga lottery draws were held only in two days in November and no draws were held in December. Sevana lottery draws, which were held on Tuesdays and Saturdays were held on Wednesdays and Sundays from July and only one draw was held in December.

Dhana Nidhana lottery draws, which were held on Wednesday, Friday and Sunday were held on Tuesday, Friday and Saturday till October and from November it was drawn on all the seven days. Darudiri Sampatha lottery draws, which were held only on Thursday were temporarily seized from November.

Purchasing of lotteries was continued through Short Message Service (SMS) and the website of the National Lotteries Board to increase the selling of lotteries amidst the Covid-19 pandemic and selling of lotteries was increased

considerably through these methods than previous methods. As such, 7 special lottery draws were held in last months of the year.

Although the selling turnover was decreased through these strategies the Board was able to earn a profit after -tax of Rs. 1,083.1 million and the year 2020 was considered as the year in which the highest ever amount of profit after -tax was earned during this decade.

We took actions to hold number of motivation programmes in order to fulfill our duties in social, economic, cultural etc fields as a government institute. 5 meetings of sales representatives were held in Anuradhapura, Batticaloa, Trincomalee, Matale and Colombo districts following health care measures.

50th Anniversary of Mahajana Sampatha lottery, which is considered as the pioneer of lotteries was held in grand scale. A special lottery named Mahajana Sampatha Janabhisheka was introduced to the market in commemoration of this Golden Jubilee and it was lively drawn in Debarawewa Ground, Tissamaharamaya with a musical show. A series of street concert was held in the Southern Province for about two weeks and an instant lottery too was launched. We organized this show as a Drive in Concert following health guidelines amidst Covid-19 pandemic.

Prize structure of Supiri Vasana Lottery was changed and the first draw was held in Mawathagama Ground, Kurunegala with a live musical show. (Drive in concert)

Although the people expected to celebrate Sinhala and Hindu new year 2020 in a grand scale, no one can celebrate it as the

whole country was locked down. People were in a mentally broken down condition and the National Lotteries Board held a number of programmes to overcome that situation somewhat. National Lotteries Board sponsored "Geadra Indan Awurudu" programme on Independent Television Network on 14 April from 6.00 am.

As such, the musical show named "Yali Negitimu Sri Lanka" was sponsored together with Sri Lanka Rupawahini corporation. Further, in an effort to help the needy artists during this epidemic, we joined with music bands on Independent Television Network to sponsor a musical programme to support artists and to improve the mental situation of the people. Further, detailed information on operations and outcomes have been provide through the production stream and finance and operational review.

Future Expectations

Major expectation was to achieve Rs. 23 billion of sales turnover in the year 2021 while facing the challenges of Covid-19 epidemic and we expect to change sales mix, change the dates of lottery draws strategically, introduce new lotteries, strengthen the network of sales representatives, further improve sales methods and make necessary changes in systems and control measures in the year 2021.

Acknowledgement

I would like to express my sincere gratitude to the Hon. Prime Minister and Minister of Finance Mr. Mahinda Rajapaksa and the State Minister of Money & Capital Market and State Enterprise Reforms Mr. Ajith Nivard Cabraal for their timely guidance during the epidemic situation within the country. I especially thank the staff of our line ministry, the Ministry of Finance including the Secretary and other officials

while acknowledging the support extended by external parties such as Suppliers, Lottery Printing Companies, Advertising Agencies, People's Bank, Bank of Ceylon and Sampath Bank to make this operation a success. I also wish to express my thanks to the Auditor General and the staff as well as the Government officials of the Audit Division for their guidance throughout the auditing process.

Similarly, this success would not have been possible without the commitment of the entire sales network including the district sales agents, sales agents and the sales assistants who continued to sell lotteries at this critical juncture to ensure their livelihood despite the risks to their lives. I would like to thank them on behalf of the entire organization.

In keeping with the health rules and regulations, the number of employees had to be restricted throughout the year. The contribution made by the top management and all the staff towards the advancement of the company despite the risk to their lives is truly astounding. Without such commitment, the year of 2020 would not have been such a success. Therefore, I wish to thank the top and middle management and all the members of the staff for their dedication and perseverance.

I would also like to thank all the customers who purchased our tickets with the utmost confidence in the National Lotteries Board although we were not able to carry out our operations as usual and invite them all to continue to strengthen that commitment and bond in the future as well.

In addition to the challenges faced by the lottery industry in general, it will be challenging to continue marketing in the coming year as the corona pandemic continues to spread across the country. I sincerely hope that the support and confidence we have received from all of the aforementioned parties will continue in order to meet such challenges in the future with success.



Lalith Piyum Perera,
Attorney-at-Law,
Chairman,
National Lotteries Board,
Colombo.
19.03.2021.



Performance Report of Chief Financial Officer

The overall performance of the Board saw a decline in 2020 compared to 2019 due to the covid 19 pandemic which hit the world economies very heavily. As a result NLB did not have lottery draws from 20 March to 18 May 2020 completely in addition to few other isolated days. Moreover, on some days number of lottery draws had to be reduced to one or two draws. However NLB was able to bounce back towards the latter part of 2020 despite the pandemic adopting health guidelines associated with counter strategies.

The turnover in 2020 was Rs. 18,041.1 million compared to Rs. 22,079.2 million recorded in 2019 which showed a decrease of 18.2 percent. This indicated a decrease of Rs. 4,038.1 million.

Of the passive type lotteries, four lotteries contributed over Rs.1 billion in 2020. High contributions came from Mahajana Sampatha lottery recording a sales income of Rs. 5,760.1 million and Govisetha lottery recording Rs.5,290.6 million. While Mega Power recorded an income of Rs. 3,182.5 million, Dhana Nidhanaya contributed Rs. 1,122.0 million towards sales revenue. Out of scratch lotteries, sevana lottery sales in 2020 was Rs. 157.5 million.

The number of super prize winners produced in year 2020 was 33 compared to 43 in the previous year. The Board's direct contribution to the Government as special levy was Rs.2,205 million on sales in 2020 as against Rs. 2,637.9 million in 2019 which showed a reduction of Rs.432.9 million. This was mainly due to cancellation of lottery draws due to covid 19 pandemic for a period around two months. The total contribution to the Government along with taxes in the current year stood at Rs.2,986.9 million, which was 16.5 percent on sales.

The Board paid a sum of Rs.3,607.9 million as agency commission in year 2020 compared to Rs. 4,278.9 million in 2019. The reduction here was also keeping in line with the sales drop due to covid 19 pandemic. The Board's prize allocation in 2020 was Rs.8,667.5 million as against Rs.10,607.7 million in year 2019.

The Board's other income which is mainly derived from investment of surplus funds in Government banks was Rs. 422.9 million in 2020 as against Rs.1,070.5 million which included Rs.518 million owing to income tax recovery on consolidated fund payment in 2019. However, it showed a decrease due to falling interest rates in 2020.

The Board's operating expenses were Rs. 1,675.1 million in 2020 which was 9.2 percent on sales compared to Rs.2,342 million in the previous year which was 10.6 percent on sales figure in 2019. This showed an appreciable reduction as a percentage of sales.

The net surplus before tax for year 2020 was Rs.1,434.8 million, 7.9 percent on sales as against Rs.1841.1 million reported in 2019 which was 8.3 percent on sales. The Board's bottom line in 2020 showed a net surplus after tax of Rs. 1,083.1 million in comparison to Rs. 978.5 million in the previous year. This was hitherto the highest surplus recorded over the years.

Dr. Harsha Bandara,
Chief Financial Officer,
National Lotteries Board,
Colombo.
19.03.2021.



REPORT OF THE AUDIT & MANAGEMENT COMMITTEE

The main objective of the Audit committee is to assist the Board in fulfilling their oversight responsibilities regarding the integrity of Board's financial statements, risk managements and internal control, compliance with legal and regulatory requirements and provide suitable instructions to the management.

The Audit committee of National Lotteries Board comprises of the following members, who conduct committee preceding in accordance with the terms of reference approved by the relevant authorities.

1. Mr.H.C.D.L.Silva – Chairman (Non Executive Director)
2. Mr.K.P.Liyanage – Member (Director)

3. Mr.D.D.Jayasiri – Member (Director)
4. Mrs.Thanuja Sammani – Internal Auditor

Observers

1. Representative of Auditor General's Department
2. Mrs.S.Balasuriya – Secretary (DGM – Legal/Secretary to the Board)

Relevant Officers of NLB Management were called to the Audit and Management committee meetings for investigations & further clarifications when & where necessary.

Duties and Responsibilities

1. Review the financial reporting and disclosure process of NLB in order to monitor the integrity of the financial statements, Annual reports, Corporate Plan, Action Plan.
2. Assessing the independence and monitoring the performance of Internal Audit functions.
3. Overseeing performance & independence of the External Auditors.
4. Monitoring the internal control process.
5. Oversight of rules, regulatory compliance and ethics.
6. Discussing risk management policies and practices with management.

Terms of Reference of Audit Committee

Terms of reference of Audit Committee is reviewed annually by considering the relevant rules and regulations and recommended good governance practices.

During the year 2020, there are five (5) Audit and management committee meetings were held and it has closely monitored the operational issues & matters highlighted in both Auditor General's quarries & internal audit reports of NLB.

H.C.D.L.Silva
Chairman,
Audit and Management
Committee,
National lotteries Board.
Colombo.
19.03.2021

03 FINANCIAL STATEMENTS AND INFORMATION

Auditor General's Report



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Chairman

National Lotteries Board

Financial statements of the National Lotteries Board for the year ending on 31st December 2020 and the Auditor General's Report in terms of section 12 of the National Audit Act no. 19 of 2018 on other legal and regulatory requirements

1. Financial Statements

1.1 Qualified Opinion

The audit of the Statement of Financial Position of the National Lotteries Board as at 31st December 2020 and Comprehensive Statement of Income for the year ending on the same day, Statement of Changes of Titles and Statement of Cash Flow and relevant notes of financial statements for the year ending on the same day and a summary of significant accounting policies was carried out under my direction and in terms of the provisions of the Finance Act No. 38 of 1971 and the National Audit Act no. 19 of 2018 read with the Article 154(9) of the Constitution of the Democratic Socialist Republic of Sri Lanka. In terms of Article 154(6) of the Constitution, my report will be tabled in Parliament in due course.

In my opinion, except for the matters described in the basis for the qualified opinion in my report, the financial statements give a true and fair view of the financial position of the National Lotteries Board as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.



1.2 Basis for the Qualified Opinion

1.2.1 Accounting Deficiencies

- (a) Even though Rs. 261,676,181 which was the balance amount, allocated for prizes for draws of the year under review should be debited to the retained profit and prizes should be credited to the reserve fund, it was accounted as an expenditure of the year and therefore profit of the said year had been marked below the value and the said value had been adjusted with the profit before tax.
- (b) A sum of Rs. 11,429,657 remaining recoverable as penalties for the 701,206 Lottery Tickets which were not presented to the Board physically by the Lottery Agents during the year under review, had been omitted from the accounts.
- (c) An account named Cancelled Cheques was in the Financial Statements of the board and the balance of the said account was Rs. 12,996,213 as at the last date of the year under review. Payments, made under 235 cheques to various suppliers and creditors from the year 2018 were included in the said balance and steps had not been taken to remove said balance from the cancelled cheques account and add to the balance of creditors. Further, necessary steps had not been taken to settle the said balances.
- (d) Payments had not been made for lottery tickets which were invoiced to one lottery agent and false details had been entered to the computer that an amount of Rs. 4,687,855 was deposited from September 2020 to December 2020 and lottery tickets had been purchased from the board fraudulently. Such defrauded amount had been entered in unrealized deposits and nothing had been revealed in financial statements in that regard.

1.2.2 Sri Lanka Accounting Standards

Following non-compliances were observed.

Sri Lanka Accounting Standards No. 16

As per the paragraph 06, property, plant and equipment are described as tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and are expected to be used during more than one period. However, in contrary to the said paragraph, the board had accounted computer software of RS. 21,954,215 under property, plant and equipment instead of accounting under intangible assets.

I performed the audit consistent with the Sri Lanka Accounting Standards. My responsibility under these accounting standards has been further described in the part called Responsibility of the Auditor regarding the Auditing of Financial Statements. I believe that auditing evidences I have obtained to create a basis for my qualified opinion are adequate and appropriate.

1.3 Other Details of the Annual Report of the Board of 2020

Other details means the details that are expected to be submitted me after the date of this Audit Report and included in the Annual Report of the Board of 2020 but not included in financial statements and my Audit Report in that regard. The management shall take the responsibility on these other details.

Other details are not covered by my opinion on financial statements and I do not express any certification or opinion in that regard.

My responsibility regarding my audit on financial statements is to read on when other details identified above becomes available and consider whether other details are materially inconsistent with my knowledge of financial statements or audit or otherwise obtained.

If I concluded that material misstatements are available in the Annual Report of the Board of 2020, then such details shall be communicated to parties by whom control rectifications. If unrectified misstatements are available, in terms of Article 154(6) of the Constitution, I will incorporate them to the report that is tabled in Parliament in due course.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

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



1.5 Auditor's responsibility regarding the audit of financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The significant audit findings, key internal administrative defects and other matters identified during my audit were communicated to the governing parties.



2. Report on other legal and regulatory requirements

- 2.1 Specific provisions for following requirements are included in the National Audit Act No. 19 of 2018.
- 2.1.1 I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the board as per the requirements of section 12(a) of the National Audit Act No. 19 of 2018.
- 2.1.2 The financial statements of the board comply with the previous year as per the requirement, mentioned in the Section 6 (1) (d) (iii) of the National Audit Act. No. 19 of 2018.
- 2.1.3 The financial statements presented included all the recommendations made by me in the previous year made on the observations mentioned in the paragraph 1.2.1 (a) of this report as per the requirement, mentioned in the Section 6 (1) (d) (iv) of the National Audit Act. No. 19 of 2018.
- 2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention.
- 2.2.1. To state that any member of the governing body of the board has any direct or indirect interest in any contract entered into by the board which are out of the normal course of the business as per the requirement of Section 12 (D) of the National Audit Act. No 19 of 2018.
- 2.2.2. To state that the board has not complied with any applicable written law, general and special directions issued by the governing body of the board as per the requirement of Section 12(f) of the National Audit Act, No. 19 of 2018.

Reference to Laws, Rules/ Directives

Description

- | | |
|--|--|
| (a) Section 10(5) of the Finance Act No. 38 of 1971 and Section 17(2) of the Finance Act No. 11 of 1963 as amended by the Finance Act (Amendment) No, 35 of 1997 | Even though the balance remaining after the deduction of the expenditure from the income of the Lotteries should be credited to the Consolidated Fund, a sum of Rs. 2,486,581,711 relating to the year under review have been retained even as at 31st December 2020 without being credited to the Consolidated Fund |
| (b) Sections 14(2), 16(1), and 16(4) of the Finance Act No.11 of 1963 as amended by the Finance Act (Amendment) No. 35 of 1997 | Even though the Board should entered into agreements for other Ministries, Departments and Authorities to conduct lotteries ,agreements had not been entered into with the relevant institutions in connection with the GoviSetha, SupiriWasanaSampatha, JathikaSampatha, Neeroga and Sevana Lotteries. |



- (c) Paragraphs 15(2) and (3) of the Public Finance Circular No. 01/2020 dated 28th August 2020

Further, in terms of the provisions of the Act, value of all the prizes older than 06 months should be transferred to the Consolidated Fund, actions had not been taken in terms of the provisions of the Act to transfer non-cash prizes of Rs. 7,018,415 pertaining to lottery draws from 01st July 2019 to 30th June 2020 and also a proper approval had not been obtained from the General Treasury in this regard.

Board had commenced AsaranaSarana Fund by crediting 0.005 percent of the income of income of Neeroga lottery and contributions of lottery prize winners. A balance of Rs. 22,484,736 was remained at the end of the year under review and a proper approval had not been obtained from the General Treasury to conduct such a special fund. Accordingly, a sum which had to be credited to the Consolidated Fund had been illegally retained with the board.

- (d) Letter of the Deputy Secretary to the Treasury dated 21st January 1993

Even though 16.5 percent of the income of all the lotteries, drawn on behalf of the government should be remitted to the Consolidated Fund, only 10 percent from Mega Power and DhanaNidhana, that is less than the prescribed percentage had been remitted to the Consolidated Fund and therefore an amount of further Rs. 258, 274,111 had not been remitted to the Treasury.

- 2.2.3 To state that the resources of the board had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12(h) of the National Audit Act, No. 19 of 2018.

3. Other Audit Observations

-
- (a) Even though the number of registered sales agents is 114 as at 31st December 2020, it was observed that only 43 of them had obtained bank guarantees.
- (b) Since the computer software called Sage ACCPAC , introduced in 2003 to conduct the accounting activities of the board had been decentralized in 2016, services that can be obtained by that software had been limited. Reliability on the transactions through the previous centralized system of the board too were questionable



due to this decentralized system and the company by which this software was introduced too had rejected to take the responsibility of risks caused due to such changes made time to time. Further, even though the board had incurred an amount of Rs. 13,931,289 for the maintenance of software, no computer protection system had been maintained for this software. At the date of the audit, Sage ACCPAC software had been interrupted and functioning of the accounting system of the board too was in a risk.

- (c) Even though a temporary building could be constructed on the land of the board in Vauxhall Street to store unsold lottery tickets, removed from draws of the National Lotteries Board, a storage space of 3,136 square feet of Building Materials Corporation had been taken on rental basis by the board from the year 2015. Later such space had been increased up to 6, 217 square feet and an amount of Rs. 12,572,495 had been paid.
- (d) An amount of Rs. 97,429, 500 (8,119,125x12) which was 12 times of the monthly rental of the building which had been obtained on rental basis by the board for the Head Office had been paid to the owner of the building as an initial deposit. As per the agreement, 35 percent of the said initial deposit should be set off to the monthly rental during the year after the first year. Accordingly, an amount of Rs. 63,329,175 was saved with the owner of the building and the said amount should be paid by the building owner to the board within 30 days from the building was handed over. In addition to these deposits, in terms of the paragraph 8(b) of the agreement, an amount of Rs. 24,357,375 for unpaid building rental, telephone, water and electricity charges which was equivalent to a rental of 3 months had been paid as a security deposit to the owner of the building.
- (e) Approval of the Cabinet of Ministers had not yet been received to construct business premise on the land of the board which was situated in Vauxhall Street and an amount of Rs. 27, 003,862 had been incurred by the board for consultancy services as working progress of the construction of the said building from the year 2016.
- (f) It was observed that 06 vehicles including motor cars, bicycles and 05 other non-cash prizes of Rs. 8,764,996 had not been utilized for the purposes and kept in the store for a period of 04 to 05 months and also the warranty period of some of the prizes had been expired.
- (g) Unidentified credit balance of Rs. 3,585,823 that came from before the year 2016, an amount of Rs. 4,979,245 which had to be paid for 04 creditors, an amount of Rs. 169,311 which had to be paid for 14 persons of the staff were stated in the financial statements and actions had not been taken to settle it.
- (h) Total value of the debtors of the board as at the end of the year under review was Rs. 137,704,393 and bank guarantees of 22 percent or Rs. 29,771,317 out of that amount had been obtained from debtors.
- (i) Value of debtors of sales representatives who were given instant lottery tickets and exceeded 365 days as at 31st December 2020 was Rs. 50,744,968 and the value of debtors with bank guarantees was nearly Rs. 750,000. The attention of the board had not been drawn to recover the said due amount from aforesaid debtors whose indebtedness had been exceeded one year or even to convert those bank guarantees into cash.
- (j) Balance amount, due from 764 Sales Representatives for lottery sales booths was Rs. 5,612,225 as at 31st December 2020. Out of that amount, balance amount, relevant for more than 05 years was Rs. 2,454,363.



- (k) Even though Rs. 550 mn of Building Construction Reserve Fund which had been started for the construction of the Head Office of the National Lotteries Board on the land of the board at Vauxhall Street had been remitted to the Treasury, that amount had been included in the financial statements as an amount which was due from the General Treasury to the Building Reserve Fund at the end of the year under review. Nevertheless, no such balance had been included as an amount payable to the National Lotteries Board in the financial statements of the government for the year ending on 31st December 2020.
- (l) Even though legal actions had been taken for the loan amount of Rs. 7,169,678 which was recoverable from 05 debtors, it was observed that it was uncertain to recover loans through legal actions due to incompleteness of records, kept for transactions with sales representatives.
- (m) Even though the Committee on Public Enterprises had directed to recover the gratuity of Rs. 7,392,287 to the board which was overpaid in previous years, no actions had been taken to recover the said amount or state the said amount as a recoverable amount in financial statements. The board had only informed relevant retirees officers in written to reimburse the said overpaid gratuity to the board.

W.P.C. Wickramaratne
Auditor General

Statement of Income

For the year ended 31st December

	Note	2020 Rs.	Restated 2019 Rs.
Gross Turnover - VAT Inclusive	3	18,041,145,000	22,079,260,575
Less : Indirect taxes			
VAT		430,383,218	911,198,767
Net Turnover		17,610,761,782	21,168,061,808
Less: Cost of Sales	4	14,923,669,223	18,055,352,825
Gross Profit		2,687,092,559	3,112,708,983
Add : Other Income	5	422,918,093	1,070,594,943
		3,110,010,652	4,183,303,926
Less : Expenses			
Sales, Marketing & Distribution Expenses	6	893,002,443	1,507,874,723
Administrative Expenses	7	772,500,258	809,263,882
Finance Expenses	8	9,683,721	25,053,822
Profit Before Tax		1,434,824,231	1,841,111,500
Less Income Tax Expenses	9	351,648,231	862,526,227
Profit/ (Loss) for the year		1,083,176,001	978,585,272

Statement of Comprehensive Income

For the year ended 31st December

	2020 Rs.	Restated 2019 Rs.
Profit (Loss) for the year	1,083,176,001	978,585,272
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax)		
Less : Actuarial Gains /(Losses) on defined benefit plans	(7,342,944)	(4,217,608)
Add : Deferred Tax attributable to remeasurment of Retirement benefit obligations	1,762,307	1,180,930
Total Comprehensive Income for the Year Net of Tax	1,077,595,363	975,548,594

Statement of Financial Position

As at 31st December


	Note	2020 Rs.	Restated 2019 Rs.
Assets			
Non Current Assets			
Property, Plant & Equipment	10	576,449,609	616,679,884
Building - Work-in Progress - Head Office Building		27,003,862	26,997,762
Investment in shares Sri Lanka Savings Bank		-	5,336,575
Investment Property	11	26,186,048	27,372,295
Intangible Assets	12	198,125	886,822
Staff Loans	13	116,961,086	122,123,417
Total Non Current Assets		746,798,730	799,396,755
Current Assets			
Inventories	14	65,402,277	66,132,868
Trade Receivables	15	120,484,443	250,319,414
Other Current Assets	16	712,389,003	1,057,295,368
Deferred Tax (Asset) Liabilities	17	8,951,500	3,983,844
Cash & Cash Equivalents	18	7,046,214,265	5,860,049,121
Total Current Assets		7,953,441,489	7,237,780,614
Total Assets		8,700,240,218	8,037,177,369
Equity & Liabilities			
Equity Attributable to Owners of the parent			
Retained Earnings	19	2,486,581,711	1,456,474,040
Other Components of Equity	20	3,476,452,117	3,223,725,936
Total Equity		5,963,033,828	4,680,199,976
Non Current Liabilities			
Retirement Benefit Obligation	21	76,033,198	61,842,602
Total Non current Liabilities		76,033,198	61,842,602
Current Liabilities			
Trade & Other Payables	22	2,632,332,792	2,865,731,783
Current Tax Payables	23	28,840,400	429,403,008
Total Current Liabilities		2,661,173,191	3,295,134,791
Total Liabilities		2,737,206,389	3,356,977,393
Total Equity & Liabilities		8,700,240,218	8,037,177,369

These Financial Statements give a true and fair view of the state of affairs of National Lotteries Board as at 31st December 2020 & its Profit/(Loss) for the year ended 31st December 2020


Dr. Harsha Bandara
Chief Financial Officer


Kapila Senanayake
A.G.M.- Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the board by,


Lalith Piyum Perera - Chairman
Colombo (19.03.2021)


R.D.A. Dayanath Jayarathna - Director

Statement of Cash Flow

For the year ended 31st December

	2020 Rs.	Restated 2019 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	1,434,824,231	1,841,111,500
Adjustments For		
Depreciation & Amotization	48,956,524	80,283,584
Difined Benefit Plan cost	12,393,730	10,599,816
Profit / (Loss) on Disposal of Property, Plant & Equipments	-	(6,971,045)
Prizse Reseve	261,676,181	233,574,416
Exchange Gains /(Losses)	(3,022,112)	476,484
Previous year adjustment for retained Earnings	(2,175,491)	-
Income from Circuit Bunglows & Hiring Board Vehicles	(914,809)	(1,511,285)
Interest Income	(353,365,849)	(471,187,921)
Operating Profit before Working Capital changes	1,398,372,406	1,686,375,550
Changes in Working Capital		
(Increase)/Decrease in Inventories	730,591	10,705,472
(Increase)/Decrease in Trade Receivables	129,834,971	(54,286,862)
(Increase)/Decrease in Other Current Assets	307,486,059	(287,248,623)
Increase/(Decrease) in VAT & NBT Payables	22,341,821	(40,115,132)
Increase/(Decrease) in Prizes Obligations	(299,059,550)	224,533,482
Increase/(Decrease) in Government Contribution(Special Levy) Payables	12,248,415	(3,812,542)
Increase/(Decrease) in Trade & Other Payables	53,433,659	14,435,364
	1,625,388,372	1,550,586,709
Income Tax Payment	(777,758,009)	(1,120,151,660)
Difine Benefit Plan Cost Paid	(5,546,078)	(5,006,071)
NET CASH FLOW FROM OPERATING ACTIVITIES	842,084,285	425,428,978
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to P.P.E, Investment Property, Intangible Assets & Wor-in Progress	(7,543,547)	(18,030,785)
Proceeds from Disposal of Property, Plant & Equipment	440,439	6,995,650
Income from Circuit Bunglows & Board Vehicles	1,037,690	1,375,440
Staff Loans Granted	(14,951,175)	(33,698,218)
Staff Loans Recovered	16,491,185	23,636,366
Interest Received	394,485,595	453,320,660
NET CASH FLOW FROM INVESTING ACTIVITIES	389,960,188	433,599,114

For the year ended 31st December

	2020 Rs.	Restated 2019 Rs.
CASH FLOW FROM FINANCING ACTIVITIES		
Transferred to Special Levey to General Treasury by SITST Fund	(21,526,641)	-
Transferred to Special Levey to General Treasury by CASD/NAL	(32,735,561)	-
Written off Investment of Sri Lanka Savings Bank	5,336,575	-
Building Rent Surcharge Long Term Liability Settlement - SL Ports Authority	-	(5,486,849)
NET CASH FLOW FROM FINANCE ACTIVITIES	(48,925,627)	(5,486,849)
Net Increase/(Decrease) in Cash & Cash Equivalent	1,183,118,846	853,541,243
Cash & Cash Equivalent at the beginning of the Year (Note)	5,863,095,419	5,006,507,878
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	7,046,214,265	5,860,049,121
Note to the Cash Flow Statement		
CASH & CASH EQUIVALENT		
	2020	2019
Short Term Investments	6,618,030,230	5,319,125,587
Cash in Hand & Bank Balances	428,184,036	540,923,534
NET CASH & CASH EQUIVALENT AT THE END OF THE YEAR	7,046,214,265	5,860,049,121
Note : Cash & Cash Equivalent at the beginning of the Year	5,860,049,121	5,006,918,994
Add : Exchange Gains/ (Losses)	3,022,112	(411,116)
Add : Prior year Adjustment for exchange Gains/(Losses)	24,186	-
Cash & Cash Equivalent at the beginning of the Year	5,863,095,419	5,006,507,878

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.	Restated Total Rs.
Balance as at 01/01/2019	21,263,101	321,118,964	730,000,000	1,917,769,456	479,742,218	3,469,893,739
Net Change in Prizes Reserves	-	-	-	233,574,416	-	233,574,416
Adjustment T-Shirt/ Gift Vouchers-2018	-	-	-	-	1,099,590	1,099,590
Depreciation Adj. for Building 'A'pura Regional Office- 2018	-	-	-	-	(3,967)	(3,967)
Adjustment for Accrued Expenses 2018	-	-	-	-	(3,912,396)	(3,912,396)
Adjustment for Sales Booths Recoveries - Normal & Special 2018	-	-	-	-	4,000,000	4,000,000
Actuarial Gains/ (Losses) on defined benefit plans	-	-	-	-	(4,217,608)	(4,217,608)
Deferred Tax attributable to remeasurement of retirement benefit obligation (Previous year)	-	-	-	-	1,180,930	1,180,930
Profit / (Loss) for the Year 2019	-	-	-	-	978,585,273	978,585,273
Balance as at 31/12/2019	21,263,101	321,118,964	730,000,000	2,151,343,872	1,456,474,040	4,680,199,977
Net Change in Prizes Reserves	-	-	-	261,676,181	-	261,676,181
Adjustment against Revaluation Gain on Disposal of P. P. & E.	-	(8,950,000)	-	-	-	(8,950,000)
SITST Fund Transferred to Special Levy to General Treasury	-	-	-	-	(21,526,641)	(21,526,641)
Transfer to Special Levy to General Trasury by CASD/NAL	-	-	-	-	(32,735,561)	(32,735,561)
Adjustment for the year 2019	-	-	-	-	(2,175,491)	(2,175,491)
Adjustment / Reversal for Exchange Gains/(Losses)	-	-	-	-	8,950,000	8,950,000
Actuarial Gains/ (Losses) on defined benefit plans	-	-	-	-	(7,342,944)	(7,342,944)
Actuarial Gains/ (Losses) on defined benefit plans	-	-	-	-	1,762,307	1,762,307
Deferred Tax attributable to remeasurement of retirement benefit obligation (Previous year)	-	-	-	-	-	-
Profit / (Loss) for the Year 2020	-	-	-	-	1,083,176,001	1,083,176,001
Balance as at 31/12/2020	21,263,101	312,168,964	730,000,000	2,413,020,052	2,486,581,710	5,963,033,828

Notes to the Financial Statements

Significant Accounting Policies and Notes to The Financial Statements

Notes No 01

CORPORATE INFORMATION

01.1 REPORTING ENTITY

National Lotteries Board 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 and Finance (amendment) Act, No.22 of 1998.

It is a Semi-governmental Institution under the purview of the Ministry of Finance. The Registered Office and the principal place of business of the Board are located at No.32, Deshamanya N. W. J. Mudalige Mawatha, and Colombo 01.

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS.

The main purpose of establishing National Lotteries Board was to conduct national lotteries to raise funds for the Government.

1.3 FINANCIAL PERIOD.

The financial period of the Board represents a twelve month period from 01st January 2020 to 31st December 2020.

1.4 RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Board in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka. The responsibility of the Directors in relation to the Financial Statements is set out in "the Statement of Director's Responsibility" as set out in the Director's Report.

These financial statements include the following components:

- A statement of comprehensive income providing the information on the financial performance for the year under review.
- A statement of financial position providing the information on the financial position of the Board as at the year-end.
- A statement of changes in equity depicting all changes in funds during the year under review of the Board.
- A statement of cash flows providing the information to the users, on the ability of the Board to generate cash and cash equivalents and the needs to utilize those cash flows and
- Notes to the financial statements comprising accounting policies and other explanatory information.

Notes No 02

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 GENERAL ACCOUNTING POLICIES

2.1.1 Basis of Preparation.

These financial statements presented in Sri Lankan Rupees have been prepared on an accrual basis under the historical cost basis and on fair value basis where applicable in accordance with Sri Lanka Accounting Standards (SLFRS & LKAS) laid down by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements for the year ended 31st December 2020 were authorized for issue by the Board of Directors on 19th March 2021.

2.1.2 Statement of Compliance.

The Statement of Financial Position, Statement of Comprehensive Income, Changes in Equity and Cash Flows, together with Accounting Policies and Notes "Financial Statements" of the Board as at 31st December 2020 and for the year then ended have been prepared in compliance with the Sri Lanka Accounting Standards (LKAS & SLFRS) issued by the Institute of Chartered Accountants of Sri Lanka and the requirement of the Finance Act No. 11 of 1963 and the Finance Act, No. 38 of 1971.

2.1.3 Going Concern.

The Directors have made an assessment of the Board's ability to continue as a going concern and they do not intend either to liquidate or to cease trading. The Management is satisfied that they have the resources to continue in business for a foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Board's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.1.4 Comparative Information.

The accounting policies have been consistently applied by the Board and are consistent with those of the previous year. The previous year's figures and phrases have been rearranged, reclassified wherever necessary to conform to the current year's presentation. The Accounting Policies have been consistently applied by the Board with those of the previous financial year in accordance with LKAS 01 - Presentation of Financial Statements.

2.1.5 Foreign Currency Transaction.

All foreign exchange transactions are converted to Sri Lanka Rupees, which is the reporting currency, at the rate of exchange (spot exchange rate) prevailing at the time the transactions were affected. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupee equivalents using yearend spot foreign exchange rates, the resulting gains or losses are accounted in the Statement of Income.

2.1.6 Basis of Measurement.

The Financial Statements have been prepared in accordance with the historical cost conversion, except for the following material items in the Statement of Financial Position,

- Financial instruments at fair value through profit or loss are measured at fair value

- Liability for defined benefit obligations is recognized as the present value of the defined benefit obligation plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses.
- Financial assets available-for-sales are measured at fair value

No adjustments being made for inflationary factors affecting the Financial Statements.

2.1.7 Functional and Presentation Currency.

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Board operates (the functional currency). These Financial Statements are presented in Sri Lankan Rupees, the Board's functional and presentation currency. There was no change in the Board's presentation and functional currency during the year under review.

All the financial information presented in Rupees has been rounded to the nearest Rupees unless stated otherwise.

2.1.8 Materiality and Aggregation.

Each material class of similar items is presented cumulatively in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard-LKAS 01 on 'Presentation of Financial Statements'.

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

2.1.9 Significant Accounting Judgments, Estimates and Assumptions

a) Judgments.

In the process of applying the Accounting Policies, Management has made the following judgments, apart from those involving estimations, which has most significant effect on the amounts recognized in the financial statements.

b) Estimates and Assumptions.

The preparation of the Board's financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. The key assumptions concerning the future and other key sources of estimation uncertainty at the date of financial position, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, have been considered.

2.2 ASSETS

Assets & Bases of other Valuations

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements unless otherwise indicated.

2.2.1. Property, Plant & Equipment

Basis of Recognition

Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Board and cost of the asset can be reliably measured.

Basis of Measurement

a) Cost.

Property, Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of Plant and Equipment are required to be replaced at intervals, the Board derecognises the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Comprehensive Income as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

b) Revaluation.

Assets are measured at fair value less accumulated depreciation on the assets and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recognised in Other Comprehensive Income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Other Comprehensive Income, in which case the increase is recognised in the Other Comprehensive Income. A revaluation deficit is recognised in the Other Comprehensive Income, except to the extent that it offsets an existing surplus on the same assets recognised in the assets revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

All items of Property, Plant and Equipment are initially recorded at cost. Where items of Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued wherever feasible.

NLB's motor vehicles, computers & accessories, office equipments, furniture & fittings are subsequently carried at fair value, based on periodic valuations by the Government Valuer for Department of Valuation. Valuation completed in 2015. Next revaluation will be conducted in 2021.

c) Depreciation.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

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 lives of such assets.

Assets held under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Board will obtain ownership by the end of the lease term.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized. The assets residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted only if required.

The principal annual rates used for this purpose, which are consistent with that of the preceding years, are,

	Per annum %
Freehold Buildings	05
Draw Barrels, Lottery Equipment	20
Motor Vehicles	25
Furniture and Fittings	10
Computers	25
Air Conditioners, General & Office Equipment	20
Promotional Equipment	33.33

d) Subsequent Cost.

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item. If it is probable that the future economic benefits embodied within the part will flow to the Board and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognized in accordance with the de-recognition policy given below. The costs of the day-to-day servicing of Property, Plant & Equipment are recognized in the Statement of Comprehensive Income as incurred.

e) De-recognition.

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

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively to the financial statements, to increase the relevance and reliability of information provided in financial statements for decision makers if appropriate.

f) Restoration Costs.

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

2.2.2 Capital Work in Progress.

Capital work in progress is transferred to the respective asset accounts at the time of the first utilization of the asset. The cost of capital work-in-progress is the cost of purchase or construction together with any related expenses thereon.

Expenditure incurred on capital work-in-progress for permanent nature or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Capital work-in-progress is transferred to the respective asset accounts at the time of first utilization or at the time the asset is commissioned.

2.2.3 Intangible Assets.

Computer Software

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental or for administrative purpose.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets have been amortized at the rate of 25% per annum. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets.

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the assets will flow to the entity and the cost of the assets can be measured reliably in accordance with LKAS 38 - 'Intangible Assets'.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

2.2.4 Leased Assets.

Leasing

Assets acquired by way of a lease are measured at an amount equal to the lower of their fair value or the present value of minimum lease payments at the inception less accumulated depreciation and accumulated impairment losses.

The corresponding principal amount payable to the lessor is shown as a liability. The finance charges allocated to future periods are separately disclosed in the notes.

The interest element of the rental obligation applicable to each financial year is charged to the statement of comprehensive income over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The cost of improvements to or on leased property is capitalized, and depreciated over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Any excess of sales proceeds over the carrying amount of assets in respect of a sale and leaseback transaction is deferred and amortized over the lease term.

2.2.4.1 Investment property.

Lease assets of Board include Anuradhapura Circuit Bungalow & Manner Circuit Bungalow.

a) Basis of Recognition.

Investment Property is Property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

b) Basis of Measurement.

Investment Property is recognized when and only when it is probable that the future economic benefits associated with the item will flow to the group and the cost of the investment property can be measured reliably. Investment property, comprising freehold land and buildings, is property held for long term rental or for capital appreciation or both and is not occupied substantially for the supply of goods or services or administration and is not intended for sale in the ordinary course of business.

Investment property is initially and subsequently measured at its cost including related transaction costs and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

The Board's investment property is revalued annually to open market value, with changes in the carrying value recognised in the Statement of Comprehensive Income.

c) De-recognition.

Investment properties are de-recognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the Statement of Comprehensive Income in the year of retirement or disposal.

d) Subsequent Transfers To / From Investment Property.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development with a view to sale.

2.2.6 Impairment of Non-Financial Assets.

The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists or when annual impairment testing for an asset is required the Board makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. These calculations are collaborated by valuation multiples, quoted share prices or other available fair value indicators.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Board makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot "exceed" the carrying amount that would have been determined, net of depreciation had, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.2.7 Non-Current Assets held for Sale.

Noncurrent assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sales transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

Non-current assets and disposal groups are classified as held for sale only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition.

Property, Plant and Equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.2.8 Financial Assets.

SLFRS 9 – Financial Instrument: classification and measurement

SLFRS 9, issued in 2014, replaces the guidance in LKAS 39 Financial instruments: Recognition and Measurement. SLFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from LKAS 39.

The Board classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Board's accounting policy for each category is as follows:

(a) Trade Receivables.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to district dealers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue. The loans and trade receivables were not amortized and shown at cost as recovery is certain since staff are in employment.

(b) Other Current Assets.

Trade and other receivables are initially measured at cost.

(c) Provision for Bad Debts

A provision for bad debts on unsecured trade debtors was made as a provision of debtors after eliminating the value of bank guarantees obtained against individual debtor balances based on below Age analysis,

Debtor Period	Percentage (%)
0 – 3 months	No Provision
4 – 6 months	2.5 %
7 – 12 months	5%
Over 12 months	10%

2.2.9 Inventories.

Inventories are measured at cost only as there is no net realizable value (NRV) due to the short life cycle of the product, after making due allowances for obsolete and slow moving items. As the lottery ticket stocks are fast moving, there is no requirement to identify NRV. Net realizable value is price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale

The stock of prizes which includes gold items, motor vehicles and other prizes are valued at cost as there is no sale value for them – only the cost incurred. All such stocks are offered as prizes any time in the future but not sold in an arms-length transaction.

The cost incurred in bringing inventories to its present location and condition is accounted for as the cost of inventory.

2.2.10 Cash and Cash Equivalents.

Cash and cash equivalents are defined as cash in hand and demand deposits. This includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and for the purpose of the statement of cash flows.

The cash flow statements are reported based on the indirect method.

2.2.11 SLFRS 13 Fair Value Measurement

SLFRS 13 requires assets & liabilities that are measured at fair value on recurring & non recurring basis together with the valuation techniques adopted. As for NLB Colombo Airport super Draw, Dollar Fortune, New Airport Lottery are shown at fair value taking in to the account currency fluctuation in Note 16-1 while Other current assets and liabilities are shown at cost.

2.3 EQUITY, LIABILITIES & PROVISIONS

2.3.1 Equity

Accumulated Treasury Fund

This represents the initial capital introduced by the General Treasury.

Revaluation Reserve

Revaluation Reserve represents net of revaluation gain on revaluation of Property, Plant and Equipment carried out by the Chief Government Valuer in 2015.

Building Reserve Fund

Building Reserve Fund was established to generate and utilize funds needed for the purpose of construction of proposed head office building. A sum of Rs.550 Mn was paid to the General Treasury on returnable basis when needed for construction.

Prizes Reserve Fund

Prizes Reserves Fund is maintained to offer super prizes and special draw prizes of the lotteries conducted by the Board.

Retained Earnings

This represents the accumulated net surplus after taxation from the operations.

2.3.2 Liabilities.

Liabilities classified under current liabilities in the Statement of Financial Position are those expected to fall due within one year from the balance sheet date. All known liabilities have been accounted for in preparing the financial statements.

Trade creditors and other payables are stated at their book values.

2.3.3 Provisions, Contingent Assets and Contingent Liabilities.

Trade and Other Payables.

Provisions are recognized when the Board has a present obligations (legal & constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

All the contingent liabilities are disclosed as notes to the Financial Statements unless the outflow of resources is made contingent asset if exits are disclosed when inflow of economic benefit is probable.

2.3.4 Taxation

Current Tax.

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.24 of 2017 and subsequent amendments thereto. Income Tax due/paid on contribution made to the Consolidated Fund was received/recoverable in installments basis from future remittances to the respective fund as agreed with the authorities concerned.

Deferred Taxation.

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Unrecognized deferred tax assets are reassessed at each Statement of Financial Position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the date of the Statement of Financial Position.

2.4 EMPLOYEE BENEFITS

2.4.1. Short-term Employee Benefits

Salaries, Incentive, Travelling Allowance, Meal Allowance, Annual Bonus, Medical, Uniform Allowance, Draw Allowance, Overtime.

2.4.2. Long –term Employee Benefits – Distress Loan, Housing Loan.

2.4.3. Retirement Benefit Obligations

a). 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. Employee contribution for EPF is 10% where board provides 15%. In case of ETF, the board provides 3%.

b). 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 five years of continued service with the board. Provision for gratuity on the employees of the Board is on an actuarial basis, using the Projected Unit Credit (PUC) method as recommended by Sri Lanka Accounting Standard No.19 'Employee Benefits'. The actuarial valuation was carried out by a professionally qualified firm of actuaries Messes Actuarial & Management Consultants (Pvt) Ltd as at 31.12.2020. The Board expects to carry out actuarial valuation every year. The key assumptions used by the actuary include the following.

2020

Method of Actuarial Valuation	- Projected Unit Credit Method (PUC)
Discount Rate	- 2020-8% - 2019-10.5%
Future Salary increment	- 5% p.a. with next increment on anniversary of date of joining and thereafter annually.
Future Allowance increment	- 6% increment on 01.01.2021.
Staff Turnover rate	- 3% up to age 54 thereafter zero.
Retirement Age	- 60 years.
Disability Rate	- 10% of mortality table.
Mortality Table	- A 1967/70 mortality table.

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 reverted back to half month salary for each completed year of service. Rs.62,000,000 out of Rs.76,033,488 under the retirement benefit plan was invested in fixed deposits in 2020 while the balance was invested after the report on Actuarial Valuation was received.

2.5 INCOME STATEMENT

2.5.1 Revenue Recognition

National Lotteries Board lottery business does not require contracts with customers as it is general sales.

a) SLFRS 15 - Revenue from contracts with customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

b) Interest.

Interest income is recognized using the effective interest method which is accrued on time basis.

c) Others.

Other income is recognized on an accrual basis.

2.5.2 Expenditure Recognition.

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All the expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

2.5.3 Payments made to Government Contribution (Special Levy)

In terms of Section 9 (2) (f) of the Finance Act, No. 38 of 1971, payments made to the Government Contribution (Special Levy) or payments made to the government as may be determined from time to time, by the Minister of Finance have been charged against revenue in determining the net surplus of the Board. Accordingly, the Board has paid Rs. 2,205,079,779.00 to the Government Contribution (Special Levy) during the year compared to previous year payment of Rs. 2,637,962,164.40. Further State Institutions Temporary Surplus Trust Fund (SITSTF) Rs.21,526,641.00 was transferred on 1st of April 2020, Colombo Airport Super Draw Rs.29,275,993.02 was transferred on 28th September 2020 and New Airport Lottery Rs.3,459,568.22 was transferred on 24th December 2020.

2.6 GENERAL

2.6.1 Events Occurring after the Balance Sheet Date.

All material events occurring after the balance sheet date have been considered and where necessary adjustments to or disclosures have been made in the respective notes to the Financial Statements.

2.6.2 Comparative Figures

Where necessary, comparative figures have been reclassified to conform to the current year's presentation.

2.6.3 Property, Plant & Equipment fully depreciated but still in use

Board Property, Plant and Equipment with a cost of Rs. 535,656,769.07 (2019 - Rs. 350,153,304.70) have been fully depreciated and continue to be in use by the Board.

2.6.4 Loans and Receivables

- Housing Loan – Basic salary of 7 years (up to a maximum of Rs. 3,000,000/-). Interest rate 4% recoverable before age of 55 years.
- Distress Loan – Basic salary of 10 months (up to a maximum of Rs. 250,000/-). Interest rate 4.2%. Recoverable in 60 monthly instalments.
- A sum of Rs. 550 million out of Rs.600 million in Building Reserve Fund as at 12/ 09/2016 & 02/12/2016 was transferred to Consolidated Fund on assurance that the Treasury would pay back funds when needed to construct proposed new office building.

2.6.5 Provision for Bad Debts

A provision for bad debts amounting to Rs.17,823,799.61 on unsecured trade debtors was made as a provision of bad debts as at 31/12/2020 after eliminating the value of bank guarantees obtained against individual debtor balances. Further, a sum of Rs.6,020,101.24 was written back on account of over provision in the previous year.

2.6.6 Provisions, Contingent Assets and Contingent Liabilities.

Contingencies are possible assets or obligation that arise from past event and would be confirmed only on the occurrence or non occurrence of uncertain future events, which are beyond the Board's control.

(a) Defamation.

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

(b) Recovery of Dues

The Board may have to pay Rs.22,191,120/- and Rs.15,067,307.50 as recovery of dues for two persons who had filed action against the Board in the commercial High Courts' of Colombo.

(c) Retention Money – Mannar Circuit

In respect of work carried out at Mannar circuit by State Engineering Corporation (SEC), a payment of Rs.2,335,562/- is withheld by the Board for certain deficiencies and the retention of Rs.2,729,526/- is also withheld in this regard.

2.6.7 Forfeited Prizes

A sum of Rs. 352,138,230.00 was forfeited in 2020 and was remitted to Consolidated Fund. This consists of Rs.105, 269,360.00 forfeited from 01.01.2020 to 31.03.2020 (for draws held from 01.07.2019 to 30.09.2019), Rs.100,479,170.00 forfeited from 01.04.2020 to 30.06.2020 (for draws held from 01.10.2019 to 31.12.2019), Rs.118,026,510.00 forfeited from 01.07.2020 to 30.09.2020 (for draws held from 01.01.2020 to 30.03.2020) and Rs.28,363,190.00 forfeited from 01.10.2020 to 31.12.2020 (for draws held from 01.05.2020 to 30.06.2020). Forfeited prizes always represent two financial years and payments are made accordingly.

2.6.8 Distribution of Funds

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. Further, on 01st of July 2019 Agency Commission was increased again from 17.5% to 18.75%.

Distributions of income for passive lotteries are as follows.

	Mahajana Sampatha	Vasana Sampatha	Govisetha	Supiri Vasana	Jathika Sampatha	Dana Nidanaya	Neeroga	Mega Power
Prizes	49%	47%	47%	49%	47%	47%	49%	48%
Dealer Commission	18.75%	18.75%	18.75%	18.75%	18.75%	18.75%	18.75%	18.75%
Government Contribution	16.50%	16.50%	10%	10%	10%	10%	10%	10%
Board	15.75%	17.75%	24.25%	22.25%	24.25%	24.25%	22.25%	23.25%

	Sevana Passive	MS Janabhisheka	Daru Diri Sampatha
Prizes	49%	58%	47%
Dealer Commission	18.75%	18.75%	18.75%
Government Contribution	10%	10%	10%
Board	22.25%	13.25%	24.25%

Mahajana Sampatha Janabhisheka and Daru Diri Sampatha were additional lotteries conducted in 2020.

The Board conducts the Dollar Fortune Lottery on behalf of the Airport & Aviation Services (Sri Lanka) Ltd. The net surplus is payable to the Airport & Aviation Services (Sri Lanka) Ltd. through the Special Levy (Consolidated Fund).

(a) Distribution of income for Scratch Lotteries.

	Sevana 20/-	Sevana රු. 50/-	Restart Sri Lanka
Prizes	53%	53%	53%
Dealer Commission	18.75%	18.75%	18.75%
Government Contribution	10%	10%	10%
Board	18.25%	18.25%	18.25%

(b) Government Contribution to the Consolidated Fund and National Kidney Fund remitted to the relevant Ministries through the Consolidated Fund is given below.

Passive Lotteries	Percentage	Consolidated Fund/Ministries
Mahajana Sampatha	16.5%	Consolidated Fund
Vasana Sampatha	16.5%	Consolidated Fund
Govisetha	10%	Consolidated Fund - Ministry of Agriculture
Supiri Vasana (Monday)	10%	Consolidated Fund - Ranawiru Sewa Authority
Supiri Vasana (Saturday)	10%	Consolidated Fund - Ministry of Sports & Ministry of Social Services
Jathika Sampatha (Wednesday)	10%	Consolidated Fund - Ministry of Health and Indigenous Medical Services
Jathika Sampatha (Saturday)	10%	Consolidated Fund - Ministry of Labour
Neeroga	10%	Consolidated Fund - National Kidney Fund
Mega Power	10%	Consolidated Fund
Sevana-Passive	10%	Consolidated Fund - Sevana Fund
Dhana Nidanaya	10%	Consolidated Fund
Daru Diri Sampatha	10%	Consolidated Fund -National Trust Fund (Protection of Children)
Instant Lotteries	Percentage	Consolidated Fund/Ministries
Sevana	10%	Consolidated Fund - Ministry of Housing
Restart Sri Lanka	10%	Consolidated Fund

2.6.9 Accounting for Prizes

The Board has maintained a Prize Reserve Fund Account to credit prize money not won in a particular draw to accumulate such prize money to award prizes in subsequent draws as stipulated in laws viz. section 5(1) of Finance (Amendment) act No: 35 of 1997 and section 7(2) of Finance (Amendment) act No:22 of 1998.

2.6.10 Accounting Policies, Changes in Accounting Estimates and Errors.

The effects of following new standards if any are given below.

LKAS 01 - Presentations of Financial Statements – No presentation changes in 2020.

LKAS 08 - Changes in Accounting Policies – Please refer to 2.2.8(C) and 2.6.9.

SLFRS 03 - Business Combinations – There is no effect of this standard on NLB.

SLFRS 17 - Insurance Contracts – This has no relevance to the business of NLB.

Note 03**Turnover - VAT Inclusive**

	2020 Rs.	Restated 2019 Rs.
Mahajana Sampatha	5,760,190,600	6,197,815,160
Vasana Sampatha	408,506,000	423,948,600
Govisetha	5,290,655,920	7,315,939,080
Supiri Vasana	410,341,720	730,935,400
Jathika Sampatha	629,895,000	1,211,017,800
Neeroga	424,575,200	972,134,280
Mega Power	3,182,546,200	2,537,941,360
Sevana Passive	357,043,680	685,619,240
Dhana Nidhanaya	1,122,022,320	1,236,173,560
Daru Diri Sampatha	186,557,160	-
Mahajana Sampatha Janaabhisheka	91,249,200	-
Mahajana Sampatha Ran Kirula	-	71,274,720
Samurdhi	-	58,220,000
Sevana - Scratch	157,562,000	581,656,000
Special - Scratch	20,000,000	56,585,375
Total	18,041,145,000	22,079,260,575

Note 04**Cost of Sales**

	2020 Rs.	Restated 2019 Rs.
Ticket Printing Charges	443,032,509	530,636,182
Agency Commission	3,382,714,688	4,004,929,695
Main Agency Commission	225,292,990	274,059,380
Prizes Declared	8,667,549,257	10,607,765,403
Government Contribution(Special Levy)	2,205,079,779	2,637,962,164
Total	14,923,669,223	18,055,352,825

Note 04-01

Tickets Printing Charges	Restated 2020 Rs.	Restated 2019 Rs.
Opening Stock as at 1st January		
Passive Lottery	1,181,368	6,409,196
Sevana Lottery	3,666,784	3,152,679
Samurdhi Lottery	-	889,559
Special - Scratch	1,168,265	4,050,714
	6,016,417	14,502,148
Add : Purchase of Tickets During the year	445,305,525	522,150,451
	451,321,942	536,652,599
Less : Closing Stock as at 31st December		
Passive Lottery	5,720,695	1,181,368
Sevana Lottery	1,400,473	3,666,784
Samurdhi Lottery	-	-
Special - Scratch	1,168,265	1,168,265
	8,289,433	6,016,417
	443,032,509	530,636,182

Note 04-02

Agency Commission	2020 Rs.	Restated 2019 Rs.
Mahajana Sampatha	1,080,035,738	1,125,174,745
Vasana Sampatha	76,594,875	76,763,823
Govisetha	991,997,985	1,327,276,760
Supiri Vasana	76,939,073	132,720,885
Jathika Sampatha	118,105,313	220,218,298
Neeroga	79,607,850	176,180,754
Maga Power	596,727,413	460,915,958
Sevana Passive	66,945,690	124,582,165
Dhana Nidhanaya	210,379,185	224,062,498
Daru Diri Sampatha	34,979,468	-
Mahajana Sampatha Janabhisheka	17,109,225	-
Mahajana Sampatha Ran kirula	-	13,364,010
Samurdhi	-	8,733,000
Sevana - Scratch	29,542,875	105,264,300
Special - Scratch	3,750,000	9,672,500
Total	3,382,714,688	4,004,929,695

Note 04-03**Main Agency Commission**

	2020 Rs.	Restated 2019 Rs.
Mahajana Sampatha	72,088,011	77,446,454
Vasana Sampatha	5,106,553	5,297,943
Govisetha	66,180,261	91,371,145
Supiri Vasana	5,146,834	9,135,865
Jathika Sampatha	7,894,587	15,133,283
Neeroga	5,320,647	12,149,282
Mega Power	39,810,660	31,672,977
Sevana Passive	4,475,951	8,528,341
Dhana Nidhanaya	14,045,923	15,521,033
Daru Diri Sampatha	2,329,713	-
Mahajana Sampatha Janabhisheka	1,118,232	-
Mahajana Sampatha Ran kirula	-	876,299
Samurdhi	-	582,200
Sevana - Scratch	1,575,620	5,816,560
Special - Scratch	200,000	528,000
Total	225,292,990	274,059,380

Note 04-04**Prizes Declared**

	2020 Rs.	Restated 2019 Rs.
Mahajana Sampatha	2,822,550,384	3,036,929,428
Vasana Sampatha	191,997,900	199,277,562
Govisetha	2,486,664,462	3,438,925,828
Supiri Vasana	197,350,059	343,544,498
Jathika Sampatha	296,051,110	569,325,986
Neeroga	208,042,128	476,345,797
Maga Power	1,527,872,740	1,218,211,853
Sevana Passive	174,953,023	335,953,428
Dhana Nidhanaya	527,350,950	581,001,573
Daru Diri Sampatha	87,684,655	-
Mahajana Sampatha Janabhisheka	52,924,236	-
Mahajana Sampatha Ran kirula	-	41,339,338
Samurdhi	-	28,527,800
Sevana - Scratch	83,507,610	308,277,680
Special - Scratch	10,600,000	30,104,633
Total	8,667,549,257	10,607,765,403

Note 04-05	2020 Rs.	Restated 2019 Rs.
Government Contribution(Special Levy)		
<u>Contribution to the Consolidated Fund</u>		
Mahajana Sampatha	950,431,449	1,022,639,501
Vasana Sampatha	67,403,490	69,951,519
Govisetha	529,065,592	731,593,908
Supiri Vasana	41,034,172	73,093,540
Jathika Sampatha	62,989,500	121,101,780
Maga Power	318,254,620	253,794,136
Sevana Passive	35,704,368	68,561,924
Dhana Nidhanaya	112,202,232	123,617,356
Daru Diri Samapatha	18,655,716	-
Mahajana Sampatha Janabhisheka	9,124,920	-
Mahajana Sampatha Ran kirula	-	7,127,472
Samurdhi	-	5,822,000
Sevana - Scratch	15,756,200	58,165,600
Special - Scratch	2,000,000	5,280,000
	2,162,622,259	2,540,748,736
<u>Contribution to the National Kidney Fund</u>		
Neeroga	42,457,520	97,213,428
	42,457,520	97,213,428
	2,205,079,779	2,637,962,164

Note 05	2020 Rs.	Restated 2019 Rs.
Other Income		
Interest Income	353,365,849	471,187,921
Sundry Income	69,552,244	599,407,021
Total	422,918,093	1,070,594,943

Note 06	2020 Rs.	Restated 2019 Rs.
Sales Marketing & Distribution Costs		
Distribution Costs	145,937,122	442,803,322
Marketing & Sales Promotion Expenses	724,055,511	1,037,345,636
Communication Expenses	23,009,810	27,725,765
Total	893,002,443	1,507,874,723

Note 06 - 1

	2020 Rs.	Restated 2019 Rs.
Distribution Cost		
NBT	-	281,800,099
Motor Vehicles - Fuel	8,853,598	9,694,568
Motor Vehicles - Repairs	3,684,330	4,461,004
Motor Vehicles - Insurance	1,315,098	1,846,065
Motor Vehicles - Revenue License	270,313	250,545
Motor Vehicles - Tires and Tubes	1,030,640	560,102
Motor Vehicles - Maintenance and Others	3,121,509	3,211,133
Motor Vehicles - Depreciation	10,767,230	13,511,418
Tickets Transport Charges	10,194,098	13,124,333
Agent Relief Expence /Cost of Returned Tickets	43,963	6,147,526
Agent's & Sellers Welfare	772,100	96,190
Dealers & Agents Training & Conference	-	2,570,385
Scholarships to Agents' Children	19,500	201,500
Sales Incentive for Dealers & Agents	-	2,770,000
Agent & Sellers Medical Insurance Expenses	4,932,000	6,304,000
Agent Additional Sales Promotional Expenses	53,761,862	88,609,781
Agent Appreciation Token for Prize Winners	2,288,000	2,784,000
Agent and Seller Relief Covid 19	42,760,006	-
Payment of Asarana Sarana Fund (Neeroga Incentive)	2,122,876	4,860,671
	145,937,122	442,803,322

Note 06 - 2

	2020 Rs.	Restated 2019 Rs.
Marketing & Sales Promotional Expenses		
Production & Telecasting	385,411,583	423,600,959
Publication of Lottery Results	92,796,523	101,335,057
Brand Promotional Advertising	134,279,982	381,192,008
Corporate Advertising	49,847,273	33,034,386
CSR - Corporate Social Responsibility	24,888,075	72,519,753
BTL Advertising Exp	27,264,975	20,468,374
Public Relation Expenses	4,531,100	1,586,120
Sales Booth ect. to Agents	5,036,000	3,608,980
Total	724,055,511	1,037,345,636

Note 06 - 3

	2020 Rs.	Restated 2019 Rs.
Communication Expenses		
Postage & Telegrams	62,085	142,040
Telephone, Faxes, and Internet	12,194,098	13,276,041
Printing & Stationery	10,124,684	13,557,958
Press Notices	628,943	749,727
Total	23,009,810	27,725,765

Note 07

	2020 Rs.	Restated 2019 Rs.
Administrative Expenses		
Personnel Emoluments	449,599,524	458,633,719
Establishment Expenses	145,683,933	181,332,236
Other Administrative Expenses	177,216,800	169,297,927
Total	772,500,258	809,263,882

Note 08

	2020 Rs.	Restated 2019 Rs.
Finance Expenses		
Bank Charges	4,347,146	24,577,338
Exchange Losses	-	476,484
Written off Investment of Srilanka Savings Bank	5,336,575	-
Total	9,683,721	25,053,822

Note 09

	2020 Rs.	Restated 2019 Rs.
Income Tax		
Current Year Income Tax	354,853,580	874,773,766
Deferred Tax Expenses	(3,205,350)	(12,247,539)
Income Tax Expense	351,648,231	862,526,227

As per the notice published in the IRD web site on 18.02.2020 with effect from 01st April 2019 any sum paid to the consolidated fund by a Public Corporation is not liable for Income Tax

Note 10

Property Plant & Equipment - Free Hold property

	Land Rs.	Buildings Rs.	Motor Vehicles Rs.	Computers & Accessories Rs.	Computers Software Rs.	Office Equipment Rs.	Draw Barrels Rs.	Furniture & Fittings Rs.	Promotional Equipment Rs.	2020 Total Rs.	Restated 2019 Total Rs.
COST											
Balance Beginning of the Year	500,000,000	23,331,320	285,192,209	126,686,260	21,954,215	51,633,236	162,980,392	35,836,126	13,389,940	1,221,003,698	1,210,738,715
Last Year Adjustment	-	-	-	-	-	-	-	-	-	-	-
Additions during the Year	-	-	-	3,150,599	-	3,501,989	-	884,859	-	7,537,447	18,167,013
Disposal during the Year	-	-	-	(826,214)	-	(331,490)	-	-	-	(1,157,704)	(8,988,850)
Transferred during the Year	-	-	-	-	-	-	-	-	-	-	1,086,820
Balance end of the Year	500,000,000	23,331,320	285,192,209	129,010,645	21,954,215	54,803,735	162,980,392	36,720,985	13,389,940	1,227,383,441	1,221,003,699
PROVISION FOR DEPRECIATION											
Balance Beginning of the Year	-	6,254,845	242,677,314	114,350,859	21,932,827	44,775,458	154,103,307	15,399,668	4,829,536	604,323,814	604,323,814
Last Year Adjustment	-	-	-	-	-	-	-	10,816	-	10,816	-
Depreciation for the Year	-	1,166,566	21,534,459	6,110,743	21,388	2,944,635	7,265,784	3,531,200	4,462,867	47,037,642	77,467,496
Depreciation on Disposal	-	-	-	(377,092)	-	(61,348)	-	-	-	(438,440)	(8,964,245)
Transferred during the Year	-	-	-	-	-	-	-	-	-	-	13,585
Balance End of the Year	-	7,421,411	264,211,773	120,084,510	21,954,215	47,658,745	161,369,091	18,941,684	9,292,403	650,933,833	672,840,650
Written Down Value as at 31.12.2020	500,000,000	15,909,909	20,980,436	8,926,136	-	7,144,991	1,611,300	17,779,301	4,097,537	576,449,609	-
Written Down Value as at 31.12.2019	500,000,000	17,076,475	42,514,895	12,335,402	21,388	6,857,779	8,877,084	20,436,458	8,560,404	-	616,679,884
Rate of Depreciation	-	5%	25%	25%	25%	20%	20%	10%	33%		
Land - Vauxhall Street Building - Narahenpita Chairman's Bungalow & Vauxhall Building											

Fair value Measurement

As per the valuation carried out as at 01st January 2015 by the Government Valuer for Department of Valuation, the asset were valued on an market value for existing use basis.

<u>Assets</u>	<u>Valuation Technique</u>	<u>Significant unobservable inputs</u>	<u>Sensitivity of the input to the fair value</u>
Freehold Land & Building	Market comparable method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. The involves evaluation of recent active market prices of similar assets, making appropriate adjustment for difference in size, nature& location of the property.	Price per perch of land.	Estimated fair value would increase (decrease) if: Price per perch increases (decreases)

Property Plant & Equipment - Free Hold property

Land carried revalued amount

Location	last Revaluation Date	Extent	Cost Amount as at 31.12.2013 Rs	W.D.V Amount as at 31.12.2013 Rs	Revaluation Amount as at 31.12.2013 Rs.	Revaluation Surplus (2013) Rs.	W.D.V Amount as at 31.12.2020 Rs
Land - Vauxhall Street No 55/57, Vauxhall Street, Colombo 02.	31.12.2013	112.05P	312,151,670	312,151,670	500,000,000	187,848,330	500,000,000
Chairman Bungalow - Narahenpita D8//1/2 Mangala Path, Main Town, Colombo 02.	31.12.2013	0.1415Ha	2,322,929	182,876	9,900,000	9,717,124	6,435,000

Carrying amount has been adjusted for depreciation for Building

Board Property, Plant & Equipment with a cost of Rs. 535,656,769.07 has been fully depreciated bit still in use.

Note 11 - Investment Property
Circuit Bungalows - Anuradhapura & Mannar

Buildings Lease Hold	2020 Rs.	Restated 2019 Rs.
Cost		
Balance Beginning of the year	50,530,000	51,616,820
Additions during the year	-	-
Transferred during the year (to the P.P.E)	-	(1,086,820)
Balance end of the year	50,530,000	50,530,000
Accumulated Amortization		
Balance Beginning of the year	23,157,705	21,981,077
Transferred during the year (to the P.P.E)	-	(9,618)
Amortization for the year	1,186,246	1,186,246
Balance end of the year	24,343,952	23,157,705
Written Down Value as at 31.12.2020	26,186,048	
Written Down Value as at 31.12.2019		27,372,295

Fair value Measurement

As per the valuation carried out as at 01st January 2015 by the Government Valuer for Department of Valuation, the asset were valued on an open market value for existing use basis.

Assets	Valuation Technique	Significant unobservable inputs
Investment Property	Market comparable method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. The involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature & location of the property.	Price per perch of land.

Investment Property

Location	last Revalued Date	Extent	Cost Amount as at 31.12.2013 Rs	W.D.V Amount as at 31.12.2013 Rs	Revaluation Amount as at 31.12.2013 Rs	Revaluation Surplus (2013) Rs.	W.D.V Amount as at 31.12.2020 Rs.
Anuradapura Circuit Bungalow 01 st Lane, Harischandra Mv.	31.12.2013	IR 18.52 P	3,759,162	477,067	16,030,000	15,552,933	-
Mannar Circuit Bungalow Jubilee Road, Murungan.	01.01.2014	0.2683 Ha	55,663,168	55,199,744	34,500,000	(20,699,744)	26,186,049

Carrying amount has been adjusted for amortization for investment property.

Note 12 - Intangible Assets	2020 Rs.	Restated 2019 Rs.
Computer Software		
Cost		
Balance Beginning of the year	68,643,916	68,643,916
Additions during the year	-	-
Balance end of the year	68,643,916	68,643,916
Accumulated Amortization		
Balance Beginning of the year	67,757,094	66,127,252
Amortization for the year	688,697	1,629,842
Balance end of the year	68,445,791	67,757,094
Written Down Value as at 31.12.2020	198,125	
Written Down Value as at 31.12.2019		886,822

Government Valuer informed NLB that there was no necessity to value intangible assets

Note 13	2020 Rs.	Restated 2019 Rs.
Staff Loan		
Distress Loans	27,035,991	27,965,022
Housing Loans	89,925,095	94,158,395
Total	116,961,086	122,123,417

Note 14	2020 Rs.	Restated 2019 Rs.
Inventories		
Printed Tickets Stocks	9,300,740	7,040,239
Prizes Stocks	48,260,890	51,950,582
Consumable Stocks	7,840,647	7,142,048
Total	65,402,277	66,132,868

Note 15

	2020 Rs.	Restated 2019 Rs.
Trade Receivables		
Sweep/Trade Debtors	137,704,343	273,559,415
Return Cheques - Sevana	603,899	603,899
	138,308,242	274,163,315
Less : Provision for Doubtful Debts	(17,823,800)	(23,843,901)
Total	120,484,443	250,319,414

Note 16

	2020 Rs.	Restated 2019 Rs.
Other Current Assets		
Other Debtors	10,680,687	10,977,212
Accounts Receivables	39,790,371	80,189,408
Staff Loans	24,690,660	21,068,339
Deposits & Prepayments	97,360,119	122,086,791
Deferred Revenue, Expenditure - DF	(10,132,835)	(9,485,635)
Income Tax Recoverable from CF & NKF	-	282,459,254
Building Reserve Receivable by Treasury	550,000,000	550,000,000
Total	712,389,003	1,057,295,368

Note 17

	2020 Rs.	Restated 2019 Rs.
Deferred Tax (Assets)/Liability		
Balance at the Beginning of the year	3,983,844	(9,444,625)
Current Year Deferred Tax Provision	3,205,350	12,247,539
Add : Deferred Tax attributable to remeasurment of Retirement benefit Obligation	1,762,307	1,180,930
Balance at the end of the year	8,951,500	3,983,844
<u>Movement in Deferred Tax (Assets)/Liability</u>		
Balance at the Beginning of the year	3,983,844	(9,444,625)
Recognized in Profit/(Loss)	3,205,350	12,247,539
Recognized in other comprehensive income	1,762,307	1,180,930
Balance at the end of the year	8,951,500	3,983,844
Composition of Deferred Tax (Assets)/Liability		
Deferred tax assets attributable to ;		
Define benefit Obligations	18,247,968	17,315,929
Accelerated depreciation for tax purposes on property, plant & Equipment	(9,296,467)	(13,332,085)
Net Deferred Tax (Assets)/Liability	8,951,500	3,983,844

Note 18**Cash & Cash Equivalent**

	2020 Rs.	Restated 2019 Rs.
Cash in Hand and at Bank	428,184,036	540,923,534
Short Term Deposits	6,618,030,230	5,319,125,587
Total	7,046,214,265	5,860,049,121

Note 19**Retained Earnings**

	2020 Rs.	Restated 2019 Rs.
Balance at the Beginning of the year	1,456,474,040	479,742,218
Profit for the year	1,083,176,001	978,585,273
	2,539,650,043	1,458,327,493
Less : Transferd to Special Levy to General Tereasuryby SITST Fund	(21,526,641)	-
Less : Transfer to Special Levy to General Tereasuryby CASD/NAL	(32,735,561)	-
Less : Adjustment for the Year 2019	(2,175,491)	-
Add : Adjustment against Revaluation Gain on Disposal of P.P&E	8,950,000	-
Less : Actuarial Gains/ (Losses) on defined benefit plans	(7,342,944)	(4,217,608)
Add : Deferred Tax attributable to re measurement of Retirement benefit Obligation	1,762,307	1,180,930
Add : Adjustment T-Shirt/ Cash Vouchers-2018	-	1,099,590
Less : Depreciation Adj. for Building - A'pura Regional Office- 2018	-	(3,967)
Less : Adjustment for Accrude Expenses 2018	-	(3,912,396)
Add : Adjustment for Sales Booths Recoveries Normal& Special 2018	-	4,000,000
Balance at the end of the year	2,486,581,711	1,456,474,040

Note 20**Other Components of Equity**

	2020 Rs.	Restated 2019 Rs.
Accumulated Treasury Fund	21,263,101	21,263,101
Revaluation Reserve	312,168,964	321,118,964
Building Reserve	730,000,000	730,000,000
Prizes Reserve	2,413,020,053	2,151,343,872
Balance at the end of the year	3,476,452,117	3,223,725,936

Note 21**Retirement benefit obligation****Balance at the beginning of the year**

	2020 Rs.	Restated 2019 Rs.
Balance at the beginning of the year	61,842,602	52,031,249
Interest Cost	6,493,483	5,723,425
Current Service Cost	5,900,247	4,876,391
Charge to P& L	12,393,730	10,599,816
Actuarial Losses	7,342,944	4,217,608
	19,736,674	14,817,424
Paymentst made during the year	(5,546,078)	(5,006,071)
Balance at the end of the year	76,033,198	61,842,602

Sensitivity Analysis

Value appearing in the financial statements are very sensitivity to the changes of financial and non financial assumptions used.

The sensitivity analysis was carried for the change of discount rate and salary escalation rate . Simulation made for retirement

obligation shows that a rise or fall by 1% of the discount rate and salary has the following effect on the retirement benefit obligations .

Variable	2020		Restated 2019	
	Increase	Decrease	Increase	Decrease
Discount Rate				
Sensitivity level	+1%	-1%	+1%	-1%
Impact on defined benefit obligation Rs.	70,306,217	82,675,083	57,874,746	66,374,799
Salary Escalation Rate				
Sensitivity level	+1%	-1%	+1%	-1%
Impact on defined benefit obligation Rs.	82,840,649	70,075,368	66,556,266	57,655,426
Distribution of Present Value of Defined Benefit Obligation in future years are as follows.			2020	Restated 2019
Within the next 12 months			8,718,775	5,792,476
Between 2 to 5 years			28,462,720	28,431,592
After 5 Years			38,851,703	27,618,534
			76,033,198	61,842,602

The weighted Average duration Defined Benefit Obligation is 8.69 years

Note 22**Trade & Other payables**

	2020 Rs.	Restated 2019 Rs.
Payable to Government Contribution(Special Levy)	234,380,808	222,132,393
Sweep Collection in Advance	226,197,912	159,061,463
Prizes Obligations	1,311,013,619	1,610,073,169
Trade & Other Creditors	156,603,545	278,709,704
Accrued Expenses	704,136,908	595,755,054
Total	2,632,332,792	2,865,731,783

Note 23**Current Tax Payables**

	2020 Rs.	Restated 2019 Rs.
VAT & NBT Payables	33,938,782	11,596,961
Income Tax payables	(5,098,382)	417,806,047
Total	28,840,400	429,403,008

04 OPERATING & FINANCIAL REVIEW

Financial Highlights

For the year ended 31st December

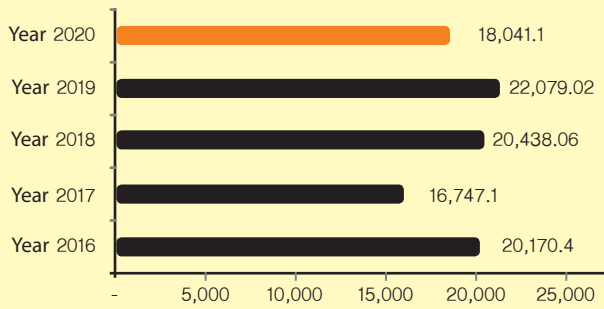
Description	2020 Rs. Mn	2019 Rs. Mn Restated	Change Compared with 2019 (%)
Turnover	18,041.14	22,079.26	(18.28)
Contribution to Consolidated fund	2,205.07	2,637.9	(16.41)
Agency Commission	3,608.00	4,278.98	(15.68)
Prizes Allocation	8,667.54	10,607.76	(18.29)
Value Added Tax	430.38	911.19	(52.76)
Nations Building Tax	-	281.80	-
Other Income	422.90	1,070.59	(60.49)
Expenses	1,675.18	2,342.19	(28.48)
Profit before Tax	1,434.82	1,841.11	(22.06)
Profit for the Year	1,083.17	978.58	10.68
Income tax	351.64	862.52	59.23
Total Assets	8,700.24	8,037.17	8.25
Total Net Assets/ Equity	5,963.03	4,680.19	27.40
Profit before Tax to Turnover %	7.95	8.33	-
Profit before Tax to Total Assets %	16.49	22.90	-
Liquidity Ratio	2.98:1	2.19:1	-

Contribution to State

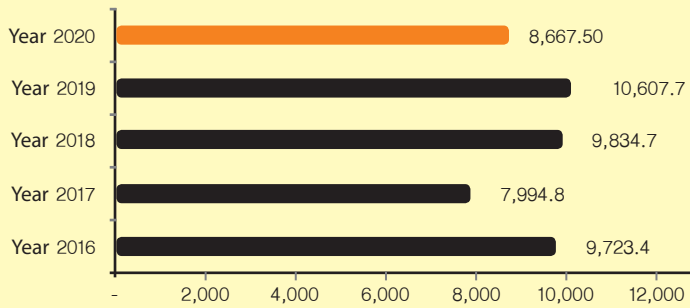
Description	2020 Rs. Mn	2019 Restated Rs. Mn
Direct Remittances		
Contribution to consolidated fund	2,205.07	2,637.96
	<u>2,205.07</u>	<u>2,637.96</u>
Indirect Remittances		
VAT	430.38	911.19
NBT	-	281.80
Income tax	351.64	862.52
Forfeited prizes	352.13	389.0
	1,134.15	2,444.51
Total remittances to State	3,339.22	5,082.47

Overall Performance

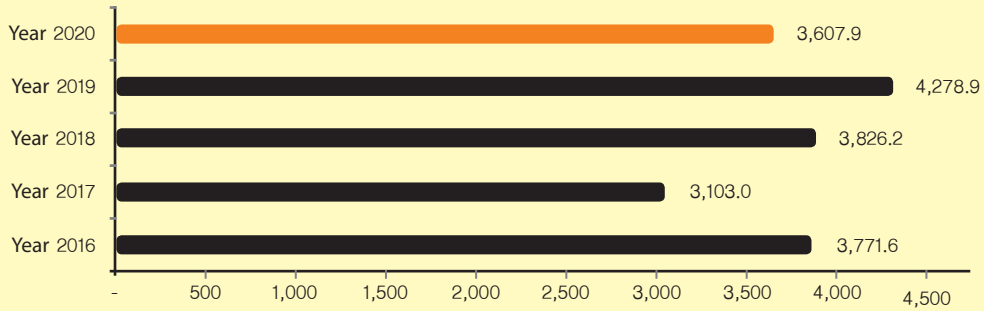
Turnover (Rs. Mn)



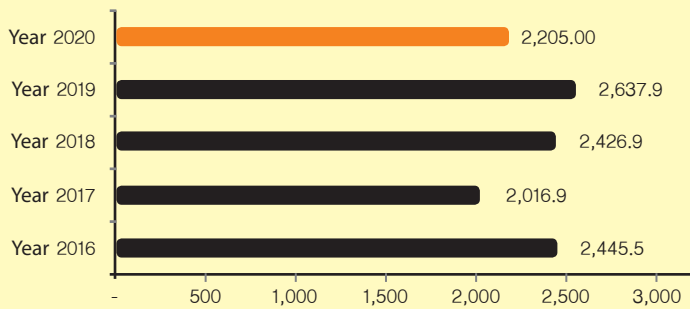
Prizes Declared (Rs. Mn)



Agency Commission (RS. Mn)



Contribution to Consolidated Fund (RS. Mn)

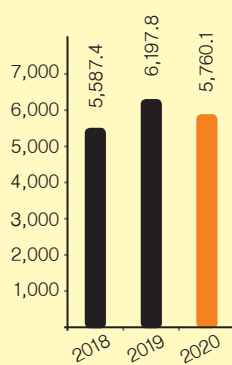


Product wise Performance

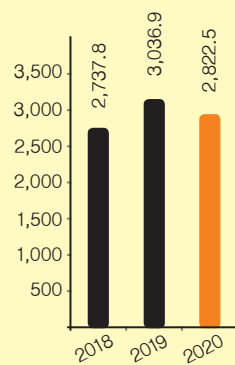
Mahajana Sampatha

Description	2020 Year Rs. Mn	2019 Year Rs. Mn	2018 Year Rs. Mn
Turnover	5,760.1	6,197.8	5,587.4
Prizes Declared	2,822.5	3,036.9	2,737.8
Agency Commission	1,152.0	1,202.5	1,047.6
Contribution to Consolidated Fund	950.4	1,022.6	921.9

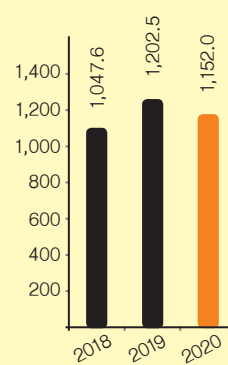
Turnover (Rs. Mn)



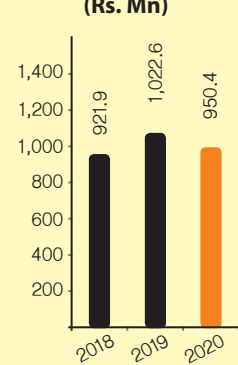
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



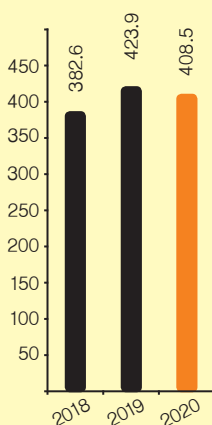
Contribution to Consolidated Fund (Rs. Mn)



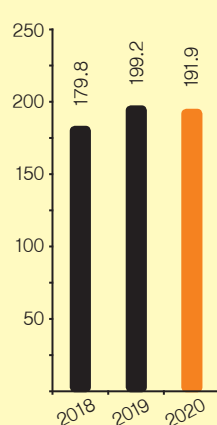
Vasana Sampatha

Description	2020 Year Rs. Mn	2019 Year Rs. Mn	2018 Year Rs. Mn
Turnover	408.5	423.9	382.6
Prizes Declared	191.9	199.2	179.8
Agency Commission	81.6	81.9	71.6
Contribution to Consolidated Fund	67.4	69.9	63.1

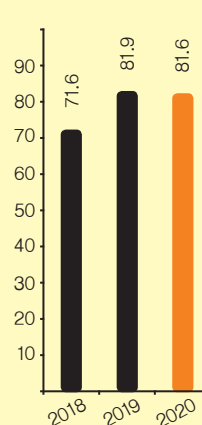
Turnover (Rs. Mn)



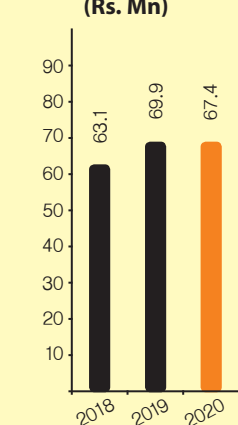
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



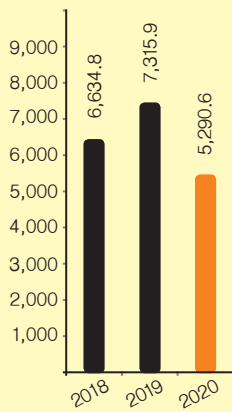
Contribution to Consolidated Fund (Rs. Mn)



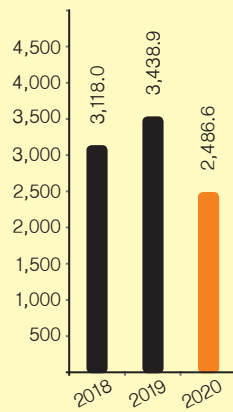
Govisetha

Description	2020 Year Rs. Mn	2019 Year Rs. Mn	2018 Year Rs. Mn
Turnover	5,290.6	7,315.9	6,634.8
Prizes Declared	2,486.6	3,438.9	3,118.0
Agency Commission	1,058.0	1,418.5	1,243.9
Contribution to Consolidated Fund	529.0	731.5	663.4

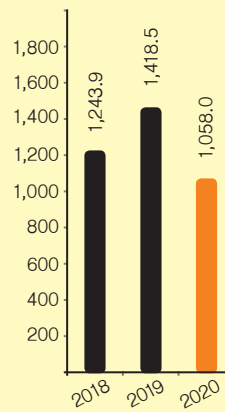
Turnover (Rs. Mn)



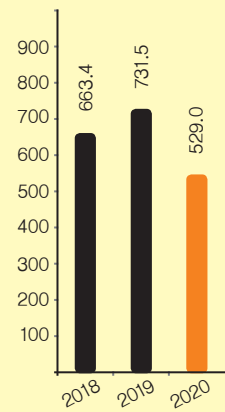
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



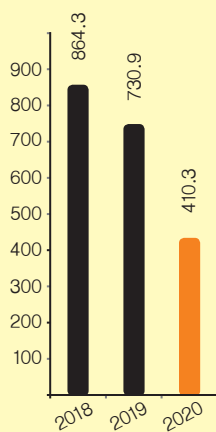
Contribution to Consolidated Fund (Rs. Mn)



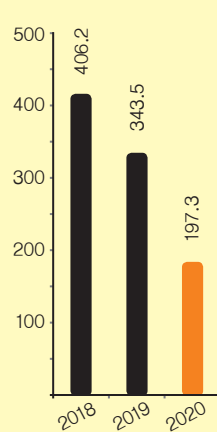
Supiri Vasana

Description	2020 Year Rs. Mn	2019 Year Rs. Mn	2018 Year Rs. Mn
Turnover	410.3	730.9	864.3
Prizes Declared	197.3	343.5	406.2
Agency Commission	82.0	141.8	162.0
Contribution to Consolidated Fund	41.0	73.0	86.4

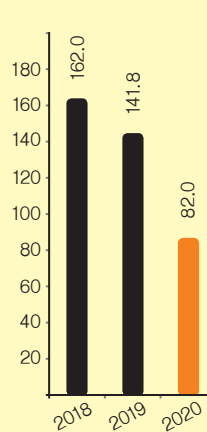
Turnover (Rs. Mn)



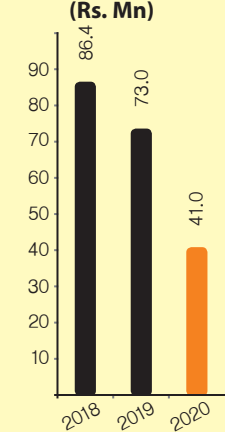
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



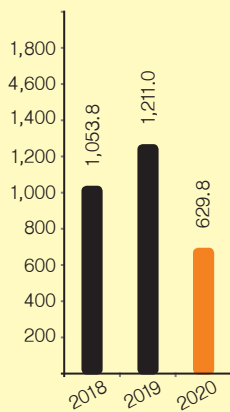
Contribution to Consolidated Fund (Rs. Mn)



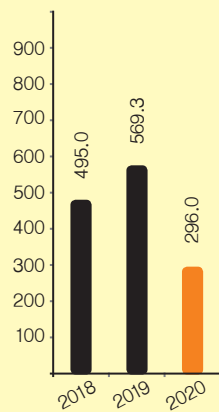
Jathika Sampatha

Description	2020 Year Rs. Mn	2019 Year Rs. Mn	2018 Year Rs. Mn
Turnover	629.8	1,211.0	1,053.8
Prizes Declared	296.0	569.3	495.0
Agency Commission	125.9	235.3	197.5
Contribution to Consolidated Fund	62.9	121.1	105.3

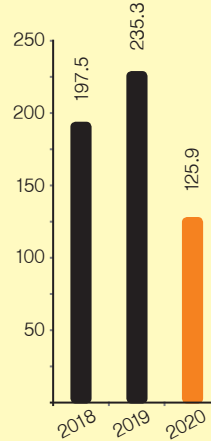
Turnover (Rs. Mn)



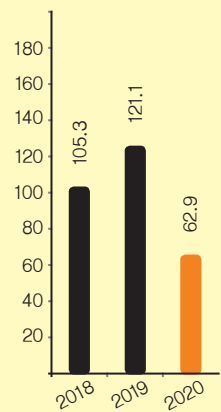
Prizes Declared
(Rs. Mn)



Agency Commission
(Rs. Mn)



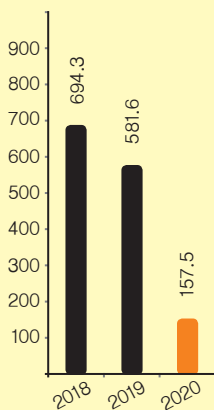
Contribution to
Consolidated Fund
(Rs. Mn)



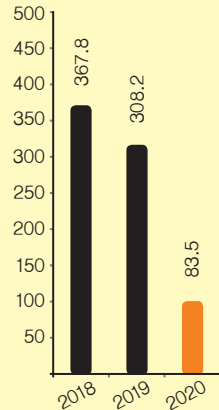
Sevana

Description	2020 Year Rs. Mn	2019 Year Rs. Mn	2018 Year Rs. Mn
Turnover	157.5	581.6	694.3
Prizes Declared	83.5	308.2	367.8
Agency Commission	31	111.0	128.4
Contribution to Consolidated Fund	15.7	58.1	69.4

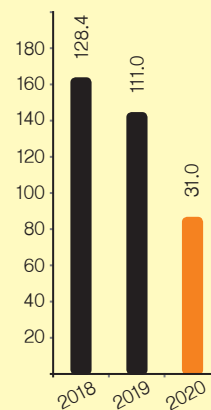
Turnover (Rs. Mn)



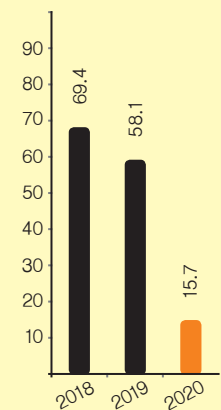
Prizes Declared
(Rs. Mn)



Agency Commission
(Rs. Mn)



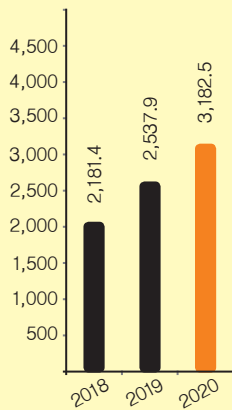
Contribution to
Consolidated Fund
(Rs. Mn)



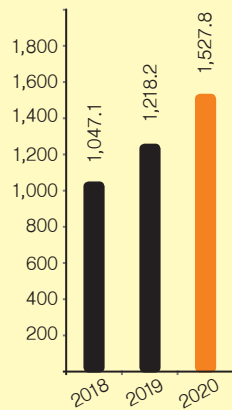
Mega Power

Description	2020 Year Rs. Mn	2019 Year Rs. Mn	2018 Year Rs. Mn
Turnover	3,182.5	2,537.9	2,181.4
Prizes Declared	1,527.8	1,218.2	1,047.1
Agency Commission	636.5	492.5	408.9
Contribution to Consolidated Fund	318.2	253.7	218.1

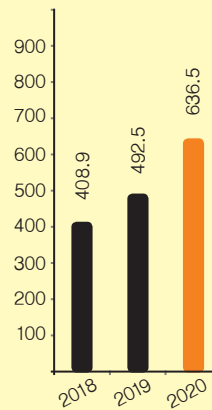
Turnover (Rs. Mn)



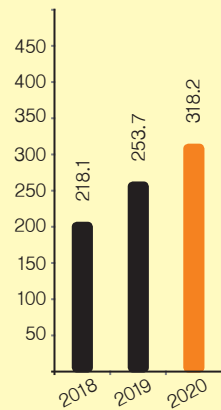
Prizes Declared
(Rs. Mn)



Agency Commission
(Rs. Mn)



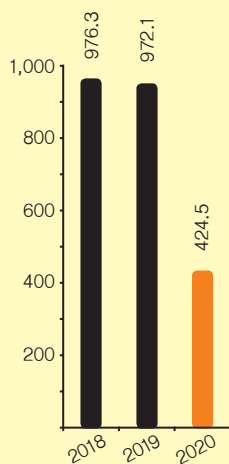
Contribution to
Consolidated Fund
(Rs. Mn)



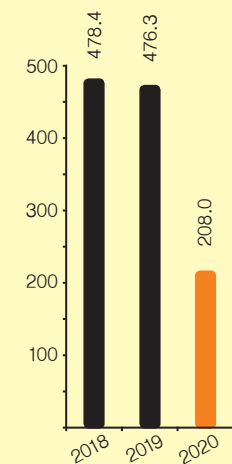
Neeroga

Description	2020 Year Rs. Mn	2019 Year Rs. Mn	2018 Year Rs. Mn
Turnover	424.5	972.1	976.3
Prizes Declared	208.0	476.3	478.4
Agency Commission	84.9	188.2	183.0
Contribution to Consolidated Fund	42.4	97.2	97.6

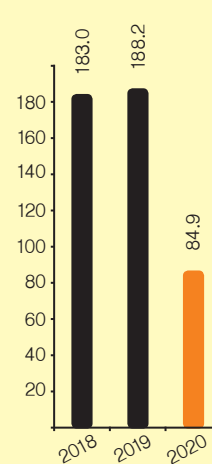
Turnover (Rs. Mn)



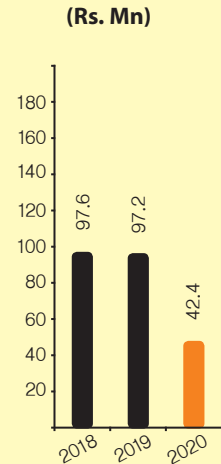
Prizes Declared
(Rs. Mn)



Agency Commission
(Rs. Mn)



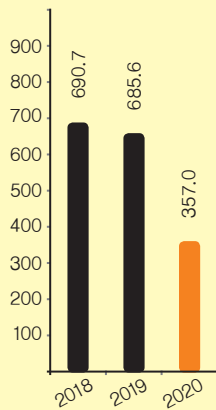
Contribution to
Consolidated Fund
(Rs. Mn)



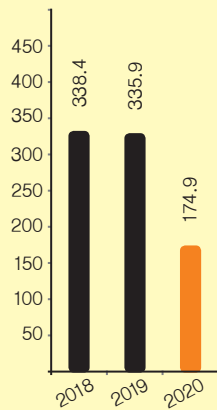
Sevana Passive

Description	2020 Year Rs. Mn	2019 Year Rs. Mn	2018 Year Rs. Mn
Turnover	357.0	685.6	690.7
Prizes Declared	174.9	335.9	338.4
Agency Commission	71.3	133.0	129.4
Contribution to Consolidated Fund	35.7	68.5	67.0

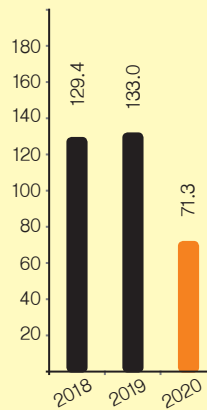
Turnover (Rs. Mn)



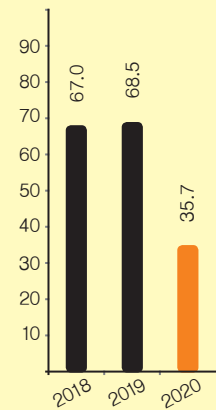
Prizes Declared
(Rs. Mn)



Agency Commission
(Rs. Mn)



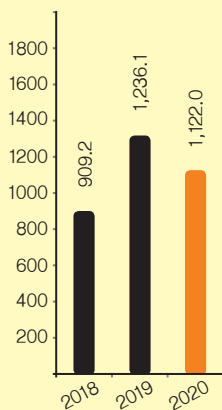
Contribution to
Consolidated Fund
(Rs. Mn)



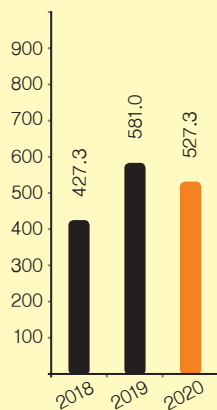
Dhana Nidhanaya

Description	2020 Year Rs. Mn	2019 Year Rs. Mn	2018 Year Rs. Mn
Turnover	1,122.0	1,236.1	909.2
Prizes Declared	527.3	581.0	427.3
Agency Commission	224.3	239.5	170.4
Contribution to Consolidated Fund	112.2	123.6	90.9

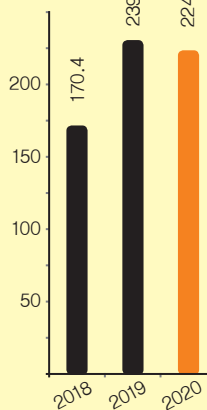
Turnover (Rs. Mn)



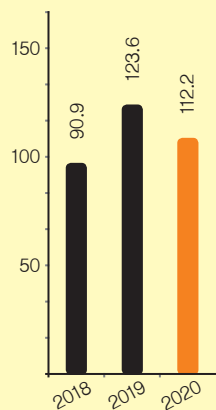
Prizes Declared
(Rs. Mn)



Agency Commission
(Rs. Mn)



Contribution to
Consolidated Fund
(Rs. Mn)



Ten Year Operational Round Up

Figures in Rs.

	2011	2012	2013	2014	2015	2016	2017	2018 Restated	2019 Restated	2020
Revenue	10,092,330,623	12,004,268,616	14,537,362,545	15,153,133,820	17,394,463,681	20,170,417,750	16,747,180,220	20,438,643,440	22,079,260,575	18,041,145,000
Less: Direct Taxes	-	-	-	-	-	-	130,831,250	-	-	-
Excise duty	-	-	-	-	-	-	-	-	-	-
10,092,330,623	12,004,268,616	14,537,362,545	15,153,133,820	17,394,463,681	20,170,417,750	16,747,180,220	20,438,643,440	22,079,260,575	18,041,145,000	
Less: Indirect Taxes	365,159,981	428,810,159	507,792,059	540,502,194	573,252,862	706,868,280	742,298,500	890,352,095	911,198,767	430,383,218
VAT	141,767,911	168,895,230	203,546,556	211,761,787	253,267,754	285,776,997	235,767,246	286,551,044	281,800,099	-
NBT	-	-	-	-	-	-	-	-	-	-
Net Turnover after direct & indirect taxes	9,585,402,731	11,406,563,227	13,826,023,930	14,400,869,839	16,567,943,065	19,177,772,473	15,638,283,224	19,261,740,301	20,886,261,709	17,610,761,782
Less: Cost of Sales	376,528,826	393,049,086	459,877,814	474,762,687	494,409,498	609,845,633	453,128,924	506,763,590	530,636,181	443,032,509
Ticket Printing Charges	1,874,354,373	2,232,580,487	2,701,581,629	3,244,659,091	3,771,736,589	3,103,001,814	3,826,289,663	4,278,989,075	3,608,007,678	3,608,007,678
Agency Commission	4,857,951,333	5,787,269,625	7,083,652,537	7,311,136,590	8,367,984,720	9,723,421,286	7,994,845,746	9,834,736,614	10,607,765,403	8,667,549,257
Prizes Declared	1,345,046,907	1,574,149,137	1,753,135,197	1,888,455,133	2,130,953,970	2,445,594,544	2,016,986,336	2,426,947,888	2,637,962,164	2,205,079,779
Government Contribution (Special Levy)	8,453,881,439	9,987,048,335	11,998,247,177	12,492,687,629	14,238,007,279	16,550,598,052	13,567,962,820	16,594,737,755	18,055,352,823	14,923,669,222
Gross Profit	1,131,521,292	1,419,514,892	1,827,776,753	1,908,182,210	2,329,935,786	2,627,174,421	2,070,320,404	2,667,002,546	2,830,908,886	2,687,092,560
Add: Other Income	178,866,137	275,197,318	220,209,583	88,823,238	92,197,950	249,546,105	387,784,659	414,302,302	1,070,594,943	422,918,093
	1,310,387,429	1,694,712,210	2,047,986,336	1,997,005,448	2,422,133,736	2,876,720,526	2,458,105,063	3,081,304,848	3,901,503,829	3,110,010,652
Less: Expenses	531,801,210	674,909,121	1,069,000,355	1,284,599,303	872,391,364	1,246,168,647	1,130,365,799	1,247,541,649	1,226,074,624	893,002,443
Sales, Marketing & Distribution costs	356,796,344	411,913,602	465,114,112	573,472,839	602,377,490	693,449,471	666,740,574	752,237,186	809,263,882	772,500,258
Administrative Expenses	25,807,844	26,094,291	37,190,847	29,743,995	36,563,614	40,212,740	36,583,170	43,391,442	25,053,822	9,683,721
Finance Cost	914,405,398	1,112,917,014	1,571,305,314	1,887,815,537	1,511,332,468	1,979,830,858	1,833,689,543	2,043,170,277	2,060,392,328	1,675,186,422
Profit before Tax	395,982,031	581,795,197	476,681,023	109,189,911	910,801,268	896,889,668	624,415,520	1,038,134,573	1,841,111,502	1,434,824,231
Less: Income Tax Expense	186,878,002	269,604,238	610,087,951	117,853,496	669,785,229	482,128,237	484,610,312	1,076,227,498	862,526,227	351,648,231
Profit/ (Loss) for the year	209,104,029	312,190,959	(133,406,928)	(8,663,585)	241,016,039	414,761,431	139,805,208	(38,092,925)	978,585,275	1,083,176,001
Direct & Indirect Contribution to Government	1,345,046,907	1,574,149,137	1,753,135,197	1,888,455,133	2,130,953,970	2,445,594,544	2,016,986,336	2,426,947,888	2,637,962,164	2,205,079,779
Contribution to Consolidated Fund on Sales	-	702,000,000	500,000,000	-	50,000,000	550,000,000	-	-	-	-
Special Contribution to General Treasury	180,473,400	197,806,370	247,798,070	246,424,920	257,691,450	365,393,530	339,076,910	361,185,010	389,032,360	352,138,230
Contribution to Treasury on Forfeited Prizes	693,805,894	867,309,627	1,321,426,566	870,117,477	1,496,305,845	1,474,773,514	1,593,507,308	2,253,130,637	2,055,525,093	782,031,449
Indirect Contributions - (Direct/Indirect Taxes)	2,219,326,201	3,341,265,134	3,822,299,833	3,004,997,530	3,934,951,265	4,835,761,588	3,949,570,554	5,041,263,535	5,082,519,617	3,339,249,458
Performance Indicators %	11.21%	11.83%	12.57%	12.59%	13.39%	13.02%	12.36%	13.05%	12.82%	14.89%
Gross Profit as a % of Turnover	3.92%	4.85%	3.28%	0.72%	5.24%	4.45%	3.73%	5.08%	8.34%	7.95%
Profit Before Tax as a % of Turnover	9.06%	9.27%	10.81%	12.46%	8.69%	9.82%	10.95%	10.00%	9.33%	9.29%
Expenses as a % of Turnover	2.07%	2.60%	-0.9%	-0.1%	1.4%	2.1%	0.8%	-0.2%	4.4%	6.0%
Profit/ (Loss) for the year as a % on Turnover	13.33%	13.11%	12.06%	12.46%	12.25%	12.12%	12.04%	11.87%	11.95%	12.22%
Consolidated Fund Contribution on sales as a % Turnover	21.99%	27.83%	26.29%	19.83%	22.62%	23.97%	23.58%	24.67%	23.02%	18.51%
Total Contribution to Govt. as a % on Turnover	13.87%	18.94%	21.10%	4.24%	14.79%	15.96%	-16.97%	22.04%	8.03%	-18.29%
Note:										
2018 Profit / (Loss) for the year before restatement was Rs.(136,267,795).										
2019 Profit for the year before restatement was Rs.605,583,060/-.										
Income Tax recovery from CF/NKof Rs.518,058,629/- and 28% taxes thereon (Rs. 145,056,416/-) adjusted in restated figures.										

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