



**National
Lotteries Board**
Annual Report 2021

STATEMENT OF FINANCIAL RESULTS

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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 The certain sections of the above act were repealed and amended in 1997 under the (amendment) Act.No. 35 of 1997 and in 1998 under the (amendment) Act no.22 of 1998.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 : 0114607000, 0114607001
FAX : 0114669443 ,0114669475, 0114669463
EMAIL : info@nlb.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

GUIDING PRINCIPLES

VISION

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

MISSION

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

ORGANIZATIONAL GOALS

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

Chairman and Board of Directors



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

Board of Directors



Mr. Kelum Priyankara Liyanage
Director - National Youth Service Council



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



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



Mr. Asanka Dayanath Randeniya
Attorney – at-law
LLB (Hons.) Sri Lanka, BA (SP.) (Hons.)
Colombo.

TOP MANAGEMENT



Mrs. Y.K. Shiromi Jeewamala
MBA (e governance)
University of Moratuwa
MA (Peradeniya)
SLAS (Class I)
General Manager



Mr. Sanjeewa Edirisinghe
Attorney –at-Law
MBS (Colombo)
Additional General Manager



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

SENIOR MANAGEMENT



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
MBA(Reading),BBA
Asst. General Manager (Sales)



Mr. K.A.Achala Jayathilake
B.Sc(MIS),DCSD (NIBM),MBCS,MCSSL,MICS
Asst. General Manager (IT)



Mr. D.S.Weeraratne
MBM(Reading), B.Sc(Special-BM)
Asst. General Manager (Administration)



Mrs. H.M.Chandra Herath
BA, Adv.Dip. HR
Asst.General Manager (Dealer
Administration)



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



Mrs. B.G.D.Nandika Roshani De Silva
B.com (Special)
Asst. General Manager (Finance)

Middle Management



Mr. Kasun Kurudukumbura
 PHD (Reading), MBS
 Asst. General Manager
 (Supply & Distribution)



Mr. Kapila Senanayake
 MBA(Reading)
 Asst. General Manager (Marketing)



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



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



Mr. N. Chathura Prasanna Perera
 Chartered Accountant
 MBA(Reading), B.Sc. Accounting (Special)
 Asst. General Manager (Finance)

Junior Management (Internal)

- | | | | |
|----|-----------------------------------------------------------------------------------------------------------------|----|-----------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Mrs. W.Thamara Perera
Public Relation Officer | 14 | Miss. N.N.M.A. Upeka Nillegoda
MA,PGDip.(Economics),BA
Human Resources Officer |
| 2 | Mr. S.D.A.Vithana
MIAE, NDT Auto Eng,IAE II,CGTTII(Auto)
Transport Officer | 15 | Mr. A.M. Danushka Aththanayake
B.com (Special)
Passive Lottery Officer |
| 3 | Mr. Lasantha Ravindra Kumara
Sales Officer | 16 | Mrs. Shirani Kalupahana
Closing & Checking Officer |
| 4 | Mrs. K.M.C.Subhashini Kangara
Sales Officer | 17 | Mr. G.V.G. Rohana Hettiarachchi
Distribution Officer |
| 5 | Mrs. Danisha Gunasekara
MBA, B.com (Accounting & Finance)
Finance Officer | 18 | Mrs. S.M. Asanka Samarathuranga
BA
Marketing Officer |
| 6 | Mrs. M.G. Vimukthi Kaushalya
MBS, PG Dip (HRM),PQHRM
Administrative Officer | 19 | Mr. J.M. Amila Madushanka
NDES(Civil Engineering)
Maintenance Officer |
| 7 | Miss. L. Sanjeewani
MBA, PQHRM
Personal Assitant | 20 | Mr. J.K.D. Buddika Jayaneththi
B.Sc(Special-Agriculture)
Instant Lottery Officer |
| 8 | Mrs. D.M.D. Loshandika
MA (Mass com) (Reading), PGDip.
(Human Rights), BA
Communication Officer | 21 | Mr. K.S.M. Fernando
PGDip (MIT), B.Sc(MIS),
HDCBIS(NIBM), DCSD (NIBM), MBCS, MCSS
System Administrator / Programme
Analyst |
| 9 | Mr. K.L.P.I. Gunawardhana
BA
Promotion Officer | 22 | Mrs. Naduni Jayathilaka
PGDip (SLIM), MBA(Special-Marketing),
MBA (Public Administration)Reading
Media Coordinating Officer |
| 10 | Mr. N. Aruna De Silva
Lottery Ordering Officer | 23 | Mrs. Sandya Priyani Kodithuwakku
B.Sc (Special-Finance Management),
M.Bus (Accounting)
Finance Officer |
| 11 | Miss. Priyani Hinguruduwa
Prizes Payment Officer | | |
| 12 | Mrs. H.A. Deepa Priyangani
Cashier Officer | | |
| 13 | Mr. Niroshan Wijayawardena
Procurement Officer | | |

Junior Management (Field)

- | | | | |
|----|------------------------------------------------------------------------------------------------|----|------------------------------------------------------------------------------------------------------------|
| 1 | Mr. P.N.Prageeth Uyangoda
B.Sc(Mgt-Pub)
Territory Manager | 14 | Mr. B.Nuwan Chandrakumara
BBA
Territory Manager |
| 2 | Mr. K.N.Tharaka Liyanage
PGDip.(MM)
Territory Manager | 15 | Mr. R.A.Gayan Nishara
B.Sc(Special-BA)
Territory Manager |
| 3 | Mr. B.Chinthaka Gunerathna
MA(Economics) Reading, BBA (Special)
Territory Manager | 16 | Mr. W.Peshan Dinesh Kumara Rajapaksa
PGDip.(Marketing)
Territory Manager |
| 4 | Mr. Pradeep Rathnasoma
BBM(Special-HR)
Territory Manager | 17 | Mr. S.Kelum Darshana Karunathilake
BMS
Territory Manager |
| 5 | Mr. A.Manjula Wanniarachchi
B.Sc(Special-Marketing)
Territory Manager | 18 | Mr. A.A.Gayan Sanjeewa Wanniarachchi
BBA(Special-Accounting)
Territory Manager |
| 6 | Mr. K.Nevil Dimuthu
B.Sc(Special-Marketing)
Territory Manager | 19 | Mr. T.M.S.Damith Kumara Jayasundara
B.Sc(Applied Mathematics and Computing)
Territory Manager |
| 7 | Mr. M.G.L.Rohitha Senarathne
BBM(Marketing-Special)
Territory Manager | 20 | Mr. Sundaralingam Naresh
BBA
Territory Manager |
| 8 | Mr. R.P.Sarath Jayanama
MA(Economics), B.Sc(Special-BA)
Territory Manager | 21 | Mr. I.Thanes Emirson
BBA
Territory Manager |
| 9 | Mr. K.A.Hiron Lasantha
Mphil, MA(Mass Com), BA(Hons)
Territory Manager | 22 | Mr. Sivarajah Barathan
B.Eng(Electronic &Telecommunication)
Territory Manager |
| 10 | Mr. K.L.Priyantha
MHRM,B.com (Special)
Territory Manager | 23 | Mr. Vajithilingam Thuvaragan
BBA
Territory Manager |
| 11 | Mr. M.M.Sumith Wijethilaka
B.Sc(Special-HR)
Territory Manager | 24 | Mr. G.R.Chamara Thilakarathne
BA
Territory Manager |
| 12 | Mr. M.M.P.Manjula Kumara
BBA(Special-Finance)
Territory Manager | 25 | Mr. W. K.D.Wedagedara
BA(Special-Economics), PGDip. (BM)
Territory Manager |
| 13 | Mr. W.A.K.Priyadarshana Wijerathna
BBM(Special-Marketing)
Territory Manager | | |

History and Milestones

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.

Milestones

1ST decade 1963– 1972

- 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)

2ND decade 1973– 1982

- 1975 Shifted to new Building at No.111/1, Sir Chiththampalam A Gardiner Mawatha
- 1977 Increased the price of Jathika Lottery from 50 cts. to 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 was 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.
- 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 Super 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)

**Current
decade**
2013- 2022

- 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.

- 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 1 Mn 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 (Rs.236Mn) was offered from Mega Power Lottery in history .

Mahajana Sampatha 50th Anniversary celebration was held on 26.09.2020.
Worldwide Corona Pandemic had an adverse effect on lottery industry as well from March 2020 on wards which led to closure of business for over 02 months.

2021

Following changes were made in Product Portfolio.

Vasana Sampatha Lottery – New prize structure was introduced from 15th February 2021. Prizes percentage was increased from 47% to 52% & first prize of Rs.1 mn was reduced to Rs.500,000.

Supiri Vasana Lottery – New prize structure was introduced from 16th February 2021. Prizes percentage was increased from 49% to 52% & first prize of Rs.1 mn was reduced to Rs.500,000. Draw days were changed from Monday, Saturday to Tuesday, Friday and Sunday, 25th July 2021 onwards.

Jathika Sampatha Lottery – Draw Days were changed to Monday and Thursday from 02nd August 2021. Earlier it was Wednesday and Saturday.

Mega power Lottery – New prize structure was introduced from 15th February 2021. Accordingly, Mega Super Prize was increased from Rs.50 Mn to Rs.100 Mn or more and Power Super Prize and Grand super prize were fixed as Rs.10Mn.

Darudiri Sampatha Lottery – New Prize structure was introduced from 21st February 2021. Accordingly, Prize percentage was increased from 47% to 52% & first prize of Rs.1 mn was reduced to Rs.500,000.

Introduced Sampatha Lagna Varama Lottery from 25th February 2021 instead of Neerogha lottery which was abolished on 06th November 2020.

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. From 15th February 2021 new prize structure was introduced. Accordingly, first prize of Rs.1 mn was reduced to Rs.500,000. However, prize percentage was increased from 47% to 52%.
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 (From 25th July 2021, draw days were Tuesday, Friday and Sunday)
- Prize:** : Super Prize was Rs.2.5Mn and first prize of 500,000 /- and other attractive prizes.
From 16th February 2021 new prize structure was introduced. Accordingly, prize percentage was increased from 49% to 52%.
- 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 From 25th July 2021. Tuesday draw was sent to Ranaviru Seva Authority and 10% of the turnover of the Friday and Sunday draw were 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 from 02nd August 2021, draw days were Monday, Wednesday, Thursday and 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 From 02nd August 2021. 10% of the turnover of the Mondays and Wednesdays draw was sent to Ministry of health and 10% of the turnover of the Thursday and Saturday draw was sent to the Ministry of Labour 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 From 15th February 2021 new prize structure was introduced. Accordingly, Mega Super Prize was increased from 50.0 Mn to 100 Mn or more. Power Super Prize and Grand super prize were fixed as Rs.10 Mn. Prize percentage was 48%.
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, Thursday.
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. From 21st February 2021 new prize structure was introduced. Accordingly, first prize of Rs.1 Mn was reduced to Rs.500,000. Prize percentage was increased from 47% to 52%.
- Contribution** : 10 % of the turnover was contributed to National Trust Fund through Consolidated Fund for Protection of children.



SAMPATHA LAGNA WARAMA

- Description** : This Lottery was introduced from 25th February 2021 instead of Neerogha lottery which was abolished on 06th November 2020. Price of this ticket is Rs.50/- . Two winning chances in one ticket.
- Draw Days** : Only five draws were conducted during the year.
- 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 was contributed to National Kidney Fund.



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



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.

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EXECUTIVE
STATEMENTS

Chairman's Review



“In the year 2021, there were 38 super prize winners and the board was able to distribute 1,381.1 million rupees among them.”

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 2021 for the third consecutive time as well as in the previous year.

Background

The Covid-19 pandemic that started in late 2019 severely affected our country in the year 2021 too as well as in the year 2020. Pandemic control measures were further adopted and the government had to lock down the country completely for nearly 3 months.

This global pandemic created a global critical situation not only in the health

sector but also in every sector such as socio-economic sectors.

Our entire sales network which is at the grassroots level was affected due to this pandemic as in the last year and they were unable to conduct their sales activities as usual.

Therefore, in the year 2021, we had to make various decisions, focus more on strategic plans and change those from time to time even amidst severe difficulties and operations had to be carried out that suit the situation.

However, despite such a serious challenging situation, the Board was able to achieve a revised estimated sales turnover for the year 2021.

Operational Review

Our expectation is to achieve our target sales turnover of Rs. 23 Billion in the year 2021 by taking required measures to meet the challenges. Despite various changes were made in the product mix and other sectors, we had to revise our revised estimated turnover due to various obstacles that arose due to the lockdown of the country for nearly 3 months on two occasions during the Covid -19 pandemic situation. Accordingly, the Board was able to achieve a sales turnover of Rs. 17,292.0 million compared to our estimated sales turnover of Rs.17,000.00 million as at 31st of December 2021. However, this was a 4.1 percent decrease compared to our sales turnover of Rs. 18,041.1 of the year 2020. Were it not for the Covid- 19 crisis situation, we had the potential to easily achieve a sales turnover of around Rs. 23 billion as expected.

Rs. 2,162.0 million was contributed to the Consolidated Fund by the Board in the year 2021 compared to Rs.2,205.0 million which was directly contributed through the sales of lottery tickets in the year 2020. In addition, Rs. 851.3 million was contributed indirectly as direct taxes, indirect taxes and unclaimed prizes in the year 2021 compared to the contribution of indirect taxes of Rs. 1,134.1 million of the year 2020. As such, Rs. 900 million was contributed to the Consolidated Fund in the year 2021 as a special contribution. We made a total contribution of Rs. 3,912.0 million (including the special contribution of Rs.900 million to the Consolidated Fund) as direct and indirect contributions in the year 2021 compared to the total contribution of Rs. 3,339.2 of the year 2020. This is an increase of 17.1% compared to the previous year.

The Board was able to pay Rs. 3,457.5 million as commissions to our Agency network of nearly 20,000 which consists of District Dealers, Sales agents and Sales Assistants who have direct contacts with the general public, compared to Rs. 3,608.0 million which was paid in the year 2020.

An allowance of Rs. 2,500 was granted this year too to our sales network which consists of the majority of the grassroots level of the community due to the helplessness caused by the disruption of sales in the face of Covid 19 pandemic situation. As such, medical insurance coverages were implemented this year too for their welfare.

We were able to distribute Rs. 8,352.1 million as prizes in the year 2021 compared to Rs. 8,667.5 million, which was allocated for prizes in the year 2020. That was 48.5% of the total sales turnover and prizes were distributed as follows.

38 Super Prize winners were produced by the Board in the year 2021 and RS. 1,318.9 million was distributed among them compared to Rs. 1,162.9 million, distributed among 33 Super Prize winners in the year 2020.

Among these 38 super prize winners, 15 winners were produced by the Mahajana Sampatha lottery and Rs. 320.9 million was distributed among them while 7 super prize winners were produced by the Govisetha lottery and Mega Power lottery and Rs.508.4 million and Rs. 103.8 million were distributed among them respectively. As such, Supiri Wasana and Dhana Nidhanaya lotteries produced three Super Prize winners each and Rs. 27.8 million and Rs. 320.6 million were distributed among them respectively. One Super Prize winner was produced by Jathika Sampatha Lottery and he won Rs. 17.5 million.

Two Super prize winners were produced by Sampatha Lagna Warama Lottery and among them, one person won a luxury motor car and the other person won Rs. 18.8 million.

In addition to these Super Prize winners, 303 Two Millionaires, 297 One Millionaires and 80 Five Hundred Thousand winners were produced by the Board. Rs. 1.964.3 million out of the amount allocated for prizes was paid for these super prize winners and the balance amount of Rs. 6,387.8 was distributed among people as minor prizes. As a whole, Rs. 8,352.1 million was distributed as aforesaid among 163,423,012 winners including super prize winners. As our prize-giving mechanism has faltered this year too, we went to their homes sometimes and proceeded to distribute prizes as we did in the last year and this was highly appreciated by them.

The operational expenditure of the year 2021 was Rs. 1,898.5 million compared to the operational expenditure of Rs. 1,675.1 million of the year 2020 and it was an increase of 13.3%. This is due to a slight increase in all other categories despite a decrease in institutional expenditure compared to the previous year.

Especially, inflation and lack of goods and services resulted in an increase in the cost of raw materials, fuel, communication, sales promotion and advertising and thereby expenditure on sanitation and medicine was increased due to Covid 19 pandemic situation and this was the main reason to increase the expenditure of other categories.

Profit before tax of the year 2021 was Rs. 1,003.3 million compared to the profit before tax of Rs. 1,434.8 million, achieved in the year 2020 and the profit of the year 2021 was Rs. 960.3 million compared to the profit of Rs.

1,083.1 million of the year 2020. The reason for the decrease of the profit by 11.3% compared to the previous year was due to a slight decrease in sales turnover and a slight increase in expenditure.

However, we were able to maintain operational expenditure under control compared to the last year by controlling expenditure while maintaining sales activities as well amidst various difficulties. It proves that it has been increased by 13.3 % compared to the previous year.

Various strategies were implemented while keeping continuous discussions with the management to increase the sales turnover of lotteries too. Accordingly, dates of lottery draws were changed as follows and it was a great opportunity to increase sales in the face of existing challenges. 11 monthly special lottery draws were held under special prize patterns in addition to normal lottery draws. Accordingly, 2 additional lottery draws of Govisetha Lottery, 4 additional draws from Mahajana Sampatha lottery and 5 draws from Sampatha lagna Warama lottery were held while total sales is 17.2 million and total sales turnover of this is Rs. 431.2 million.

In addition to regular prizes, special prizes were granted for these special lotteries and 5 Motor Cars as 1 Vigo, 3 Mahendra cars, 1 Toyota Rush car and 2 Three Wheelers, 1 Motor Cycle, 1 Gold Necklace, 21 Gold coins, 1 Mobile Phone, 16 Computers, 24 Mountain Bicycles, 2 Televisions, 4 Gift Vouchers, and 9 cash prizes were granted as special prizes.

Allocations for prizes of Wasana Sampatha Lottery were increased from 47% to 52% by introducing new prize patterns from February 2021 and the first prize of Rs. 1 million was reduced up to Rs. 500,000/-.

Allocations for Supiri Wasana lottery were increased from 49% up to 52% by changing the prize pattern from February and the first price of Rs.1 million was reduced up to Rs. 500,000. Further, previous draw dates of Monday and Saturday were changed as Tuesday, Friday and Sunday from July.

Draw dates of Jathika Sampatha Lottery which was previously drawn on Wednesdays and Saturdays were changed as Monday and Thursday from the beginning of August.

New prize pattern was introduced to Mega Power lottery from 15th February 2021 and accordingly, Mega Super prize was increased from Rs. 50 million up to Rs. 100 million and the super prizes of Power and Grand lotteries which previously remained as snow bowling prizes were stabilized by Rs. 10 million each.

The new prize pattern of Daru Diri Sampatha lottery was introduced on 21st February and allocations for prizes were increased from 47% to 52% . The first prize was reduced from Rs. 1 million to Rs. 500,000/-.

Neeroga Lottery was abolished from November 2020 and Sampatha Lagna Warama Lottery was introduced from February 2021 instead.

07 District Dealers and 81 new Sales Agents entered into our Sales Agency network in the year under review.

Although we had planned to hold District Dealers seminars and Sales Agents seminars all over the island with the aim of recognizing issues and necessities of the

Sales Agency network, which was considered to be the spinal code of the sales activities and keeping a good relationship between the board and them, only 3 District Sales Representative meetings could be held in the face of Covid 19 pandemic situation of the year 2021.

We have faced several challenges in operational activities at the end of the year 2021. The main reason was the problematic situation of printing of lotteries due to the difficulty in obtaining security papers to print lottery tickets of lottery printing companies. Various actions were taken in this regard and mainly, necessary amendments were made to the procurement procedures and searched ways to sell lotteries online.

The Board decided to give sponsorship to the LPL Cricket Tournament through the Expenditure Head for lottery advertising, aiming to pave the way to online sales of lotteries, bring our lotteries to the international level, and especially attract expatriate Sri Lankans to our lotteries. Also, plans are ahead for online lottery sales as a solution to the prevailing dollar crisis. However, due to the delay in obtaining necessary approval before the LPL tournament that was conducted for 3 weeks, we lost this great opportunity to introduce our lotteries to the international levels.

Further actions were taken to distribute lottery tickets through courier services to overcome the delays due to obstacles in the transport system and the fuel crisis in the country.

As at 31 December 2020, 390 employees were serving on the Board and, compared to this, 377 employees were serving in the year 2021. Incentive schemes and medical schemes that were implemented for employee motivation were continued during the year, and staff training was also conducted at minor levels.

Lottery draws and broadcasting through television are the main tasks among our daily functions. As an initiative, actions were taken to record lottery draws using a virtual system to modernize the lottery draws at a firm backdrop in line with new trends in the field of lottery, adapting to the digitalization program of the government.

This program creates the possibility to immediately communicate the messages that have to be communicated to the consumers and sales agents through this backdrop, and the Board has the benefit of getting necessary publicity simultaneously at the lottery draw.

Future prospects

If the prevailing economic crisis in the country worsens in the future, there will be difficulty in providing security papers that are used to print the lotteries. Therefore, to overcome this problem of printing the lotteries, we have to focus more on digitalization, deviating from the printed lotteries.

Further, it is expected to increase the number of SMS and Web Lottery Sales Agents as an alternative measure.

Furthermore, it is also expected to take measures to increase the lottery sale by implementing the Digital Lottery that was to be launched to sponsor the IPL Cricket Tournament through the agreement entered into with the IPG, the institute that is involved in the media campaign for Sri Lanka Cricket, and by adding the required modifications to this methodology at the beginning of the coming year.

Acknowledgment

I would like to express my sincere gratitude to appreciate to Hon. Mahinda Rajapakse, the Prime Minister, and the Minister of Finance, and Hon. Basil Rajapakse, the Minister of Finance, for the latter part of the year 2021 for their guidance and directives, given even amidst this global pandemic situation that has affected not only the health sector but also the social, economic, and all the other sectors of 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 and our banker People's Bank and 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 staff of the Government Audit Division for their proper guidance throughout the auditing process.

The entire sales network of the board, including District Dealers, Sales Agents, and

Sales Assistants, should be appreciated very much for their utmost dedication to lottery sales, connecting with people, managing the shortage of employees as per health guidelines, and also thank the officers in higher, middle, and junior management levels, the field officers, and the entire staff of the board who deliver their duties appropriately. We could not achieve this success without the dedication of the sales network and the employees.

I also greatly appreciate our clients who stand with us in this difficult situation of a lack of lottery tickets in the market.

We have to guess that the above pandemic will directly or indirectly affect the people's life and social and economic activities of the country in the future. Under such circumstances, we expect that our clients will dedicate themselves hand in hand to making the year 2022 a success. I invite all the clients and other stakeholders to join us in this endeavor.



Lalith Piyum Perera (Attorney at Law)

Chairman
National Lotteries Board
Colombo.

25th February 2022.

Performance Report of Chief Financial Officer



Presence of Corona pandemic did not help business environment locally and globally through back to back virus waves that affected operations from April to June 2021 and from August to October 2021. The Board was cruising well in first quarter 2021 having continuously recorded over Rs.2,000 million sales in January, February and March 2021 with March sales income being the highest ever recorded in a month so far amounting to Rs.2,366 million having broken the hitherto highest sales in a month of Rs.2,220 million achieved in December 2016. The tragedy struck with second wave of corona pandemic on 25th April 2021 resulting in closure of business for around 36 days with the second wave. Further, the third wave of corona pandemic surfaced on 21st August 2021 and continued till 2nd October 2021 with no lottery draws held during this period where lottery income was again lost for around 42 days.

The turnover in 2021 was Rs. 17,292.0 million compared to Rs. 18,041.1 million achieved in 2020 which showed a decrease of 4.1% percent. This indicated a decrease of Rs. 749.1 million.

Of the passive type lotteries, four lotteries contributed over Rs.1 billion in 2021 too. Mahajana Sampatha lottery recorded a sales income of Rs.6,475 million (Rs. 5,760.1 million in 2020), Govisetha lottery recorded Rs.4,442 million (Rs.5,290.6 million in 2020), Mega Power recorded an income of Rs. 2,233 million (Rs. 3,182.5 million in 2020) and Dhana Nidhanaya contributed Rs. 2,370 million (Rs.1,122 million in 2020) towards sales revenue. Out of scratch lotteries, sevana lottery sales in 2021 was Rs.221 million (Rs. 157.5 million in 2020).

The number of super prize winners produced in year 2021 was 38 compared to 33 in the previous year. Changes to prize structures were made to Vasana Sampatha, Darudiri Sampatha and Supiri Vasana lotteries. Mega Power main super prize was changed from Rs. 50 Mn to Rs. 100 Mn in addition to changes in other two super prizes among the major changes in the same lottery. Neeroga prize structure was changed with a new name as Sampatha Lagna Warama.

The Board's direct contribution to the Government as special levy was Rs.2,162.0 million on sales in 2021 as against Rs. 2,205.0 million in 2020 which showed a reduction of Rs.43.0 million in keeping with the sales reduction caused due to cancellation of more lottery draws brought about by covid 19 pandemic. The total contribution to the Government along with taxes in the current year stood at Rs.2,614.3 million, which was 15.1 percent on sales.

While the agency commission payments in year 2021 was Rs.3,457.5 million, the prizes paid in 2021 was Rs.8,352.1 million. The reductions under agency commission and prizes were again due to sales reduction caused by lottery draw cancellations associated with covid 19 pandemic.

The Board's other income was Rs. 416.0 million in 2021 as against Rs.422.9 million which indicated a slight drop. Of the other income, a sum of Rs.332.9 million was derived from investment of surplus funds in 2021 as against Rs.353.3 million in 2020.

The Board's operating expenses were Rs. 1,898.4 million in 2021 which was 10.9 percent on sales compared to Rs.1,675.1 million in the previous year which was 9.2 percent on sales in 2020.

The net surplus before tax for the year 2021 was Rs.1,003.3 million, 5.8 percent on sales as opposed to Rs.1,434.8 million reported in 2020 which was 7.9 percent on sales. The Board's profit after tax in 2021 showed Rs. 960.3 million in comparison to Rs.1,083.1 million in the previous year. Thus ended another successful year of business in terms of profit generation despite reduction in lottery sales caused due to global pandemic situation which very badly affected overall economies universally.



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

25th February 2022.

REPORT OF AUDIT & MANAGEMENT COMMITTEE



The Audit and management committee was established in 2005 and since then the meetings were held as scheduled over the years. In year 2021, it was able to conduct four Audit & Management Committee meeting amidst the Covid 19 situation during the financial year. The committee was always helpful to address the issues highlighted in the Audit reports and provided fruitful instructions as and when necessary to reduce the management deficiency of National Lotteries Board.

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 National Audit Office
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.

The role and terms of reference of the Audit Committee are to assist the Board of Directors in fulfilling their oversight responsibilities regarding the integrity of Board's financial statements, risk management, internal control, compliance with legal and regulatory requirements and strengthen the independent position of the external Auditor monitoring the performance, qualifications and independence of the internal audit functions.

During the year concerned, the Audit and Management Committee has closely reviewed the operational issues and matters highlighted in both audit reports issued by the Auditor General and Internal Auditor of National Lotteries Board.

H.C.D.L.Silva

Chairman,
Audit and Management Committee,
National lotteries Board.
Colombo.

25th February 2022

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FINANCIAL STATEMENTS AND INFORMATION

Auditor General's Report



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எனது இல.
My No.

My No: TPD/F/NLB/1/21/27

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

Date: 09th September 2022

Chairman
National Lotteries Board

Financial statements of the National Lotteries Board for the year ended on 31st December 2021 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 2021 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(1) 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 2021, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

අංක 306/72, පොල්දූව පාර, මිඞ්තංගුල්ල, ශ්‍රී ලංකාව



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1.2 Basis for the Qualified Opinion

- (a) In terms of the letter No. PE/LO/NLB/Gen/2016 and dated 03rd August 2016 of the Director General of Public Enterprise, it has been informed to remit Rs. 600 million from the retained earnings of the National Lotteries Board of the year 2016 to the Consolidated Fund. Accordingly, the board has remitted a total amount of Rs. 550 million to the Consolidated Fund on 2 occasions in 2016. It has been mentioned in the Financial Statements of the Board of the year 2021 that an amount of Rs. 550 million was due from the General Treasury to the Building Reserve Fund of the Board. However, such a balance payable to the National Lotteries Board has not been mentioned in the Financial Statement of the Government ending on 31st December 2021. As mentioned in the letter No. PED/S/NLB/3/3(ii) dated 25th May 2022 of the Director General of Public Enterprises, since such funds have been credited to the Consolidated Fund, such amount would not be repaid. Accordingly, it has been overstated in the receivable account.
- (b) Changes of the balance of trade and other payable balance and the amount of paid gratuities have been overstated by Rs. 2,184,950/- in the changes of working capital of the cash flow statement prepared for the reviewed year.
- (c) Repayment and recovery of an amount of Rs. 3,675,000/- which was obtained as a loan amount from the bank and paid as festival advance to employees has been accounted falsely and although the relevant loan installment and interest have been recovered from the staff, an amount of Rs. 2,915,533, due from the employees had been entered in current assets and an amount of Rs. 2,915,533 payable to the bank had been entered in current liabilities.
- (d) Balance of the Canceled Cheque Account was Rs. 14,500,033 as at 31st December 2021. Payments, made under 56 cheques to various suppliers and creditors from the year 2019 were included in the said balance. Steps had not been taken to check transactions of the canceled cheque account, adjust relevant accounts and settle the balance of the canceled cheque account.
- (e) As per the Bank Reconciliation Statement as at 31st December 2021, prepared for Mahajana Sampatha Janabhisheka Swarnajayanthi Account maintained at the Peoples' Bank by the board, balances which were not included in the cash book and debited to the bank account are Rs. 72,260,545 and Rs. 76,970,786 respectively. The board had not taken actions to identify and settle dating back to the year 2010 even by 15th June 2022.

I performed the audit in 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 2021

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 2021 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 quantitatively inconsistent with my knowledge of financial statements or audit or otherwise obtained.

If I concluded that quantitative mistakes are available in the Annual Report of the Board of 2021, then such details shall be communicated to parties by whom control rectifications. If not rectified misinterpretations 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 the 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 are 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/ regulations

- (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
- (b) Section 11 of the Finance Act No.38 of 1971
- (c) Paragraphs 15(2) and (3) of the Public Finance Circular No. 01/2020 dated 28th August 2020
- (d) Public Enterprise Circular No. PED/12 dated 02nd June 2003
- (e) Letter No. PEI/70/7/VolI dated 21st January 1993 of the Deputy Secretary to the Treasury.

Observation

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. 1,529,921 relating to the year under review had been retained even as at 31st December 2021 without being credited to the Consolidated Fund

Although no money of a public corporation shall be invested without the approval of the Minister of Finance, the board had invested Rs. 5,071,443,227 and Rs. 1,353,220,014 respectively in fixed deposits and time deposits by the end of the year under review.

Board had commenced a fund named Asarana Sarana Fund and credited donations of lottery ticket winners and 0.005 percent of the lottery ticket income. The balance of the fund as at 31st December 2021 was Rs. 24,030,981. Proper approval had not been obtained to conduct such a special fund. Accordingly, a sum that had to be credited to the Consolidated Fund had been illegally retained with the board.

An incentive scheme for the staff had been implemented without obtaining the approval of the Treasury and a total of Rs. 110,344,291 had been paid as incentive based on the lottery income of each lottery during the year under review.

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, which is less than the prescribed percentage from the income of 11 lotteries had been remitted to the Consolidated Fund and therefore an amount of further Rs. 681, 851,572 had to be further remitted to the Treasury.

2.2.3 To state that the board had not acted in compliance with powers, duties and functions of the board as per the requirement of section 12(g) of the National Audit Act, No. 19 of 2018.

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

2.3 Other Audit Observations

- (01) An amount of Rs. 103,190,357 was due from lottery ticket sellers by 31st December 2021. Although lottery ticket sellers had to submit Bank Guarantees, such Bank Guarantees had been submitted only for Rs. 20,400,906 of indebtedness. Such Bank Guarantees had not been submitted for 80 percent (total of Rs. 82,789,451) of the balance of indebtedness of lottery ticket sellers.
- (02) Total value of indebtedness that exceeded 365 days was Rs. 29, 271,401 as at 31st December 2021 and the board had failed to recover such amount or convert bank guarantees of Rs. 2,299,197 of indebtedness into cash.
- (03) Among registered sales representatives of the board, 64 sales representatives had been given instant lotteries and 79 sales representatives had been given passive lotteries on the credit basis as at 31st December 2021 and only 10 sales representatives for instant lotteries and 25 sales representatives for passive lotteries had submitted bank guarantees. Accordingly, bank guarantees had not been obtained from 54 sales representatives for instant lotteries and 54 sales representatives for passive lotteries.
- (04) Balance of indebtedness on the sale of Colombo Air Port Super Draw lottery as at 31st December 2021 was Rs. 5,151,652. Last draw of this lottery was on 21st January 2018. The board had failed to recover this balance of indebtedness even by 30th April 2022 and doubtful debt for the said total amount had been allocated in financial statements of the year 2021.
- (05) If it fails to print lotteries, ordered for various draws, and hand it over during the prescribed period of time, fines should be charged from printing companies as per the relevant agreements. Such fine should have been reduced from the next payment, made to the said companies. Due to the delay in handover of printed lottery tickets of 13 lottery draws from 20th January 2020 to 22nd September 2020, a total amount of Rs. 1,031,759 was fined to printing companies and actions had not been taken to recover such fines even by the end of the year under review.
- (06) The board had failed to recover a total amount of Rs. 2,187,952 as festival advances, due from the employees who were deceased, interdicted and those who had vacated posts even by the 31st of December 2021.

- (07) The balance of the prize reserve fund as at 31st of December 2021 was Rs. 2,411,724,762 and it had been more than a year since the lottery draws of Janabhishekaya, Manusath Mehewara, Ran Kirula and Raja Dinuma were held. Actions had not been taken to settle an amount of Rs. 15,166,256 which were the total amount of the unfavourable balance of Rs. 6,759,950 of the reserve fund of Janabhishekaya lottery and the favourable balance of Rs. 15,166,256 of the reserve funds of Rankirula and Raja Dinuma lotteries.
- (08) An amount of Rs. 1,070,847,638 had been entered in financial statements as the payable balance as at 31st December 2021 and the total value of Rs. 15,799,822 of the prizes of Power Lotto, Raja Dinuma, Ran Kirula, Mahajana Sampatha and Janabhishekaya were included in this amount. Although it had been more than 6 months since these lottery draws were held, actions had not been taken to pay such prizes to the winners or identify as unclaimed prizes and such amount had been included as payable prizes.
- (09) A total amount of Rs. 1,380,400 had been charged from District Sales Representatives to provide them with lottery sales outlets from 2018 to 2020. Actions had not been taken to provide them with such sales outlets or settle the said amount and such balance had further been included under current assets.
- (10) Rs. 0.075 is paid by the Board to scan each winning lottery to sales representatives. A total amount of Rs. 5,380,221 payable to sales representatives to scan winning lotteries from the year 2020 had been included under trade and other payable items without settling even by the 31st December 2021.
- (11) The cabinet of Ministers had approved on 18th July 2017 to obtain the business premises that is currently maintained by the board for a period of 02 years ending in September 2020 on rental basis. Even after the expiry of the said rental period the said building had been obtained on rental basis upon a decision of the Board of Directors and an amount of Rs. 117,782,484 had been paid as the rent by March 2022.
- (12) The Cabinet of Ministers had approved on 24th July 2018 to obtain a building of 2,880 sq ft, proposed to construct adjoining to the premises where the business is currently maintained by the board. When the approval of the Cabinet of Ministers was obtained it had not been made aware about the nature of the proposed building. This building was an unauthorized construction without a proper approval and the board as a government institution had obtained such an unauthorized building on rental basis and an amount of Rs. 19,784,250 had been paid as the rent from May 2020 to April 2022.
- (13) As per the decision of the Cabinet of Ministers No. 16/2468/719/150 and dated 29th November 2016, the approval had been granted to construct a building for the board and obtain consultancy service of Rs. 41 million. Although it had been more than 05 years by the end of the year under review since such approval had been granted the said building had not been constructed. National lotteries Board which was established in the year 1963 is maintained in buildings, obtained on rental basis and an amount of Rs. 399,471,200 had been paid as building rental only for last 07 years.

- (14) 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.
- (15) Although the Committee on Public Enterprises had ordered on 21st March 2013 to recover the gratuity of Rs. 7,392,287 which had been overpaid during last years to the board, actions had not been taken during the year under review to recover the said amount or mention as a due amount in financial statements. The board had only informed in writing to relevant retired officers to reimburse the overpaid gratuity to the Board.
- (16) After concluding the prior audit and certifying the Sales Detail Report, a collection of 1,000 lottery tickets of 500 lottery tickets each had been issued to a sales representative again in two instances. Accordingly, the audit was unable to satisfy on the accuracy of reports issued by the computer system of the lottery drawing process of the board as it had a chance to re-enter sales invoices through the computer system regarding lottery draws even after the conclusion of the prior audit and the Sales Detail Report of such draw was certified.
- (17) 57 percent of the total expenditure of the year under review were marketing, sales and distributing expenditure and nearly 84 percent of the said amount of Rs. 1,074,102,918 were sales and marketing promotion expenditure. As such, sales and marketing promotion expenditure was 48 percent of the total expenditure. However, it was questionable that whether this promotion and advertising method suit to such an institution that functions within an oligopoly market.
- (18) The Board had paid an amount of Rs. 27,009,822 from 2016 up to the year under review for consultancy services for work-in-progress of the construction of the business premises on the land owned by the board situated at Vauxhall Street.
- (19) As per the section 08(6) of the Rent agreement of the building, obtained by the National Lotteries Board on rental basis, an amount of Rs. 24,357,375 had been paid as an additional security of three months for telephone, water and electricity charges. With a prior understanding that an amount of Rs. 63,329,175 would be saved after two years out of the basic deposit, given as per the section 08(9) of the Agreement, the institution had paid an amount of Rs. 24,357,375 uneconomically to the owner of the building.
- (20) Without an annual sales promotion and advertising plan, items worth of Rs. 6,354,620, purchased by the board for sales promotion and advertising campaigns remained idle in stores.

- (21) 53 units of gold items including gold coins and chains worth of Rs. 1,787,668, purchased for prizes of lottery draws at the end of the year 2015 had been kept in bank safes without using for the relevant purpose. Present value of those items was Rs. 3.86 million.
- (22) As per the information submitted by the board to the audit, 569 Dollar Fortune lotteries out of 30,000 lotteries printed in the year 2016 to be sold for 10 Dollars each had been went missing. The value of those misplaced lotteries as at 31st December 2021 was Rs. 1,594,906 and actions had not been taken to conduct a proper inquiry on the said missing, identify responsible parties and recover damages. Although this lottery had to be drawn in the year 2016, the board had failed to implement it even by 30th April 2022.
- (23) As per the report of the Board of Survey, conducted as at 31st December 2021, items belonged to 3 various divisions of the Board and worth of Rs. 3,418,665 had not been recognized at the survey. Items of 11 divisions and worth of Rs. 1,473,327 had been damaged.
- (24) Total value of income tax assessments of 2016/2017 and 2017/2018 assessment years, issued by the Department of Inland revenue as at 31st December 2021 was 1,785,860,482 and the total fine, imposed on the said amount was Rs.819,379,995. Total value of tax assessments on the Value Added Tax of 2015/2016 and 2016/2017 years was Rs. 53,073,024 and the relevant was Rs. 39,474,184. Assessment for Payee Tax of June 2016 was Rs. 419,483 and the relevant fine was Rs. 255,483. Accordingly, total value of assessments, issued by the Department of Inland Revenue and relevant fines, imposed on the said amount was Rs. 2,698,462,455. Appeals, regarding income tax of 2016/2017 assessment year had been submitted to the Tax Appeals Commission and appeals on remaining tax had been submitted to the Commissioner General of Inland Revenue and decisions had not been given on those appeals even as at 31st December 2021.

Signed/illegibly

W.P.C.Wickramarathna
Auditor General

Statement of Income

For the year ended 31st December

	Note	2021 Rs.	2020 Rs.
Gross Turnover	03	17,292,066,080	18,041,145,000
Less : Indirect Taxes			
Value Added Tax (VAT)		409,319,517	430,383,218
Net Turnover		16,882,746,563	17,610,761,782
Less : Cost of Sales	04	14,396,877,247	14,923,669,223
Gross Profit		2,485,869,316	2,687,092,559
Add : Other Income	05	416,022,651	422,918,093
		2,901,891,967	3,110,010,652
Less : Expenses			
Sales, Marketing & Distribution Expenses	06	1,074,102,918	893,002,443
Administrative Expenses	07	811,945,418	772,500,258
Finance and Other Expenses	08	12,488,494	9,683,721
Profit before Tax		1,003,355,136	1,434,824,231
Less : Income Tax Expense	09	43,005,519	351,648,230
PROFIT FOR THE YEAR		960,349,617	1,083,176,000

Statement of Comprehensive Income

For the year ended 31st December

	2021 Rs.	2020 Rs.
Profit for the Year	960,349,617	1,083,176,000
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax)		
Actuarial Gain / (Loss) on Defined Benefit Plans	10,340,015	(7,342,944)
Deferred Tax on Actuarial Gain / Loss	(2,481,604)	1,762,307
TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	968,208,028	1,077,595,362

Statement of Financial Position

As at 31st December

	Note	2021 Rs.	2020 Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	10	551,667,896	576,449,609
Capital Work-in Progress - Head Office Building		27,009,822	27,003,862
Investment Property	11	24,999,802	26,186,048
Intangible Assets	12	-	198,125
Deferred Tax Assets	13	8,879,808	8,951,500
Staff Loans	14	119,605,313	116,961,086
Total Non Current Assets		732,162,640	755,750,230
Current Assets			
Inventories	15	39,277,504	65,402,277
Trade Receivables	16	89,936,751	120,484,443
Other Current Assets	17	975,592,024	694,229,319
Short Term Investments	18	1,078,350,718	681,022,942
Cash & Cash Equivalents	19	5,735,981,945	6,398,582,225
Total Current Assets		7,919,138,942	7,959,721,205
TOTAL ASSETS		8,651,301,582	8,715,471,435
EQUITY & LIABILITIES			
Equity			
Retained Earnings	20	1,529,921,219	2,486,581,712
Other Components of Equity	21	4,501,320,640	3,476,452,117
Total Equity		6,031,241,859	5,963,033,829
Non-Current Liabilities			
Retirement Benefit Obligation	22	66,106,692	76,033,198
Total Non Current Liabilities		66,106,692	76,033,198
Current Liabilities			
Trade & Other Payables	23	2,518,627,924	2,642,465,627
Current Tax Payables	24	35,325,106	33,938,782
Total Current Liabilities		2,553,953,030	2,676,404,409
TOTAL LIABILITIES		2,620,059,722	2,752,437,606
TOTAL EQUITY & LIABILITIES		8,651,301,582	8,715,471,435

These Financial Statements are 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 with amendments thereto in the Finance (Amendment) Act, No. 35 of 1997 and Finance (Amendment) Act, No. 22 of 1998 and the Finance Act, No. 38 of 1971.


Dr. Harsha Bandara
 Chief Financial Officer

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


Lalith Piyum Perera
 Chairman

Colombo
25.02.2022


R.D.A. Dayanath Jayarathna
 Director

Statement of Cash Flows

For the year ended 31st December

	2021 Rs.	2020 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	1,003,355,136	1,434,824,231
Adjustments For		
Depreciation	34,031,253	47,027,070
Amortization	1,384,372	1,896,332
Defined Benefit Plan Cost	11,079,502	12,393,730
(Profit) / Loss on Disposal of Property, Plant & Equipment	(13,697,142)	-
Prizes Reserve	-	261,676,181
Exchange Gains	(740,072)	(3,022,112)
Previous year adjustment for Retained Earnings	-	(2,175,491)
Bad Debt Over Provision	(4,373,977)	(6,020,101)
Sundry Income - Balances written back	(33,882,134)	(34,186,211)
Old balances correction and written off	7,314,579	-
Written off Investment of Srilanka Savings Bank	-	5,336,575
Income from Circuit Bungalows & Hiring of Board Vehicles	(365,590)	(914,809)
Interest Income	(332,969,241)	(353,365,849)
Operating Profit before Working Capital Changes	671,136,686	1,363,469,547
Changes in Working Capital		
(Increase)/Decrease in Inventories	26,124,773	730,591
(Increase)/Decrease in Trade Receivables	34,921,669	135,855,072
(Increase)/Decrease in Other Current Assets	(38,650,132)	307,486,059
Increase/(Decrease) in VAT Payables	1,386,324	22,341,821
Increase/(Decrease) in Prizes Obligations	(82,737,580)	(299,059,550)
Increase/(Decrease) in Government Contribution (Special Levy) Payables	19,234,041	12,248,415
Increase/(Decrease) in Trade & Other Payables	(26,452,030)	87,619,870
	604,963,751	1,630,691,825
Income Tax Paid	(295,378,417)	(777,758,009)
Defined Benefit Plan Cost Paid	(10,665,993)	(5,546,078)
NET CASH FLOW FROM OPERATING ACTIVITIES	298,919,341	847,387,738

For the year ended 31st December

	2021 Rs.	2020 Rs.
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to P.P.E, Investment Property, Intangible Assets & Work-in Progress	(9,331,720)	(7,543,547)
Proceeds from Disposal of Property, Plant & Equipment	13,773,362	473,564
Short Term Investments	(389,227,335)	(598,076,430)
Income from Circuit Bungalows & Hiring of Board Vehicles	301,428	1,037,690
Staff Loans Granted	(40,179,720)	(14,951,175)
Staff Loans Recovered	37,535,493	16,491,185
Interest Received	324,868,800	344,929,983
NET CASH FLOW FROM INVESTING ACTIVITIES	(62,259,693)	(257,638,730)
CASH FLOW FROM FINANCING ACTIVITIES		
Special Levy transferred to General Treasury by SITST Fund	-	(21,526,641)
Special Levy transferred to General Treasury by Retained Earnings	(900,000,000)	-
Special Levy transferred to General Treasury by CASD/NAL	-	(32,735,561)
NET CASH FLOW FROM FINANCING ACTIVITIES	(900,000,000)	(54,262,202)
Net Increase / (Decrease) in Cash & Cash Equivalent	(663,340,352)	535,486,806
Cash & Cash Equivalent at the beginning of the Year (Note)	6,399,322,297	5,863,095,419
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	5,735,981,945	6,398,582,225
Note to the Cash Flow Statement		
CASH & CASH EQUIVALENT		
Short Term Deposits	5,346,312,522	5,970,398,189
Cash in Hand & at Bank	389,669,422	428,184,036
NET CASH & CASH EQUIVALENT AT THE END OF THE YEAR	5,735,981,945	6,398,582,225
Note : Cash & Cash Equivalent at the beginning of the Year	6,398,582,225	5,860,049,121
Add : Exchange Gains	740,072	3,022,112
Add : Prior year Adjustment for Exchange Gains	-	24,186
Cash & Cash Equivalent at the beginning of the Year	6,399,322,297	5,863,095,419



Statement of Changes In Equity

For the year ended 31st December

	Accumulated Treasury Fund Rs.	Revaluation Reserve Rs.	Building Reserve Rs.	Prizes Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st January 2020	21,263,101	321,118,964	730,000,000	2,151,343,872	1,456,474,040	4,680,199,978
Adjustment against Revaluation Gain on Disposal of P. P. & E.	-	(8,950,000)	-	-	8,950,000	-
Net change in Prizes Reserve	-	-	-	261,676,181	-	261,676,181
SITST Fund Transferred to General Treasury (Special Levy)	-	-	-	-	(21,526,641)	(21,526,641)
Special Levy transfer to General Treasury by CASD/NAL	-	-	-	-	(32,735,561)	(32,735,561)
Adjustment for the year 2019	-	-	-	-	(2,175,491)	(2,175,491)
Actuarial Losses on defined benefit plans	-	-	-	-	(7,342,944)	(7,342,944)
Deferred tax attributable to Actuarial Losses on defined benefit plans	-	-	-	-	1,762,307	1,762,307
Profit for the Year	-	-	-	-	1,083,176,001	1,083,176,001
Balance as at 31st December 2020	21,263,101	312,168,964	730,000,000	2,413,020,053	2,486,581,712	5,963,033,829
Adjustment against Revaluation Gain on Disposal of P. P. & E.	-	(13,907,498)	-	-	13,907,498	-
Net change in Prizes Reserve	-	-	-	(1,295,290)	1,295,290	-
Special Levy Transfer to General Treasury	-	-	-	-	(900,000,000)	(900,000,000)
Transfer of Profit to Building Reserve	-	-	1,000,000,000	-	(1,000,000,000)	-
Transfer of fixed deposit interests to Building Reserve	-	-	40,071,311	-	(40,071,311)	-
Actuarial Gains on defined benefit plans	-	-	-	-	10,340,015	10,340,015
Deferred tax attributable to Actuarial Gains on defined benefit plans	-	-	-	-	(2,481,604)	(2,481,604)
Profit for the Year	-	-	-	-	960,349,617	960,349,617
Balance as at 31st December 2021	21,263,101	298,261,466	1,770,071,311	2,411,724,763	1,529,921,219	6,031,241,857

Notes to the Financial Statements

Note No 01

1. CORPORATE INFORMATION

1.1 REPORTING ENTITY

National Lotteries Board (the "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 is located at No.32, Deshamanya N. W. J. Mudalige Mawatha, Colombo 01.

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The main purpose of establishing National Lotteries Board is 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 2021 to 31st December 2021.

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.

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 2021 were authorized for issue by the Board of Directors on 25th February 2022.

2.1.2 Statement of Compliance.

The Statement of Financial Position, Statement of Comprehensive Income, Changes in Equity and Cash Flows, together with Notes to Financial Statement of the Board as at 31st December 2021 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 with amendments thereto in the Finance (amendment) Act, No. 35 of 1997 and Finance (Amendment) Act, No. 22 of 1998 and the Finance Act, No. 38 of 1971.

2.1.3 Going Concern.

The Directors are confident 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 the spot foreign exchange rates at the year end, 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. The financial statements, except for information on cash flows have been prepared following the accrual basis of accounting.

2.1.7 Functional and Presentation Currency.

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

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.

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.

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 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 asset's 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.

Motor vehicles, computers & accessories, office equipments, furniture & fittings of the Board are subsequently carried at fair value, based on periodic valuations by the Government Valuer for Department of Valuation. The Previous valuation has been completed in 2015. Next revaluation will be conducted in 2022.

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.

As per the depreciation policy of the National lotteries Board, an asset is depreciated in the month of purchase and depreciation will not be calculated in the month of disposal.

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 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 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.

Short-Term Leases and Leases of Low-Value Assets

The Board has elected not to recognize Right-of-Use Assets and Lease Liabilities for leases of low value assets and short term leases. The Board recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

2.2.5 Investment property.

Investment property of Board includes Anuradhapura Circuit Bungalow & Mannar 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 gain or loss on retirement or disposal is 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.

Non-current 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.

(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 is 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 (%)
---------------	----------------

Active Debtors

0 – 3 months	- No Provision
4 – 6 months	- 2.5 %
7 – 12 months	- 5%
Over 12 months	- 10%

Inactive Debtors

Debtors under legal case and – 100%
 Other disputes

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 Dollar Fortune Lottery is shown at fair value taking in to the account currency fluctuation 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.

Building Reserve Fund

Building Reserve Fund was established to generate and utilize funds needed for the purpose of construction of proposed head office building.

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.

2.3.4 Income Tax Expense

Income tax expenses comprise current and deferred tax. Income tax expense is recognized directly in statement of profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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 Tax

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, Annual Bonus, Medical, Uniform Allowance, Draw Allowance, Risk Allowance, Overtime and provision of meals.

2.4.2. Long-term Employee Benefits

Housing Loan and Distress Loan

2.4.3. Retirement Benefit Obligations

a). Defined Contribution Plans – EPF & ETF

All employees who are eligible for Employees Provident Fund (EPF) contribution and Employee Trust Fund (ETF) 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 the Board provides 15% of the salary. The Board contributes 3% of the salary of each employee to the Employees' Trust Fund.

b). Defined Benefit Plan – Gratuity

Gratuity is a defined benefit plan. In order to meet this liability, a provision is carried forward in the Statement of financial position. The provision is made on the basis of an actuarial valuation as recommended by the Sri Lanka Accounting Standards considering the Projected Unit Credit (PUC) method and premium for the period is charged as an expense to the Income Statement. The actuarial valuation is carried out by a professionally qualified valuer and the Board expects to carry out actuarial valuation every year.

The fund is not externally funded.

However, as per the Payment of Gratuity Act No. 12 of 1983, the liability arises only upon the completion of five years of continuous service.

2.5 INCOME STATEMENT

2.5.1 Revenue Recognition

Lottery business of National Lotteries Board 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.

2.6 GENERAL

2.6.1 Events Occurring after the Reporting Date.

The materiality of the events occurring after the reporting date have been considered and appropriate adjustments to or disclosure have been made in the financial statements where necessary.

2.6.2 Comparative Figures

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

2.6.3 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.

2.6.4 Commitments and Contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Capital commitment and contingent liabilities of the Board are disclosed in the respective notes to the Financial Statements.

2.6.5 Forfeited Prizes

The prizes are forfeited after six months from the date of respective draw and this is remitted to the Consolidated Fund on quarterly basis.

2.6.6 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%.

(a) Distributions of income for passive lotteries are as follows;

	Mahajana Sampatha	Vasana Sampatha	Govisetha	Supiri Vasana	Jathika Sampatha	Dana Nidanaya	Sampatha Lagna Warama		Mega Power	Sevana Passive	Daru Diri Sampatha
							20/-	30/-			
Prizes	49%	52%	47%	52%	52%	47%	49%	52%	48%	49%	52%
Dealer Commission	18.75%	18.75%	18.75%	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%	10%	10%	10%
Board	15.75%	12.75%	24.25%	19.25%	19.25%	24.25%	22.25%	19.25%	23.25%	22.25%	19.25%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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).

(b) Distribution of income for Scratch Lotteries.

	Sevana Rs. 20/-	Sevana Rs. 50/-	Samurdhi Rs. 20/-
Prizes	53%	53%	49%
Dealer Commission	18.75%	18.75%	18.75%
Government Contribution	10%	10%	10%
Board	18.25%	18.25%	22.25%
Total	100%	100%	100%

(c) 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 (Tuesday)	10%	Consolidated Fund - Ranawiru Sewa Authority
Supiri Vasana (Friday and Sunday)	10%	Consolidated Fund - Ministry of Sports & Ministry of Social Services
Jathika Sampatha (Monday and Wednesday)	10%	Consolidated Fund - Ministry of Health and Indigenous Medical Services
Jathika Sampatha (Thursday and Saturday)	10%	Consolidated Fund - Ministry of Labour
Sampatha Lagna Warama	10%	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 - Protection of Children - National Trust Fund
Instant Lotteries	Percentage	Consolidated Fund / Ministries
Sevana	10%	Consolidated Fund - Ministry of Housing
Samurdhi	10%	Consolidated Fund - Samurdhi and Youth Affairs

2.6.7 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.

2.6.8 Dollar Fortune Lottery

Dollar fortune lottery is sold online also via Sampath Bank.

2.6.9 E- Lottery

Passive Lotteries are sold through SMS in addition to normal dealer channel.

2.6.10 Accounting Policies, Changes in Accounting Estimates and Errors.

The following amended standards are not expected to have a significant impact on the Board's financial statements.

SLFRS 03 – Business Combination (Definition of a Business)

SLFRS 17 – Insurance Contracts



Note 03 - Turnover - VAT Inclusive	2021 Rs.	2020 Rs.
Mahajana Sampatha	6,475,960,400	5,760,190,600
Vasana Sampatha	182,867,800	408,506,000
Govisetha	4,441,618,920	5,290,655,920
Supiri Vasana	451,990,600	410,341,720
Jathika Sampatha	562,273,960	629,895,000
Neeroga	-	424,575,200
Mega Power	2,233,985,800	3,182,546,200
Sevana - Passive	123,994,300	357,043,680
Dana Nidanaya	2,370,481,000	1,122,022,320
Daru Diri Sampatha	54,539,200	186,557,160
Sampatha Lagna Warama	143,216,100	-
Mahajana Sampatha Janabhishekaya	-	91,249,200
Samurdhi	30,000,000	-
Sevana - Scratch	221,138,000	157,562,000
Special - Scratch	-	20,000,000
	17,292,066,080	18,041,145,000

Note 04 - Cost of Sales	2021 Rs.	2020 Rs.
Tickets Printing Charges	425,035,522	443,032,509
Agency Commission	3,242,262,390	3,382,714,688
Main Agency Commission	215,375,258	225,292,990
Prizes	8,352,173,636	8,667,549,257
Government Contribution (Special Levy)	2,162,030,441	2,205,079,779
	14,396,877,247	14,923,669,223

Note 04-01 - Tickets Printing Charges	2021 Rs.	2020 Rs.
Opening Stock as at 1st January		
Passive Lottery	5,720,695	1,181,368
Sevana Lottery	1,400,473	3,666,784
Special - Scratch	1,168,265	1,168,265
	8,289,433	6,016,417
Add : Purchase of Tickets during the year	420,408,641	445,305,525
	428,698,074	451,321,942
Less : Closing Stock as at 31st December		
Passive Lottery	2,996,666	5,720,695
Sevana Lottery	665,886	1,400,473
Special - Scratch	-	1,168,265
	3,662,552	8,289,433
	425,035,522	443,032,509

Note 04-02 - Agency Commission	2021 Rs.	2020 Rs.
Mahajana Sampatha	1,214,242,575	1,080,035,738
Vasana Sampatha	34,287,713	76,594,875
Govisetha	832,803,548	991,997,985
Supiri Vasana	84,748,238	76,939,073
Jathika Sampatha	105,426,368	118,105,313
Neeroga	-	79,607,850
Mega Power	418,872,338	596,727,413
Sevana - Passive	23,248,931	66,945,690
Dana Nidanaya	444,465,188	210,379,185
Daru Diri Sampatha	10,226,100	34,979,468
Sampatha Lagna Warama	26,853,019	-
Mahajana Sampatha Janabhishekaya	-	17,109,225
Samurdhi	5,625,000	-
Sevana - Scratch	41,463,375	29,542,875
Special - Scratch	-	3,750,000
	3,242,262,390	3,382,714,688

Note 04-03 - Main Agency Commission	2021 Rs.	2020 Rs.
Mahajana Sampatha	80,911,835	72,088,011
Vasana Sampatha	2,285,783	5,106,553
Govisetha	55,460,228	66,180,261
Supiri Vasana	5,649,641	5,146,834
Jathika Sampatha	7,027,947	7,894,587
Neeroga	-	5,320,647
Mega Power	27,913,719	39,810,660
Sevana - Passive	1,549,895	4,475,951
Dana Nidanaya	29,623,509	14,045,923
Daru Diri Sampatha	681,743	2,329,713
Sampatha Lagna Warama	1,759,580	-
Mahajana Sampatha Janabhishekaya	-	1,118,232
Samurdhi	300,000	-
Sevana - Scratch	2,211,380	1,575,620
Special - Scratch	-	200,000
	215,375,258	225,292,990



Note 04-04 - Prizes	2021 Rs.	2020 Rs.
Mahajana Sampatha	3,142,710,614	2,822,550,384
Vasana Sampatha	90,518,482	191,997,900
Govisetha	2,181,733,226	2,486,664,462
Supiri Vasana	227,523,780	197,350,059
Jathika Sampatha	268,924,496	296,051,110
Neeroga	-	208,042,128
Mega Power	966,214,913	1,527,872,740
Sevana - Passive	58,360,510	174,953,023
Dana Nidanaya	1,181,685,270	527,350,950
Daru Diri Sampatha	28,881,503	87,684,655
Mahajana Sampatha Janabhishekaya	-	52,924,236
Mahajana Sampatha Janabhishekaya -Special Prize paid	2,234,600	-
Sampatha Lagna Warama	71,483,102	-
Samurdhi	14,700,000	-
Sevana - Scratch	117,203,140	83,507,610
Special - Scratch	-	10,600,000
	8,352,173,636	8,667,549,257

Note 04-05 - Government Contribution (Special Levy)	2021 Rs.	2020 Rs.
Contribution to the Consolidated Fund		
Mahajana Sampatha	1,068,533,466	950,431,449
Vasana Sampatha	30,173,187	67,403,490
Govisetha	444,161,892	529,065,592
Supiri Vasana	45,199,060	41,034,172
Jathika Sampatha	56,227,396	62,989,500
Mega Power	223,398,580	318,254,620
Sevana - Passive	12,399,430	35,704,368
Dana Nidanaya	237,048,100	112,202,232
Daru Diri Sampatha	5,453,920	18,655,716
Mahajana Sampatha Janabhishekaya	-	9,124,920
Samurdhi	3,000,000	-
Sevana - Scratch	22,113,800	15,756,200
Special - Scratch	-	2,000,000
	2,147,708,831	2,162,622,259
Contribution to the National Kidney Fund		
Neeroga	-	42,457,520
Sampatha Lagna Warama	14,321,610	-
	14,321,610	42,457,520
	2,162,030,441	2,205,079,779

Note 05 - Other Income	2021 Rs.	2020 Rs.
Interest Income	332,969,241	353,365,849
Sundry Income	83,053,410	69,552,244
	416,022,651	422,918,093

Note 06 - Sales, Marketing & Distribution Expenses	2021 Rs.	2020 Rs.
Distribution Costs	146,651,612	145,937,122
Marketing & Sales Promotion Expenses	900,376,746	724,055,511
Communication Expenses	27,074,560	23,009,810
	1,074,102,918	893,002,443

Note 06-01 - Distribution Expenses	2021 Rs.	2020 Rs.
Motor Vehicles - Fuel	10,957,970	8,853,598
Motor Vehicles - Repairs	6,221,074	3,684,330
Motor Vehicles - Insurance	791,008	1,315,098
Motor Vehicles - Revenue License	248,221	270,313
Motor Vehicles - Tires and Tubes	2,042,892	1,030,640
Motor Vehicles - Maintenance & Others	4,353,213	3,121,509
Motor Vehicles - Depreciation	7,981,885	10,767,230
Tickets Transport Charges	15,251,018	10,194,098
Agent Relief Exp. /Cost of Returned Tickets	209,326	43,963
Dealers & Agents Training & Conference	2,197,855	772,100
Scholarships to Agents' Children	670,500	19,500
Agent & Seller Medical & Insurance Expenses	5,913,000	4,932,000
Agent Additional Sales Promotional Expenses	35,618,109	53,761,862
Agent Appreciation Token for Prize Winners	1,970,000	2,288,000
Agent & Seller Relief Covid 19	51,867,500	42,760,006
Payment to Asarana Sarana Fund (SLW/ Neeroga Incentive)	358,040	2,122,876
	146,651,612	145,937,122

Note 06-02 - Marketing & Sales Promotion Expenses	2021 Rs.	2020 Rs.
Production & Telecasting	366,642,160	385,411,583
Publication of Lottery Results	84,678,899	92,796,523
Brand Promotional Advertising	345,359,984	134,279,982
Corporate Advertising	73,049,703	49,847,273
CSR - Corporate Social Responsibility	15,689,000	24,888,075
BTL Advertising Exp	-	27,264,975
Public Relation Expenses	3,157,000	4,531,100
Sales Booth ect. to Agents	11,800,000	5,036,000
	900,376,746	724,055,511

Note 06-03 - Communication Expenses	2021 Rs.	2020 Rs.
Postage and Telegrams	74,277	62,085
Telephone, Faxes and Internet	12,699,197	12,194,098
Printing and Stationery	13,533,276	10,124,684
Press Notices	767,811	628,943
	27,074,560	23,009,810

Note 07 - Administrative Expenses	2021 Rs.	2020 Rs.
Personnel Emoluments	471,893,975	449,599,524
Establishment Expenses	129,347,665	145,683,933
Other Administrative Expenses	210,703,778	177,216,800
	811,945,418	772,500,258

Note 08 - Finance and Other Expenses	2021 Rs.	2020 Rs.
Bank Charges	5,173,915	4,347,146
Old balances correction and written off	7,314,579	-
Written off Investment of Srilanka Savings Bank	-	5,336,575
	12,488,494	9,683,721

Note 09 - Income Tax Expenses	2021 Rs.	2020 Rs.
Current year Income Tax	8,211,883	354,853,580
Previous year Income Tax - corrections and adjustments	37,203,548	-
Deferred Tax Reversal	(2,409,911)	(3,205,350)
Income Tax Expense	43,005,519	351,648,230

Note 10 – Property, Plant & Equipment – Free Hold

	Land Rs.	Buildings Rs.	Motor Vehicles Rs.	Computers & Accessories Rs.	Office Equipment Rs.	Draw Barrels Rs.	Furniture & Fittings Rs.	Promotional Equipment Rs.	2021 Total Rs.	2020 Total Rs.
Cost or Revalued Amount										
Balance Beginning of the Year	500,000,000	23,331,320	285,192,209	129,010,645	54,803,735	162,980,392	36,720,985	13,389,940	1,205,429,226	1,199,049,483
Last Year Adjustment	-	-	-	-	-	-	-	-	-	-
Additions during the Year	-	-	-	6,316,840	2,209,500	-	799,420	-	9,325,760	7,537,447
Disposal during the Year	-	-	(13,230,000)	-	(3,996,410)	-	(180,870)	-	(17,407,280)	(1,157,704)
Transferred during the Year	-	-	-	-	-	-	-	-	-	-
Balance end of the Year	500,000,000	23,331,320	271,962,209	135,327,485	53,016,825	162,980,392	37,339,536	13,389,940	1,197,347,707	1,205,429,226
Depreciation										
Balance Beginning of the Year	-	7,421,411	264,211,773	120,084,510	47,658,745	161,369,091	18,941,684	9,292,403	628,979,617	582,390,987
Last Year Adjustment	-	-	-	-	-	-	-	-	-	10,816
Depreciation for the Year	-	1,166,566	15,963,770	5,127,285	2,912,941	1,229,700	3,592,637	4,038,354	34,031,253	47,016,254
Depreciation on Disposal	-	-	(13,230,000)	-	(3,958,796)	-	(142,264)	-	(17,331,059)	(438,440)
Transferred during the Year	-	-	-	-	-	-	-	-	-	-
Balance End of the Year	500,000,000	8,587,977	266,945,543	125,211,795	46,612,890	162,598,792	22,392,058	13,330,757	645,679,811	628,979,617
Carrying amount as at 31.12.2021	500,000,000	14,743,343	5,016,666	10,115,690	6,403,936	381,600	14,947,478	59,182	551,667,896	
Carrying amount 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
Rate of Depreciation	-	05%	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 assets were valued on an open market value for existing use basis.

Assets	Valuation Technique	Significant unobservable inputs	Sensitivity of the input to the fair value
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. This 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.	Estimated fair value would increase (decrease) if; - Price per perch increases (decreases).

Property, Plant & Equipment – Free Hold Property

Land carried at revalued amount

Location	Last Revalued Date	Extent	Cost Amount as at 31.12.2013 Rs.	Carrying Amount as at 31.12.2013 Rs.	Revaluation Amount as at 31.12.2013 Rs.	Revaluation Surplus (2013) Rs.	Carrying Amount as at 31.12.2021
Land – Vauxhall Street No. 55/57, Vauxhall Street, Colombo 02	31.12.2013	112.05 P	312,151,670	312,151,670	500,000,000	187,848,330	500,000,000
Chairmans Bungalow – Narahenpita D 8/1/2, Mangala Path, Mannin Town, Colombo 02	31.12.2013	0.1415Ha	2,322,929	182,876	9,900,000	9,717,124	5,940,000

Board Property, Plant and Equipment with a cost of Rs. 564,686,291.91 (2020 – Rs. 535,656,769.07) have been fully depreciated and continue to be in use by the Board.

Note 11 – Investment Property – Lease hold

Circuit Bungalows – Anuradhapura & Mannar

Buildings – Lease Hold	2021 Rs.	2020 Rs.
Cost or Revalued Amount		
Balance Beginning of the Year	50,530,000	50,530,000
Additions during the Year	–	–
Transferred during the Year (to the P.P.E.)	–	–
Balance end of the Year	50,530,000	50,530,000
Accumulated Amortization		
Balance Beginning of the Year	24,343,952	23,157,705
Transferred during the Year (to the P.P.E.)	–	–
Amortisation for the Year	1,186,246	1,186,246
Balance end of the Year	25,530,198	24,343,952
Carrying amount as at 31.12.2021	24,999,802	
Carrying amount as at 31.12.2020		26,186,048

Fair Value Measurement

As per the valuation carried out as at 01st January 2015 by the Government Valuer for Department of Valuation, the assets 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. This 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

Land carried at revalued amount

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 31.12.2021
Anuradhapura Circuit Bungalow 1st Lane, Harischandra Mv,	31.12.2013	1R 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)	24,999,802

Carrying amount has been adjusted for amortization for investment property.

Note 12 - Intangible Assets

Computer Software	2021 Rs.	2020 Rs.
Cost		
Balance Beginning of the Year	90,598,131	90,598,131
Additions during the Year	-	-
Balance end of the Year	90,598,131	90,598,131
Accumulated Amortization		
Balance Beginning of the Year	90,400,006	89,689,921
Amortisation for the Year	198,125	710,085
Balance end of the Year	90,598,131	90,400,006
Carrying amount as at 31.12.2021	-	
Carrying amount as at 31.12.2020		198,125

Note 13 - Deferred Tax (Assets)	2021 Rs.	2020 Rs.
Balance at the beginning of the year	8,951,500	3,983,844
Current year Deferred Taxation	2,409,911	3,205,350
Add : Deferred Tax attributable to remeasurment of Retirement benefit Obligation	(2,481,604)	1,762,307
Balance at the end of the year	8,879,808	8,951,500
Movement in Deferred Tax Assets		
Balance at the beginning of the year	8,951,500	3,983,844
Recognised in profit / (loss)	2,409,911	3,205,350
Recognised in other comprehensive income	(2,481,604)	1,762,307
Balance at the end of the year	8,879,808	8,951,500
	-	-
Composition of Deferred Tax Assets / (Liability)		
Deferred tax assets attributable to;		
Defined benefit obligations	15,865,606	18,247,968
Provision for Bad debts	3,191,569	-
Accelerated depreciation for tax purposes on property, plant & Equipment	(10,177,367)	(9,296,467)
Net deferred tax assets / (liability)	8,879,808	8,951,500

Note 14 - Staff Loans	2021 Rs.	2020 Rs.
Distress Loans	38,132,780	38,748,625
Housing Loans	105,001,663	99,180,058
	143,134,443	137,928,683

Note 15 - Inventories	2021 Rs.	2020 Rs.
Printed Tickets Stocks	4,671,924	9,300,740
Prizes Stocks	26,427,468	48,260,890
Consumable Stocks	8,178,112	7,840,647
	39,277,504	65,402,277

Note 16 – Trade Receivables	2021 Rs.	2020 Rs.
Trade Debtors	103,190,357	137,704,343
Return Cheques – Sevana	44,599	603,899
	103,234,957	138,308,242
Less : Provision for Doubtful Debts	(13,298,206)	(17,823,800)
	89,936,751	120,484,443

Note 17 – Other Current Assets	2021 Rs.	2020 Rs.
Other Debtors	22,306,543	10,680,687
Accounts Receivables	19,632,422	6,399,470
Staff Loans	31,567,491	24,690,660
Deposits & Prepayments	97,024,200	97,360,119
Recoverable from the Department of Inland Revenue	255,061,368	5,098,382
Building Reserve Receivable from Treasury	550,000,000	550,000,000
	975,592,024	694,229,319

Note 18 – Short Term Investments	2021 Rs.	2020 Rs.
Fixed Deposits (matured within 03 to 12 months)	1,078,350,718	681,022,942
	1,078,350,718	681,022,942

Note 19 – Cash & Cash Equivalent	2021 Rs.	2020 Rs.
Cash in Hand and at Bank	389,669,422	428,184,036
Short Term Deposits	5,346,312,522	5,970,398,189
	5,735,981,945	6,398,582,225

Note 20 – Retained Earnings	2021 Rs.	2020 Rs.
Balance at the beginning of the year	2,486,581,712	1,456,474,040
Profit for the Year	960,349,617	1,083,176,001
	3,446,931,331	2,539,650,043
Net change in Prizes Reserve	1,295,290	-
Less : Special Levy transferred to General Treasury by Retained Earnings	(900,000,000)	-
Less : Special Levy transferred to General Treasury by SITST Fund	-	(21,526,641)
Less : Special Levy transferred to General Treasury by CASD/NAL	-	(32,735,561)
Less : Adjustment for previous years	-	(2,175,491)
Less : Transfer to Buiding reserve fund	(1,000,000,000)	-
Less : Transfer to Buiding reserve fund belongs to fixed deposits	(40,071,311)	-
Add : Adjustment against Revaluation Gain on Disposal of P. P. & E.	13,907,498	8,950,000
Less : Actuarial Gain / (Loss) on defined benefit plans	10,340,015	(7,342,944)
Add : Deferred Tax attributable to remeasurment of Retirement benefit Obligation	(2,481,604)	1,762,307
Balance at the end of the year	1,529,921,219	2,486,581,712

Note 21 – Other Components of Equity	2021 Rs.	2020 Rs.
Accumulated Treasury Fund	21,263,101	21,263,101
Revaluation Reserve	298,261,466	312,168,964
Building Reserve	1,770,071,311	730,000,000
Prizes Reserve	2,411,724,762	2,413,020,053
Balance at the end of the year	4,501,320,640	3,476,452,117

Note 22 - Retirement benefit Obligation	2021 Rs.	2020 Rs.
Balance at the beginning of the year	76,033,198	61,842,602
Interest Cost	6,082,969	6,493,483
Current Service Cost	4,996,533	5,900,247
Charge to Income Statement	11,079,502	12,393,730
Actuarial (Gain) / Loss included in Other Comprehensive Income	(10,340,015)	7,342,944
	739,487	19,736,674
Payments made during the year	(10,665,993)	(5,546,078)
Balance at the end of the year	66,106,692	76,033,198

Principal Actuarial Assumptions

An actuarial valuation was carried out as at 31st December 2021 by Mr. M. Poopalanathan, AIA, of Messrs Actuarial and Management Consultants (Pvt) Ltd., a firm of professional actuaries. Principal Actuarial Assumptions as follows;

Rate of discount	11.50%	8.00%
Salary escalation rate	8.00%	5.00%
Retirement Age in years	62	60
Staff Turnover	3.00%	3.00%
Disability Rate	10% of Mortality table	
Mortality Table	A 1967/70 Mortality table	

Sensitivity Analysis

A one percentage change at the reporting date to one of the actuarial assumptions would have the following effects to defined benefit obligation.

Variable	2021		2020	
Discount Rate	Increase	Decrease	Increase	Decrease
Sensitivity level	+1%	-1%	+1%	-1%
Impact on defined benefit obligation Rs.	59,597,744	73,762,997	70,306,217	82,675,083
Salary Escalation Rate	Increase	Decrease	Increase	Decrease
Sensitivity level	+1%	-1%	+1%	-1%
Impact on defined benefit obligation Rs.	73,986,881	59,317,895	82,840,649	70,075,368

Distribution of Present Value of Defined Benefit Obligation in future years are as follows.	2021 Rs.	2020 Rs.
Within the next 12 months	1,508,619	8,718,775
Between 2 to 5 years	19,851,562	28,462,720
After 5 years	44,746,512	38,851,703
	66,106,692	76,033,198
The Weighted Average duration of Defined Benefit Obligation in years	11.82	8.69

Note 23 – Trade & Other Payables	2021 Rs.	2020 Rs.
Payable to Government Contribution (Special Levy)	253,614,849	234,380,808
Sweep Collection in Advance	189,413,862	226,197,912
Deferred Revenue, Expenditure – Dollar Fortune	10,310,094	10,132,835
Prizes Obligations	1,228,276,040	1,311,013,619
Trade & Other Creditors	344,853,668	156,603,545
Accrued Expenses	492,159,412	704,136,908
	2,518,627,924	2,642,465,627

Note 24 – Current Tax Payables	2021 Rs.	2020 Rs.
VAT Payables	35,325,106	33,938,782
	35,325,106	33,938,782

25. Related Party Disclosures

The Board carried out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 – Related Party Disclosures. The details of which are given below.

25.1 Key Management Personnel

According to Sri Lanka Accounting Standard 24 – Related Party Disclosures, the Key Management Personnel (KMP) are those having authority and responsibility for planning, directing, and controlling the activities of the entity. Accordingly, the Directors of the Board and the Chairman/ CEO have been classified as KMP of the Board directly or indirectly.

25.1.1 Transaction with key management personnel (KMP)	2021 Rs.	2020 Rs.
Short Term Benefits	4,723,000	4,055,575

26. Financial Assets and Financial Liabilities – Accounting Classification and Fair Values

26.1 Fair Value of Financial Instruments Carried at Amotised Cost

Following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at the fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount 2021 Rs.	Carrying Amount 2020 Rs.
As at 31 December 2021		
Financial Assets not Measured at Fair Value		
Trade Receivables	89,936,751	120,484,443
Staff Receivables	31,567,491	24,690,660
Other Current Assets	581,628,871	556,947,322
Short Term Investments	1,078,350,718	681,022,942
Cash and Cash Equivalents	5,735,981,945	6,398,582,225
	7,517,465,776	7,781,727,592
Financial Liabilities		
Financial Liabilities not Measured at Fair Value		
Trade Payables	344,853,668	156,603,545
Prizes Payables	1,228,276,040	1,311,013,619
Other Payables	10,310,094	-
	1,583,439,802	1,467,617,164

26.2 Classes of financial instruments that are not carried at fair value and of which carrying amounts are a reasonable approximation of fair value,

This includes trade, staff and other receivables, short term investments, cash and cash equivalents, trade and other payables.

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values due to their short term nature.

27. Financial Instruments – Risk Management

Overview

The Board has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk
4. Operational risk.

This note presents information about the Board's exposure to each of the above risks, the Board's objectives, policies and processes for measuring and managing risk, and the Board's management of capital. Further quantitative disclosures are included throughout this financial statement.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Board's risk management framework. The Board is responsible for developing and monitoring the Board's risk management policies.

The Board's risk management policies are established to identify and analyze the risks faced by the Board's, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Board's activities. The Board, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

27.1 Credit Risk

Credit risk is the risk of financial loss to the Board if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from its' operating activities principally from the Board's receivables from customers and investment securities and cash at bank.

27.1.1 Trade and Other Receivables

The Board's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Board has established a credit policy under which each customer is analyzed individually for creditworthiness, before the Board's standard payment and delivery terms and conditions are offered. credit limits and credit periods are established for each customer at the time of entering in to agreements and these are timely reviewed.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

As at 31 December,	Carrying Value	
	2021 Rs.	2020 Rs.
Trade Receivables	89,936,751	120,484,443
Staff Receivables	31,567,491	24,690,660
Other Current Assets	581,628,871	556,947,322
Short Term Investments	1,078,350,718	681,022,942
Cash at Bank	5,734,561,945	6,396,967,225
	7,516,045,776	7,780,112,592

Age analysis of trade receivables after provision for impairment

As at 31 December 2021,

Past due but not impaired

	Less than 30 days	31 - 90 days	90 - 365 days	More than 365 days	Impaired	Gross trade receivables
Trade receivables	62,842,757	2,128,295	3,666,678	21,299,022	13,298,206	103,234,957
	62,842,757	2,128,295	3,666,678	21,299,022	13,298,206	103,234,957

As at 31 December 2020,

Past due but not impaired

	Less than 30 days	31 - 90 days	90 - 365 days	More than 365 days	Impaired	Gross trade receivables
Trade receivables	27,116,664	17,952,433	30,193,575	45,221,771	17,823,800	138,308,242
	27,116,664	17,952,433	30,193,575	45,221,771	17,823,800	138,308,242

All individually significant receivables are individually assessed for impairment by considering objective evidence.

27.2 Liquidity Risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Cash flow forecasting is done by the Board on a regular basis. The finance division monitors rolling forecasts of the Board's liquidity requirements to ensure it has sufficient cash to meet operational needs.

27.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and security prices will affect the Board's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

27.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Board's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Board's operations.

Compliance with Board standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the Audit Committee and the relevant divisions to which they relate, with summaries submitted to the Board of Directors and senior management. The responsibility is supported by the development of overall Board standards for the management of operational risk in the following areas.

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance when this is effective.

27.5 Capital Management

The Primary Objective of the Board's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business.

28. Capital Commitments and Contingencies

The Department of Inland Revenue has issued an assessment in respect of Income Tax filed, by disallowing amount given to Consolidated fund, for the year of assessment 2016/2017 amounting to additional tax value of Rs. 946,462,661/- and penalty of Rs. 397,514,318/-. The Board has appealed against the assessment by giving a Bank Guarantee of Rs. 336,000,000/- and decision is pending at Tax Appeals Commission.

The Department of Inland Revenue has issued an assessment in respect of Income Tax filed, by disallowing amount given to Consolidated fund, for the year of assessment 2017/2018 amounting to additional tax value of Rs. 839,397,821/- and penalty of Rs. 421,865,677/-. The Board has appealed against the assessment to Commissioner General of Inland Revenue.

The Department of Inland Revenue has issued notice of assessment to the Board for the quarter ended 31.03.2016 for Value Added Tax (VAT) penalty amounting to Rs. 7,099,971.50. The Board has made appeal against this assessment to Commissioner General of Inland Revenue.

The Department of Inland Revenue has issued notice of assessment to the Board for the quarter ended 30.09.2016 for Value Added Tax (VAT) tax in default of Rs. 45,973,053/- and penalty amounting to Rs. 39,474,184.07. The Board has made appeal against this assessment to Commissioner General of Inland Revenue.

The Department of Inland Revenue has issued notice of assessment to the Board for the month of June 2016 for Pay As You Earn (PAYE) tax in default of Rs. 419,286.91 and penalty amounting to Rs. 255,482.51. The Board has made appeal against this assessment to Commissioner General of Inland Revenue and asked to correct this in the system.

Estimated amount of the contracts remaining to be executed on capital commitments not provided for (net of advance) is zero.

Legal case of Defamation has been filed against the Board amounting to Rs. 50,000,000/- and the judgement of the same has been given against the Board and appeal has been filed in Court of Appeal and decision is pending.

A legal case has been filed against the Board by a former employee.

Apart from the above, there were no significant contingent liabilities and capital commitments as at the reporting period end that would require adjustments to/or disclosure in the financial statements.

29. Events after the Reporting Period End

There were no significant events after the balance sheet date which require adjustments to or disclosures in the financial statements

30. Other Notes

- 30.01 One employee of the Board has misappropriated an approximate amount of Rs. 4,735,295/- during the year 2020 and investigation is being carried out by Criminal Investigation Department of Sri Lanka Police. Hence, this misappropriated amount has not been adjusted in this Financial Statements.
- 30.02 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.
- 30.03 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.
- 30.04 Forfeited prizes always represent two financial years and payments were made as follows;

	2021 Rs.	2020 Rs.
1 st Quarter (Draw held during 3 rd Quarter of previous year)	113,650,480	105,269,360
2 nd Quarter (Draw held during 4 th Quarter of previous year)	88,126,820	100,479,170
3 rd Quarter (Draw held during 1 st Quarter of current year)	123,592,650	118,026,510
4 th Quarter (Draw held during 2 nd Quarter of current year)	72,285,120	28,363,190
	397,655,070	352,138,230

SEGMENTAL ANALYSIS

	2021 Rs.			2020 Rs.		
	Lottery Operation	Investment Operation	Total	Lottery Operation	Investment Operation	Total
Gross Turnover	17,292,066,080	-	17,292,066,080	18,041,145,000	-	18,041,145,000
Less : Indirect Taxes						
VAT	409,319,517	-	409,319,517	430,383,218	-	430,383,218
Net Turnover	16,882,746,563	-	16,882,746,563	17,610,761,782	-	17,610,761,782
Less : Cost of Sales	14,396,877,247	-	14,396,877,247	14,923,669,223	-	14,923,669,223
Gross Profit	2,485,869,316	-	2,485,869,316	2,687,092,559	-	2,687,092,559
Add : Other Income						
Interest Income	-	332,969,241	332,969,241	-	353,365,849	353,365,849
Other Income	83,053,410	-	83,053,410	69,552,244	-	69,552,244
	2,568,922,726	332,969,241	2,901,891,967	2,756,644,803	353,365,849	3,110,010,652
Less : Expenses						
Sales, Marketing & Distribution Cost	1,074,102,918	-	1,074,102,918	893,002,443	-	893,002,443
Administrative Expenses	811,945,418	-	811,945,418	772,500,258	-	772,500,258
Financial Cost	12,488,494	-	12,488,494	9,683,721	-	9,683,721
	1,898,536,831	-	1,898,536,831	1,675,186,421	-	1,675,186,421
Profit / (Loss) before Tax	670,385,895	332,969,241	1,003,355,136	1,081,458,383	353,365,849	1,434,824,231
Less : Income Tax - (Note)	(36,907,099)	79,912,618	43,005,519	266,840,427	84,807,804	351,648,230
Profit / (Loss) after Tax	707,292,994	253,056,623	960,349,616	814,617,956	268,558,045	1,083,176,000

4

OPERATING & FINANCIAL REVIEW

Financial Highlights

For the year ended 31st December

Description	2021 Rs.Mn	2020 Rs.Mn	Change Compared with 2020 (%)
Turnover	17,292.06	18,041.14	(4.15)
Contribution to Consolidated Fund	2,162.03	2,205.07	(1.95)
Agency Commission	3,457.63	3,608.00	(4.16)
Prizes Allocation	8,352.17	8,667.54	(3.64)
Value Added Tax	409.31	430.38	(4.90)
Other Income	416.02	422.90	(1.63)
Expenses	1,898.53	1,675.18	13.33
Profit before Tax	1,003.35	1,434.82	(30.07)
Profit for the Year	960.34	1083.17	(11.34)
Income Tax	43.00	351.64	(87.77)
Total Assets	8,651.30	8,715.47	(0.74)
Total Net Assets / Equity	5,365.18	5,283.31	1.55
Profit before Tax to Turnover %	5.80	7.95	(27.04)
Profit before Tax to Total Assets %	11.60	16.46	(29.53)
Liquidity Ratio	3.1:1	2.9:1	-

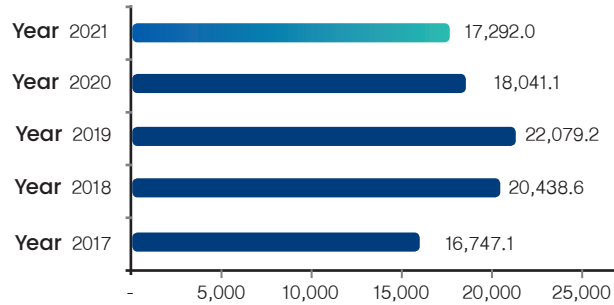
Contribution to State

Description	2021 Rs.Mn	2020 Rs.Mn
Direct Remittances		
Contribution to consolidated fund	2,162.03	2,205.07
Contribution to consolidated fund (Special Tex)	900.00	-
	3,062.03	2,205.07
Indirect Remittances		
VAT	409.31	430.38
Income tax	43.00	351.64
Forfeited prizes	397.66	352.13
	849.97	1,134.15
Total remittances to state	3,912.00	3,339.22

Overall Performance

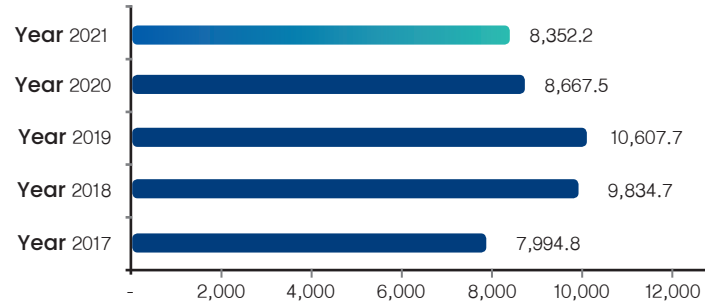
Turnover (Rs. Mn)

Year 2017	16,747.1
Year 2018	20,438.6
Year 2019	22,079.2
Year 2020	18,041.1
Year 2021	17,292.0



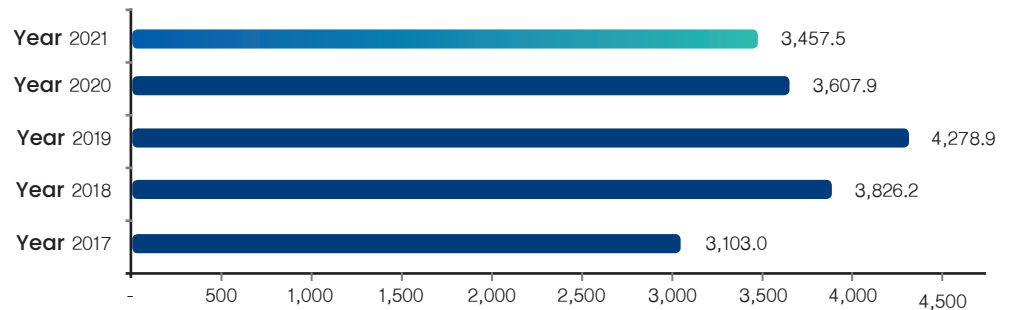
Prizes Declared (Rs. Mn)

Year 2017	7,994.8
Year 2018	9,834.7
Year 2019	10,607.7
Year 2020	8,667.5
Year 2021	8,352.2



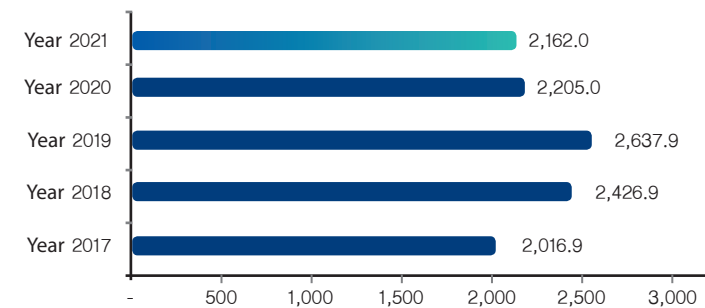
Agency Commission (RS. Mn)

Year 2017	3,103.0
Year 2018	3,826.2
Year 2019	4,278.9
Year 2020	3,607.9
Year 2021	3,457.5



Contribution to Consolidated Fund (RS. Mn)

Year 2017	2,016.9
Year 2018	2,426.9
Year 2019	2,637.9
Year 2020	2,205.0
Year 2021	2,162.0

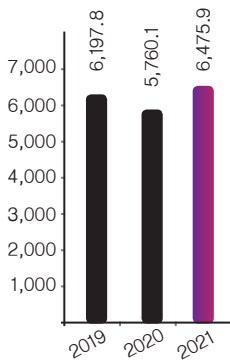


Product wise Performance

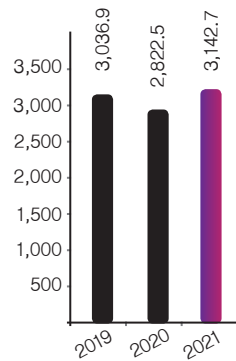
MAHAJANA SAMPATHA

Description	Year 2021 Rs. Mn	Year 2020 Rs. Mn	Year 2019 Rs. Mn
Turnover	6,475.9	5,760.1	6,197.8
Prizes Declared	3,142.7	2,822.5	3,036.9
Agency Commission	1,295.1	1,152.0	1,202.5
Contribution to Consolidated Fund	1,068.5	950.4	1,022.6

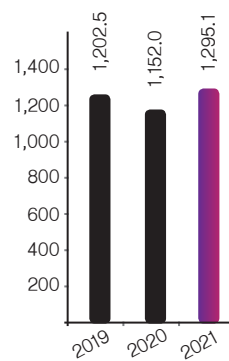
Turnover (Rs. Mn)



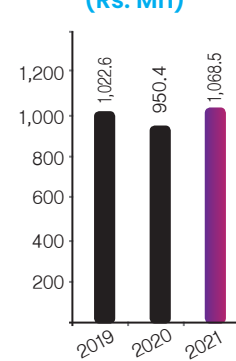
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



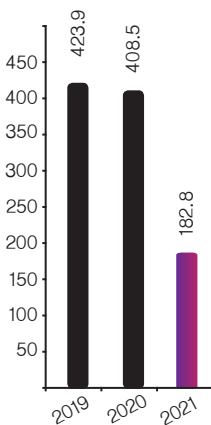
Contribution to Consolidated Fund (Rs. Mn)



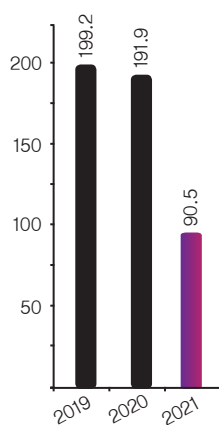
VASANA SAMPATHA

Description	Year 2021 Rs. Mn	Year 2020 Rs. Mn	Year 2019 Rs. Mn
Turnover	182.8	408.5	423.9
Prizes Declared	90.5	191.9	199.2
Agency Commission	36.4	81.6	81.9
Contribution to Consolidated Fund	30.1	67.4	69.9

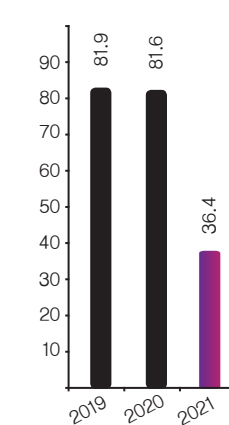
Turnover (Rs. Mn)



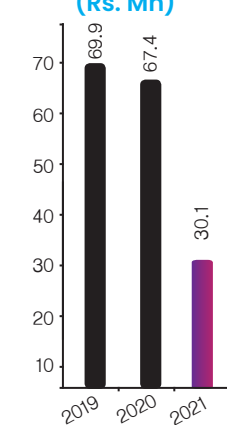
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



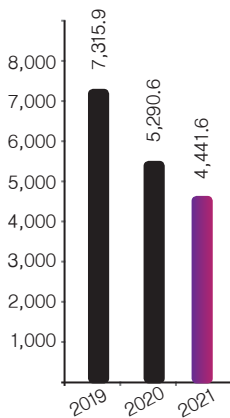
Contribution to Consolidated Fund (Rs. Mn)



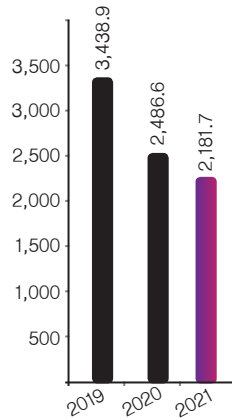
GOVISETHA

Description	Year 2021 Rs. Mn	Year 2020 Rs. Mn	Year 2019 Rs. Mn
Turnover	4,441.6	5,290.6	7,315.9
Prizes Declared	2,181.7	2,486.6	3,438.9
Agency Commission	888.2	1,058.0	1,418.5
Contribution to Consolidated Fund	444.1	529.0	731.5

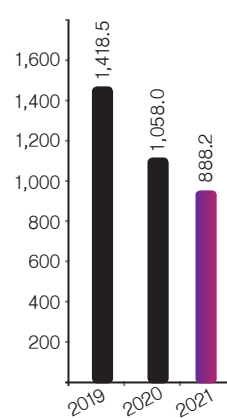
Turnover (Rs. Mn)



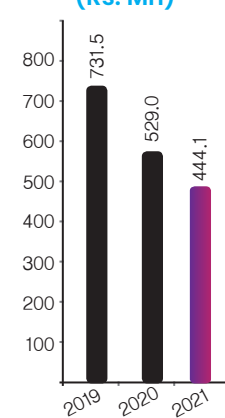
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



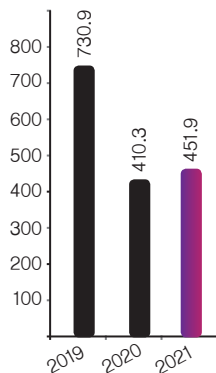
Contribution to Consolidated Fund (Rs. Mn)



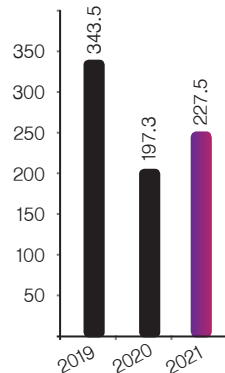
SUPIRI VASANA

Description	Year 2021 Rs. Mn	Year 2020 Rs. Mn	Year 2019 Rs. Mn
Turnover	451.9	410.3	730.9
Prizes Declared	227.5	197.3	343.5
Agency Commission	90.3	82.0	141.8
Contribution to Consolidated Fund	45.1	41.0	73.0

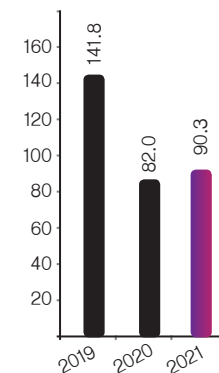
Turnover (Rs. Mn)



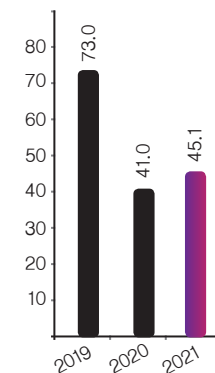
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



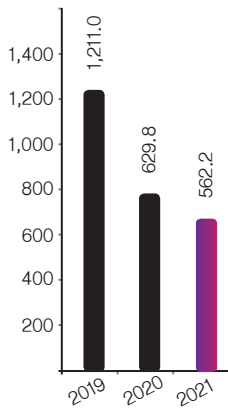
Contribution to Consolidated Fund (Rs. Mn)



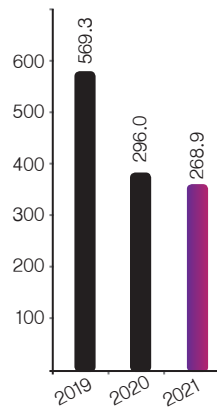
JATHIKA SAMPATHA

Description	Year 2021 Rs. Mn	Year 2020 Rs. Mn	Year 2019 Rs. Mn
Turnover	562.2	629.8	1,211.0
Prizes Declared	268.9	296.0	569.3
Agency Commission	112.4	125.9	235.3
Contribution to Consolidated Fund	56.2	62.9	121.1

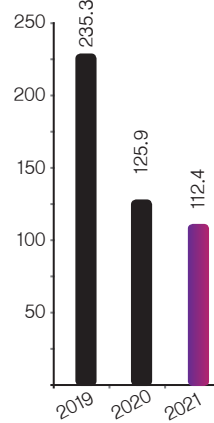
Turnover (Rs. Mn)



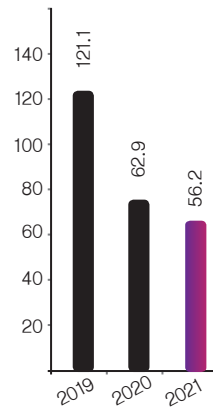
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



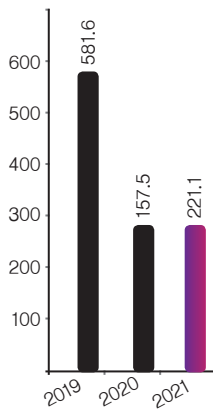
Contribution to Consolidated Fund (Rs. Mn)



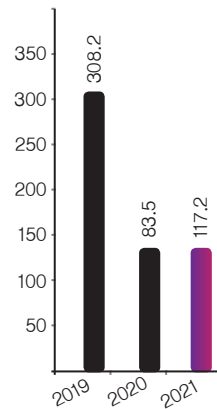
SEVANA - SCRATCH

Description	Year 2021 Rs. Mn	Year 2020 Rs. Mn	Year 2019 Rs. Mn
Turnover	221.1	157.5	581.6
Prizes Declared	117.2	83.5	308.2
Agency Commission	43.6	31.0	111.0
Contribution to Consolidated Fund	22.1	15.7	58.1

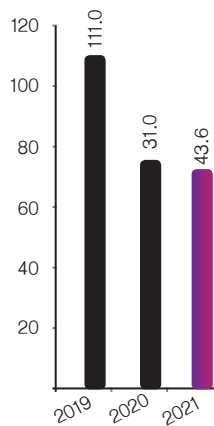
Turnover (Rs. Mn)



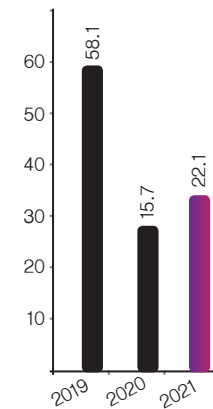
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



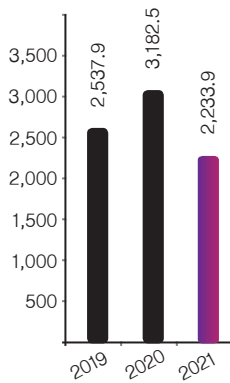
Contribution to Consolidated Fund (Rs. Mn)



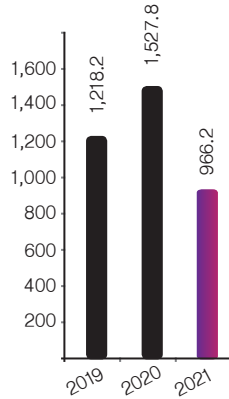
MEGA POWER

Description	Year 2021 Rs. Mn	Year 2020 Rs. Mn	Year 2019 Rs. Mn
Turnover	2,233.9	3,182.5	2,537.9
Prizes Declared	966.2	1,527.8	1,218.2
Agency Commission	446.7	636.5	492.5
Contribution to Consolidated Fund	223.3	318.2	253.7

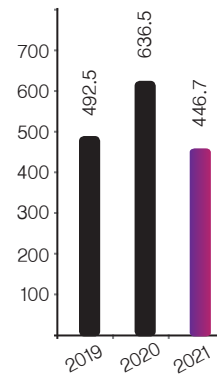
Turnover (Rs. Mn)



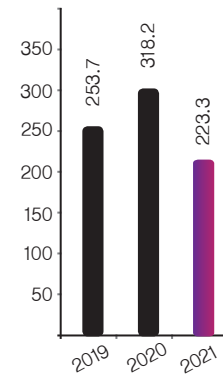
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)



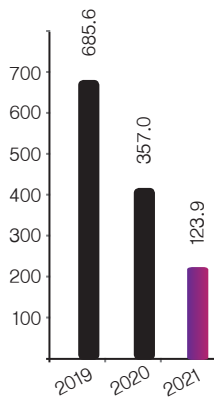
Contribution to Consolidated Fund (Rs. Mn)



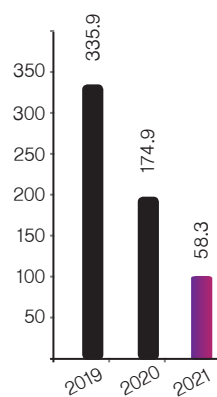
SEVANA PASSIVE

Description	Year 2021 Rs. Mn	Year 2020 Rs. Mn	Year 2019 Rs. Mn
Turnover	123.9	357.0	685.6
Prizes Declared	58.3	174.9	335.9
Agency Commission	24.7	71.3	133.0
Contribution to Consolidated Fund	12.3	35.7	68.5

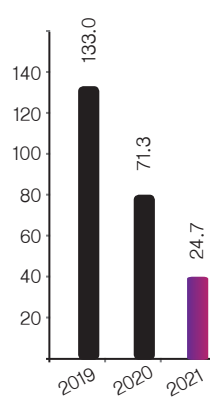
Turnover (Rs. Mn)



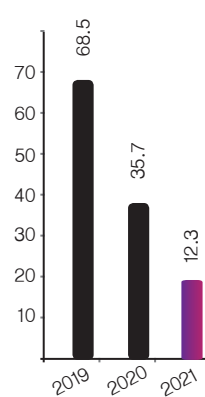
Prizes Declared (Rs. Mn)



Agency Commission (Rs. Mn)

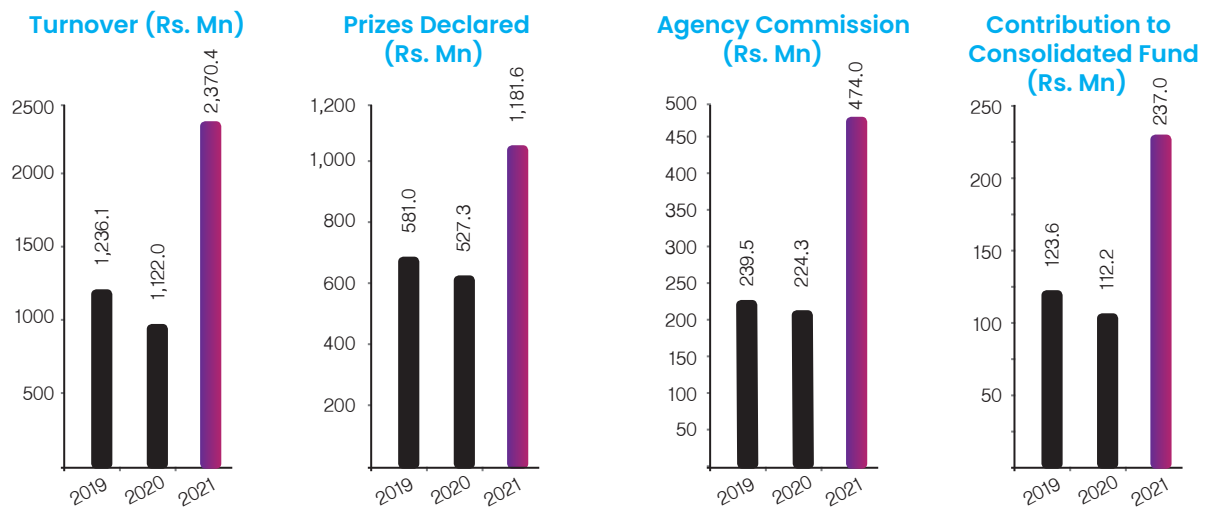


Contribution to Consolidated Fund (Rs. Mn)



DHANA NIDHANAYA

Description	Year 2021 Rs. Mn	Year 2020 Rs. Mn	Year 2019 Rs. Mn
Turnover	2,370.4	1,122.0	1,236.1
Prizes Declared	1,181.6	527.3	581.0
Agency Commission	474.0	224.3	239.5
Contribution to Consolidated Fund	237.0	112.2	123.6





TEN YEAR OPERATIONAL ROUND UP

Figures in Rs.

	2012	2013	2014	2015	2016	2017	2018 Restated	2019 Restated	2020	2021
Revenue	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	17,292,066,080
Less: Direct Taxes										
Excise duty	-	-	-	-	-	130,831,250	-	-	-	-
	12,004,268,616	14,537,362,545	15,153,133,820	17,394,463,681	20,170,417,750	16,616,348,970	20,438,643,440	22,079,260,575	18,041,145,000	17,292,066,080
Less: Indirect Taxes										
VAT	428,810,159	507,792,059	540,502,194	573,252,862	706,888,280	742,298,500	890,352,095	911,198,767	430,383,218	409,319,517
NBT	168,895,230	203,546,556	211,761,787	253,267,754	285,776,997	235,767,246	286,551,044	281,800,099	-	-
Net Turnover after direct & indirect taxes	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	16,882,746,563
Less: Cost of Sales										
Ticket Printing Charges	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	425,035,522
Agency Commission	2,232,580,487	2,701,581,629	2,816,333,219	3,244,659,091	3,771,736,589	3,103,001,814	3,826,289,663	4,278,989,075	3,608,007,678	3,457,637,648
Prizes	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	8,352,173,636
Government Contribution (Special Levy)	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	2,162,030,441
	9,987,048,335	11,998,247,177	12,492,687,629	14,238,007,279	16,550,598,052	13,567,962,820	16,594,737,754	18,055,352,822	14,923,689,222	14,396,877,246
Gross Profit	1,419,514,892	1,827,776,753	1,908,182,210	2,329,935,786	2,627,174,421	2,070,320,404	2,667,002,547	2,830,908,885	2,687,092,560	2,485,869,317
Add: Other Income	275,197,318	220,209,583	88,823,238	92,197,950	249,546,105	387,784,859	414,302,302	1,070,594,943	422,918,093	416,022,851
	1,694,712,210	2,047,986,336	1,997,005,448	2,422,133,736	2,876,720,526	2,458,105,063	3,081,304,849	3,901,503,827	3,110,010,652	2,901,891,967
Less: Expenses										
Sales, Marketing & Distribution costs	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	1,074,102,918
Administrative Expenses	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	811,945,418
Finance Cost	26,094,291	37,190,847	29,743,395	36,563,614	40,212,740	36,583,170	43,391,442	25,053,822	9,683,721	12,488,494
	1,112,917,014	1,571,305,314	1,887,815,537	1,511,332,468	1,979,890,858	1,833,689,543	2,043,170,277	2,060,392,328	1,675,186,422	1,898,536,830
Profit before Tax	581,795,197	476,681,023	109,189,911	910,801,268	896,889,668	624,415,520	1,038,134,572	1,841,111,500	1,434,824,231	1,003,355,136
Less: Income Tax Expense	269,604,238	610,087,951	117,853,496	668,785,229	482,128,237	484,610,312	1,076,227,498	862,526,227	351,648,231	43,005,519
Profit/ (Loss) for the year	312,190,959	(133,406,928)	(8,663,585)	241,016,039	414,761,431	139,805,208	(38,092,926)	978,585,273	1,083,176,001	960,349,617
Direct & Indirect Contribution to Government										
Contribution to Consolidated Fund on Sales	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	2,162,030,441
Special Contribution to General Treasury	702,000,000	500,000,000	-	50,000,000	550,000,000	-	-	-	-	900,000,000
Contribution to Treasury on Forfeited Prizes	197,806,370	247,738,070	246,424,920	257,691,450	365,393,530	339,076,910	361,185,010	389,032,360	352,138,230	397,655,070
Indirect Contributions - (Direct/Indirect Taxes)	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	452,325,036
Total	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	3,912,010,547
Performance Indicators %										
Gross Profit as a % of Turnover	11.83%	12.57%	12.59%	13.39%	13.02%	12.36%	13.05%	12.82%	14.89%	14.38%
Profit Before Tax as a % of Turnover	4.85%	3.28%	0.72%	5.24%	4.45%	3.73%	5.08%	8.34%	7.95%	5.80%
Expenses as a % of Turnover	9.27%	10.81%	12.46%	8.69%	9.82%	10.95%	10.00%	9.33%	9.29%	10.98%
Profit/ (Loss) for the year as a % on Turnover	2.60%	-0.9%	-0.1%	1.4%	2.1%	0.8%	-0.2%	4.4%	6.0%	5.6%
Consolidated Fund Contribution on sales as a % Turnover	13.11%	12.06%	12.46%	12.25%	12.12%	12.04%	11.87%	11.95%	12.22%	12.50%
Total Contribution to Govt as a % on Turnover	27.83%	26.29%	19.83%	22.62%	23.97%	23.56%	24.67%	23.02%	18.51%	22.62%
Growth rate of Turnover	18.94%	21.10%	4.24%	14.79%	15.96%	-16.97%	22.04%	8.03%	7.73%	-21.68%

Notes :

2018 Profit / (Loss) for the year before restatement was Rs.(16,267,795).
2019 Profit for the year before restatement was Rs.605,583,060/-.
Income Tax recovery from CF/NK of Rs.518,058,629/- and 28% taxes thereon (Rs. 145,056,416/-) adjusted in restated figures.

