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1.

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 The certain sections of the above act were repealed and amended in 1997 under the (amendment) Act.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
(Up to 16.08.2022)



Acting Chairman

Mr. Ronald C. Perera
President's Counsel
LLB (Sri Lanka), LLM (Northumbria)
(From 19.08.2022)

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



Mr. H.C.D.L. Silva
(MPM. BSc. Pub. Admin. Hon. FPFA,
CBA, MAAT, CIPFA)
Director General
Department of Treasury Operations
Ministry of Finance, Economic Stabilization
And National Policy
(Up to 21.09.2022)



Dr. Vishakha W. Elepatha
PHD (Public Management) Japan
Attorney – at – Law
MA (Economics)
MSc (Public Management)
BSc (HRM) (Special)
Director
Department of Trade and Investment Policy
Ministry of Finance, Economic Stabilization
And National Policy
(From 22.09.2022)

TOP MANAGEMENT



Mrs. Y.K. Shiromi Jeewamala
MBA (e governance)
University of Moratuwa
MA (Peradeniya)
SLAS (Class I)
General Manager
(Up to 08.05.2022)



Miss. Hashini Jayasekara
SLAS
MA (Sociology)
LLB, BA (Hons)
Attorney-at-Law
Notary Public, Commissioner for
Oaths
General Manager
(From 02.08.2022)



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
(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)



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



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



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)



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



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



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



Mr. D. Suneth Jayawardhane
MBA, BBM (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
2	Mr. S.D.A.Vithana MIAESL, NDT Auto Eng., IAE II, CGTTII (Auto) Transport Officer
3	Mr. Lasantha Ravindra Kumara Sales Officer
4	Mrs. K.M.C.Subhashini Kangara Sales Officer
5	Mrs. Danisha Gunasekara MBA, B.com (Accounting & Finance) Finance Officer
6	Mrs. M.G. Vimukthi Kaushalya MBS, PG Dip (HRM), CQHRM, PQHRM Administrative Officer
7	Miss. L. Sanjeewani MBA, PQHRM Personal Assitant
8	Mrs. D.M.D. Loshandika Pushparani MA (Mass com) (Reading), PGDip. (Human Rights), BA, EMSC (Reading) Communication Officer
9	Mr. N. Aruna De Silva Lottery Ordering Officer
10	Miss. Priyani Hinguruduwa Prizes Payment Officer
11	Mrs. H.A. Deepa Priyangani Cashier Officer
12	Mr. Niroshan Wijayawardena Procurement Officer
13	Miss. N.N.M.A. Upeka Nillegoda MA (Economics), PG Dip (Economics & Statistics), BA, ANDHRM Human Resources Officer

14	Mr. A.M. Danushka Aththanayake B.com (Special) Passive Lottery Officer
15	Mrs. Shirani Kalupahana Closing & Checking Officer
16	Mr. G.V.G. Rohana Hettiarachchi Distribution Officer
17	Mrs. S.M. Asanka Samarathuranga BA Marketing Officer
18	Mr. J.M. Amila Madushanka NDES (Civil Engineering) Maintenance Officer
19	Mr. J.K.D. Buddika Jayaneththi B.Sc. (Special - Agriculture) Instant Lottery Officer
20	Mr. K.S.M. Fernando PGDip (MIT), B.Sc(MIS),HDCBIS(NIBM),DCSD (NIBM),MBCS,MCSS System Administrator / Programme Analyst
21	Mrs. Naduni Jayathilaka PGDip (SLIM), MBA(Special-Marketing), MBA (Public Administration) Reading Media Coordinating Officer(Up to 09.09.2022)
22	Mrs. Sandya Priyani Kodithuwakku M. Bus (Accounting), B. Sc. (Special - Financial Management) Finance Officer
23	Mrs.S.M.Dilupa Nilmini Jayaweera Promotion Officer
24	Mrs.Anandika Kumudini Jinadasa PGDBFS (CA Sri Lanka), EDABS (CA Sri Lanka) Advertising Officer
25	Mr.U.G.S.B.W.Kelani Distribution Officer
26	Mrs.A.A.Thanuja Samanthini MPA, B.Sc. (Pub. Admin), ANDHRM Dealer Administrative Officer

JUNIOR MANAGEMENT (FIELD)

1	Mr. P.N.Prageeth Uyangoda B.Sc (Mgt-Pub) Territory Manager
2	Mr. K.N.Tharaka Liyanage PG Dip (MM) Territory Manager
3	Mr. B. Chinthaka Gunerathna MA(Economics) Reading, BBA (Special) Territory Manager
4	Mr. Pradeep Rathnasoma BBM(Special-HR) Territory Manager
5	Mr. A.Manjula Wanniarachchi B. Sc (Special-Marketing) Territory Manager
6	Mr. K.Nevil Dimuthu B. Sc (Special-Marketing) Territory Manager
7	Mr. M.G.L.Rohitha Senarathne BBM (Marketing-Special) Territory Manager
8	Mr. R.P.Sarath Jayanama MA (Economics), B. Sc (Special-BA) Territory Manager
9	Mr. K.A.Hiron Lasantha Mphil, MA (Mass Com), BA(Hons) Territory Manager
10	Mr. K.L.Priyantha B. Com (Special), HND (Industrial Development Management) Territory Manager
11	Mr. M.M.Sumith Wijethilaka PG Dip (BM), B. Sc. (Special - HRM) Territory Manager
12	Mr. M.M.P.Manjula Kumara BBA(Special-Finance) Territory Manager

13	Mr. W.A.K.Priyadarshana Wijerathna BBM(Special-Marketing) Territory Manager
14	Mr. B.Nuwan Chandrakumara BBA Territory Manager
15	Mr. R. A. Gayan Nishara B. Sc (Special-BA) Territory Manager
16	Mr. W. Peshan Dinesh Kumara Rajapaksa MBM, PG Dip (Marketing) Territory Manager
17	Mr. S. Kelum Darshana Karunathilake BMS (Special - Marketing) Territory Manager
18	Mr. A. A. Gayan Sanjeewa Wanniarachchi BBA (Special - Accounting) Territory Manager
19	Mr. T. M. S. Damith Kumara Jayasundara B. Sc (Applied Mathematics and Computing) Territory Manager
20	Mr. Sundaralingam Naresh MBA, BBA Territory Manager
21	Mr. I.Thanes Emirson BBA Territory Manager
22	Mr. Sivarajah Barathan B.Eng(Electronic &Telecommunication) Territory Manager
23	Mr. Vajithilingam Thuvaragan BBA Territory Manager
24	Mr. G.R.Chamara Thilakarathne BA Territory Manager
25	Mr. W. K.D.Wedagedara BA (Special-Economics), PGDip. (BM) 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 Torrington Square (20/02/1964)
- 1965** First Benz car offer.
- 1967** Opened the first Branch office – Ratnapura
- 1968** Introduction of Jathika Sampatha Lottery
- 1970** Converted Jathika Sampatha lottery to Mahajana Sampatha lottery (28/07/1970)

2nd Decade -1973- 1982

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

Current Decade (2013 – 2022)

- 2013** Super Prize of Govisetha lottery was increased from Rs.10 Mn to Rs.40 Mn.
Super Prize of Sampath Rekha lottery was increased from Rs.5Mn to Rs.10 Mn.
Introduced Mega 50 lottery on behalf of 50th Anniversary of NLB.
- 2014** Introduced a new lottery named Power Lotto.
- 2015** Implemented “Divisarana “Insurance scheme for lottery sellers (June 2015)
Introduced a new lottery named Neerogha (25.07.2015)
31st Airport Superdraw draw was held (31.08.2015)
Commenced drawing three passive lottery draws in a single day from (01.09.2015)
Held Dealer convention award ceremony for the 1st time named “Mahathma” (December 2015)
- 2016** Achieved Rs.20.0 billion Sales target
Introduced Doller Fortune Lottery (30.03.2016)
Abolished "Power lotto" lottery and introduced "Mega Power" Lottery (11.05.2016)
Introduced Supiri Delakshapathi lottery (27.05.2016)
Started selling lotteries through SMS
Manusath Mehewara lottery has been introduced in order to assist to the flood affected people. (04.08.2016)
Kept foundation stone to construct head office building at Vauxall lane land (01.12.2016)
National Business Excellence award state sector service – Runner up (Organized by National Chamber of Commerce)
- 2017** Mahajana Sampatha Lottery draw was scheduled for five days a week except Wednesday and 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 SuperPrize reduced from 10Mn to 2.5Mn and First Prize reduced from 1Mn to 500,000/=.
 Introduced five Draws per day from 08.07.2020.
 Mahajana Sampatha, Mega Power & Dhana Nidhanaya lottery drawn an all 07 days per week.
 Highest ever Super Prize (Rs.236 Mn) 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 onwards 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.

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 16thFebruary 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 from 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.

2022 Following changes were made in Product Portfolio.

- Sampatha Lagna Varama Lottery was temporarily discontinued from 28th October 2021.
- Supiri Vasana lottery was temporarily discontinued from 21st January 2022.
- The lottery named “NLB Handhana” was introduced from 27th January 2022.
- Vasana Sampatha was temporarily discontinued from 02nd March 2022.
- Sevana Passive lottery was temporarily discontinued from 02nd March 2022.
- Daru Diri Sampatha lottery was temporarily discontinued from 10th May 2022.
- From 3rd June 2022 onwards Jathika Sampatha lottery draw was conducted in all seven days of the week.

The Govisetha lottery prize percentage was increased from 47% to 49% from 14th March 2022.

The Dollar Fortune lottery Draw was conducted on 7th December 2022. The winner was from India.

The Mega Power prize percentage was increased from 48% to 50% from 19th January 2022.

PRODUCT PORTFOLIO

PASSIVE TYPE LOTTERIES



MAHAJANA SAMPATHA

Description

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

Draw Days

All 7 days of the week.

Prizes

A super prize of Rs.10 Mn or more, a first prize of Rs.2Mn 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.
From 02nd March 2022 this Lottery was temporarily discontinued Due to change of product mix.

Prizes

: A super prize of Rs.10 Mn or more, a first prize of Rs. 500,000. And other attractive prizes.

Contribution

: 16.5% of the turnover was contributed to Consolidated Fund.



GOVISETHA

Description

Introduced to the Market In 1995 on behalf of the Ministry of Agriculture with the objective of generating funds for the “Farmers Trust Fund”.Price of this ticket is Rs.20/=.

Draw Days

All 7 days of the week.

Prizes

A super prize of Rs.60 Mn or more, a first prize of Rs.1 Mn and other attractive prizes. Prizes percentage was increased from 47% to 49% from 14 March 2022.

Contribution

From 01st June 2022 draws were conducted all seven days and contributed as follows. Monday, Tuesday, Thursday and Friday contribution (10% of the turnover) sent to the consolidated fund directly and Wednesday and Saturday, Sunday contributions sent to the Health Ministry and Ministry of Labor and Foreign Employment respectively.



SUPIRI VASANA

Description

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

Draw Days

Monday, Saturday, Tuesday, Friday and Sunday. From 21st January 2022 this Lottery was temporarily discontinued Due to change of product mix.

Prize

Super Prize was Rs.2.5Mn and first prize of 500,000 /- and other Attractive prizes.

Contribution

10% of the turnover of the 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 Youth Affairs and Ministry of Women, Child Affairs and Social Empowerment 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

3rd June 2022 onwards draw is conducted all 7 days of the week.

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 Wednesday draw was sent to Ministry of Health and 10% of the turnover of the Saturday and Sunday draw was sent to the Ministry of Labour and Foreign Employment through Consolidated Fund up to May 2022.

10% of the turnover of the Monday, Tuesday, Thursday and Friday Contribution sent to the consolidated fund directly from 3rd June 2022.



MEGA POWER

Description

This Lottery was introduced in 11th May 2016. Price of this ticket is Rs.20/-.

Draw Days

All 7 days of the week.

Prizes

Three major Prizes as follows and also one million first Prize and other Attractive prizes.

Mega Super Prize - 150.0 Mn or more

Power Super Prize - 10.0 Mn or more

Grand Super Prize - 10.0 Mn or more

Prizes percentage was increased from 48% to 50% from 19th January 2022.

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

Monday and Wednesday. From 02nd March 2022 this lottery was temporarily discontinued due to change of product mix.

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 Consolidate Fund.



DHANA NIDHANAYA

Description

This Lottery was introduced on 2nd April 2018.
Price of this ticket is Rs.20/-.

Draw Days

All 7 days of the week.

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.

HANDAHANA



- Description** : This Lottery was introduced from 27th January 2022. Price of this ticket is Rs.20/-.
- Draw Days** : All 7 days of the week.
- Prizes** : A super prize of Rs.2.5 Mn or more, a first prize of Rs.500,000.00 and other Attractive prizes. Prize percentage was 53%.
- Contribution** : 10% of the turnover of the Monday, Tuesday and Wednesday draw was sent to Ranaviru Seva Authority and 10% of the turnover of the Thursday, Friday, Saturday and Sunday draw were distributed between the Ministry of Sports and Youth Affairs and Ministry of Women, Child Affairs and Social Empowerment through Consolidated fund.

DOLLAR FORTUNE



- Description** : This lottery was introduced in 30th March 2016. Ticket price is at 100US\$ or its equivalent in any convertible currency. The draw shall be held upon the sale of 30,000 Dollar Fortune lottery Tickets. Due to poor performance of sales, this lottery was conducted on 07th December 2022. After 6870 tickets were sold
- 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.



2.



EXECUTIVE STATEMENTS



CHAIRMAN'S REVIEW



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 2022.

Background

Despite the setback of the journey of the National Lotteries Board that recorded the highest level of efficiency due to the economic downturn of the country after the Easter Sunday attack 2019 and Covid-19 Pandemic situation, which prevailed at the end of the year 2019 and in 2020 and 2021, it turned into a positive change gradually from the mid of the year 2022. However, it was again moved to a backward situation due to the economic and political instability of the country in early 2022, and the lottery industry too was affected adversely.

Although the rejoining of some Sales Agent and Sales Assistants, who were away from the lottery industry due to the Covid-19 Pandemic was hampered in the face of the issues of the economic crisis, it increased gradually by the mid of the year.

Accordingly, despite the severe impact of the economic crisis, we were fortunate to be able to achieve a higher sales turnover by the end of the year in the face of those challenges.

Operational Review

National Lotteries Board, one of the major institutions that have the responsibility of generating revenue for the government, worked tirelessly to overcome challenges and carried out its operations in a planned manner throughout the year. As a result, a sales turnover of Rs. 21,208.8 million was achieved in the year 2022 and it should be appreciated that it was an increase of 22.6 % compared to the sales turnover of the year 2021 of Rs. 17,292.0 million and an increase of Rs. 197.6 million compared to the estimated sales turnover of the year 2022.

Lottery prizewinners, agent commissions of the network of the Sales Agent and the contribution to the Consolidated Fund too were increased due to this increase of the sales turnover.

An amount of Rs. 4,315.0 million was paid to the network of the Sales Agent in the year 2022 and it was an increase of 24.7% compared to Rs. 3,457.6 million which was paid in the year 2021. An amount of Rs. 10,740.0 million was allocated for lottery prizewinners of the year 2022 and it was an increase of 28.5% compared to Rs. 8,352.1 million which was allocated in the year 2021 and it was 50.6% of the total sales turnover of the year 2022.

An amount of Rs. 2,609.4 million was paid to the Consolidated Fund in the year 2022 as the direct contribution from the sales turnover and it was an increase of 20.6% compared to the amount of Rs. 2,162.0 million paid in the last year and it was 12.3% of the sales turnover of the year 2022.

In addition to the direct contribution of the sales turnover, an amount of Rs. 4,491.2 million was paid to the government in the year 2022 including direct and indirect tax, unclaimed prizes and special contributions to the Consolidated Fund as indirect provisions. It was a great achievement of the National Lotteries Board to pay Rs. 3,912.0 million, an increase of 14.8% compared to the last year. Further, this was an increase of 20.6% of the total sales turnover.

Operational expenditure of the year 2022 was Rs. 1,766.2 million compared to the operational expenditure of Rs. 1,898.4 million of the year 2021 and it was a decrease of 6.9%. The main reason for this was that we were able to reduce sales, advertising and distributing expenses by 15.4% and financial expenses were reduced by 53%.

The board earned Rs.1,085.7 million as Profit after Tax of the year 2022 and it was an increase of 13% compared to Profit after Tax of Rs. 960.3 million of the year 2021. We were very proud that the National Lotteries Board is one of the few government institutions that have made a profit.

Number of Super Prize winners of the year 2021 was 38 and the board was fortunate to have 58 Super Prize winners in the year 2022.

National Lotteries Board distributed Rs. 658.8 million among 10 Super Prize winners of Govisetha Lottery, Rs. 330.1 million among 14 winners of Mahajana Sampatha Lottery, Rs. 61.6 million among 22 Super Prize winners of Handahana Lottery, Rs.60.0 million among 6 winners of Mega Power Lottery and Rs. 57.1 million among 5 winners of Jathika Sampatha Lottery.

Further, an amount of Rs.1,188.5 million was distributed among 959 First Prize winners as follows including winners of Rs. 2,000,000/, Rs. 1,000,000 and Rs. 500,000 during the year 2022.

National Lotteries Board distributed Rs. 714 million among 357 winners of Mahajana Sampatha Lottery (Rs.2 million each), Rs. 123.5 million among 247 First Prize winners of Handahana Lottery (Rs. 500,000 each), Rs. 113 million among 113 first prize winners of Govisetha Lottery (Rs. 1 million each), Rs. 110 million among 110 prize winners of Mega Power lottery (Rs. 1 million each), Rs. 67 million among 67 prize winners of Dhana Nidhana Lottery (Rs. 1 million each), Rs. 57 million among 57 prize winners of Jathika Sampatha Lottery (Rs. 1 million each), RS. 3.5 million Among 7 winners of Supiri Vasana Lottery (Rs. 500,000 each) and Rs. 500,000 to a winner of Sevana draw Lottery.

As I mentioned above, various strategies were used to increase the sales turnover and performance by adopting strategic methods for the issues that arose due to the prevailed economic instability.

Accordingly, it was decided to temporarily cancel several lotteries with a low operational performance and to draw Mahajana Sampatha, Govisetha, Mega Power and Dhana Nidhana lotteries daily. Sevana, Jathika Sampatha and Supiri vasana Lotteries were drawn once or twice a week and Jathika Sampatha Lottery also commenced drawing daily from 03rd June 2022. Accordingly, drawing of Sevana Lottery from 02nd March, Supiri vasana Lottery from 21st January, vasana Sampatha Lottery from 02nd March and Daru Diri Sampatha Lottery from 10th May were temporarily cancelled.

A new prize pattern was developed for the Supiri vasana Sampatha lottery with the aim of improving operational performance and total sales revenue and launched to

the market with the name of Handahana on 27th January 2022. And 12 lagnas were included to the prize pattern to attract more customers. Accordingly, we were able to collect Rs.3,018 million for the sales turnover through this lottery. 6 lotteries including 5 lotteries which are drawn on all seven days of the week and Handahana lottery were drawn daily. This strategy to increase sales was very successful.

As such, the percentage of prizes of Govisetha Lottery was increased from 47% to 49% and the percentage of prizes of Mega Power Lottery was increased from 48% to 50% to improve customer attraction.

Although this was a successful strategy to increase sales, sales turnover of this lottery was less than previous years as it was unable to issue lottery tickets to the market in time due to printing issues of lotteries.

Even amidst prevailed critical situation, eight special draws were held during the year 2022 and it should be especially appreciated that the achievement of targets was 136%. Since the sale of Dollar Fortune lottery which was launched in the year 2016 was not successful, draw of the said lottery could not be held up to the year 2022. Due to constant complaints from the customers of the said lottery, the lottery draw was held on 09th December 2022 based on the number of lotteries sold till then and an Indian citizen won the prize of 100,000 US Dollars.

Plans were made to attract more customers to the lottery draw programme. Accordingly, National Lotteries Board entered in to an agreement with the Independent Television Network in December 2022 to conduct lottery draws in more attractive ways by using Virtual Technology.

Future prospects

Problematic situation in printing of lotteries due to difficulties to import security papers by lottery printing companies for the printing of lottery tickets and rising cost of raw materials remain as a major obstacle for the sale. Therefore, to face this issue of printing of 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.

For this purpose, it is expected to implement necessary measures in the next year to improve the sale of lottery tickets by using digital technology to make internal operations more efficient by using modern technological methods (ERP).

Acknowledgment

I would like to express my sincere gratitude to His Excellency Gotabaya Rajapaksa, former President of the first part of the year 2022 and His Excellency the President Ranil Wickremesinghe for their due guidance and directives, given for our operational activities amidst various hindrances caused on prevailed economic crisis. And I would like to further express my gratitude to Hon. Mahinda Rajapaksa, Minister of Finance of the year under review, Hon Basil Rajapaksa, Hon. Ali Sabry and His Excellency the President Ranil Wickremesinghe who is the Minister of Finance since the end of the year 2022 for the encouragement given us through due guidance.

I further express my gratitude to Hon, Shehan Semasinghe and Hon.Ranjith Siyambalapitiya, State Minsters.

I especially thank the staff of our line Ministry, the Ministry of Finance, Economic Stabilization and National Planning including the Secretary and other officials for the guidance and contribution given for operational activities throughout the year.

I would also like to express my gratitude to all the members of the Board of Directors who provided the necessary guidance and support in order to overcome the challenges that arose amidst the crisis situation.

I would like to remember the entire Dealer Network including District Sales Agents, Sales Agents and Sales Assistants with great admiration.

Because, being able to directly connect with the customers and keep their trust even in difficult situations should be highly appreciated. I would also like to thank the entire staff of the board including the officers in higher, middle, and junior management levels and the field officers who delivered their duties by using limited resources and overcoming difficult environmental factors. We could not achieve this success without the dedication of the sales network and the employees also greatly appreciate our clients who stand with us in this difficult situation of a lack of lottery tickets in the market.

I would be thankful to Suppliers, Lottery Printing Companies and Advertising Agencies who join with us for business purposes, our banker People's Bank and Bank of Ceylon, National Savings Bank and Sampath Bank, joined with us for other banking purposes, the Auditor General including the staff of the Government Audit Division for their proper guidance throughout the auditing process.

Even if the crisis economic situation can be suppressed to some extent, the inflationary situation of the economy will have further negative effects on other sectors as well as our business activities. 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.

I believe that all parties will further join hands with us in order to face those situations successfully and achieve future expectations.



Dr. Chameera C.Yapa Abeywardana

Chairman,

National Lotteries Board.

23rd February 2023.

PERFORMANCE REPORT OF CHIEF FINANCIAL OFFICER



Following the bad experiences of Corona pandemic in 2020 and 2021 due to cancellation of so many lottery draws, the expectations were high at the start of 2022 as the pandemic subsided to some extent.

The Board increased the number of daily draws from 5 draws to 6 draws daily from 1st January 2022. A new lottery by the name Hadahana with a zodiac sign (lagna) was introduced replacing the Supiri Vasana lottery from 27th January 2022.

The Board was able to go past Rs. 2.0 billion mark in sales income for the months of January and February thus boosting the high expectations. However, it was short lived as the country experienced mass street protests namely “Aragalaya” from March to June 2022 resulting in drop in sales. Subsequent long queues for fuel for several days, quota system for fuel, shortage of essential items and increased cost of living contributed towards decline in sales as the livelihood of the people was affected for several months until recovery commenced around October 2022.

Operational Review

NLB achieved a turnover of Rs. 21,208.8 million in 2022 compared to Rs. 17,292.0 million in 2021. This showed a remarkable increase of Rs. 3,916.8 million which is a 22.6 percent increase over the previous year.

Contribution of passive lotteries amounted to Rs. 20,972 million out of a total of Rs.21,208.8 million while scratch lotteries contributed only Rs. 224.5 million towards total turnover. Dollar Fortune lottery which commenced a few years ago with a prize of 100,000 USD was also drawn in December 2022. Of the passive lotteries, all six main lotteries fetched over Rs. 1 billion in the year under review compared to four lotteries that went pass this figure in the previous year.

Mahajana Sampatha lottery was the highest earner with a sales income of Rs.7, 449.1 million (Rs. 6,475.9 million in 2021), this lottery which started in 1970 is the most popular in the lottery field and has been in existence for six decades. Govisetha lottery recorded Rs.3,570.5 million (Rs.4,441.6 million in 2021), Mega Power recorded an income of Rs. 3,103.9 million (Rs. 2,233.9 million in 2021), Hadahana which commenced this year contributed Rs. 3,018 million, Dhana Nidhanaya achieved Rs. 2,496.4 million (Rs.2,370.4 million in 2021) and Jathika Sampatha contributed Rs. 1,071 million (Rs.562.2 million in 2021) towards sales revenue. Out of scratch lotteries, sevana lottery sales in 2022 was Rs.204.5 million (Rs. 221.1 million in 2021).

While the number of super prize winners produced in year 2022 was 58 compared to 38 in the previous year, the first prize winners were 959 in 2022 as against 680 in 2021. While the Board’s direct contribution to the consolidated fund as special levy was Rs.2,609.4 million on sales in 2022 as against Rs. 2,162.0 million in 2021, the Contribution to the consolidated fund out of reserves in 2022 amounted to Rs.361 million (Rs. 900 million in 2021). The total contribution to the Government along with taxes in the current year stood at Rs. 4,035.6 million in comparison to Rs. 3,514.3 million in the previous year.

While the agency commission payments in year 2022 was Rs.4,315.0 million (Rs. 3,457.5 million in 2021), the prizes paid in 2022 was Rs.10,740.6 million as against Rs.8,352.1 million in 2021. Both agency commission and prizes indicated significant increases in line with increased sales.

The Board's other income was Rs. 1,248.0 million in 2022 versus Rs.416.0 million in 2021 which indicated a huge increase mainly due to high interest rates obtained for investment income. The increase was Rs. 832 million over the previous year which was a 200% increase.

The Board's operating expenses were Rs. 1,766.2 million in 2022 which was 8.3 percent on sales compared to Rs.1,898.4 million in the previous year which was 10.9 percent on sales in 2021.

The net surplus before tax for the year 2022 was Rs.1,390.6 million, 6.5 percent on sales as opposed to Rs. 1,003.3 million reported in 2021. The Board's profit after tax in 2022 showed Rs.1,085.7 million in comparison to Rs.960.3 million in the previous year. Overall, the year 2022 showed better results in terms of sales income and profit before and after tax.

NLB financial statements are divided into two segments viz. lottery operation which is the main business and investment operation. Segmental analysis indicated lottery operation recording Rs. 244 million and investment operation recording Rs.1,146 million before tax while the figures after tax for lottery operation Was Rs.214.6 million and investment operation contributing Rs.871.1 million towards overall figure of Rs.1,085.7 million.



Dr. Harsha Bandara.
Chief Financial Officer,
National Lotteries Board.
23rd February, 2023

REPORT OF THE AUDIT & MANAGEMENT COMMITTEE



Introduction

As per the section 41 (2) of the National Audit Act No.19 of 2018, it is mandatory requirement to establish an Audit and Management committee within an entity audited by the National Audit Office. Accordingly, the members of Audit & Management Committee are appointed as per the section 7.4.1 of the Guidelines of Good Governance for State Enterprises and the committee comprises of at least three Non-executive board members, including chaired preferably by a Treasury Representative or a person possessing financial management skills while the official representatives of the National Audit Office would participate as the observer of AMC. The Internal Auditor of the Board convenes the quarterly meeting. According to the section 41 of the National Audit Act, Audit and Management Committee reviews the financial and asset management and all aspects of the entity to ensure that the resources are used economically and efficiently for the purpose of achieving the predetermined objectives of the organization.

Composition of the Audit Committee

- | | |
|---|--|
| • Mr. H.C.D.L. Silva | - Chairman (From 01.01.2022 to 21.09.2022) |
| • Dr. Vishakha W. Elapatha | - Chairperson (From 22.09.2022) |
| • Mr. Kelum Priyankara Liyanage | - Member (Director) |
| • Mr. D. D. Jayasiri | - Member (Director) |
| • Mr. R. D. Asanka .D. Jayarathna | - Member (Director) |
| • Representative from Auditor General's Department (Observer) | |
| • Mrs. R. A. Thanuja Sammani | - Internal Auditor (Convener) |
| • Mrs. Shyamini Balasuriya | - Secretary (D.G.M Legal and Secretary to the Board) |

Scope of the Audit Committee

The committee should meet on a regular basis at least once in three months with the Internal Auditor as convener and should submit its observation to the Board of directors with recommendations for necessary action. The scope of the committee include followings

- a) Determination of the responsibilities of the Internal Audit Unit and review of the annual audit plans
- b) Review and evaluate internal control systems for all activities of the entity
- c) Review performance at regular intervals for cost effectiveness and to eliminate wasteful expenditure etc.
- d) Liase with external auditors and follow up on Auditor General's Letters.
- e) Ascertain whether statutes, regulations, rules and circulars are complied with.
- f) Review financial statements to ensure compliance with Accounting Standards

- g) Review internal audit/external audit reports, Management Letters for remedial action
- h) Review implementation of recommendations/directives of the Committee on Public Enterprises.

Internal Audit

Internal Auditing is an objective assurance and consulting activity designed by management to add value and improve the organization's operations. It helps the organization to achieve its strategic objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The Annual Audit Plan is a risk-gearred audit plan which is reviewed by Management as well as the Audit Committee of the National Lotteries Board. It is consequently approved by the Board of Directors.

Performance of the Audit & Management Committee in year 2022

The Audit committee of NLB assessed the internal control system of the institution in a way that would increase the efficiency and productivity of all functional areas and provided necessary guidance to overcome the deviations observed. Moreover, while reviewing the matters highlighted by internal and external audit reports, steps were taken to suggest appropriate remedial measures to the Board of Directors and also to report the progress on the actions taken for the relevant authorities.

There were four (04) meetings conducted for the year 2022 and It is appreciated the support and contribution extended by the members and observers of Audit and management Committee, the Chairman of NLB, Members of the Board of Directors and Senior Staff to facilitate the functions and responsibilities of Audit and Management Committee.



Dr. Vishakha W. Elapatha

Chairperson,

Audit & Management Committee,

National Lotteries Board.

23rd February 2023.



3.

FINANCIAL STATEMENTS AND INFORMATION



Auditor General's Report



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



My No: PUR/G/NLB/FA/1/22/34

Date: 31st May 2023

Chairman
National Lotteries Board

Financial statements of the National Lotteries Board for the year ended on 31st December 2022 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 2022 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 2022, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for the Qualified Opinion

1.2.1 Sri Lanka Accounting Standards

In terms of Section 34 of Sri Lanka Accounting Standards No. 16, it has been stated that for items of property, plant and equipment with only insignificant changes in fair value, it may be necessary to

revalue those items only every three or five years. Although property, plant and equipment of the board had been revalued and those values had been accounted in 2015, the board had not been revalued property, plant and equipment of Rs. 550,506,806 up to 31st December 2022.

1.2.2 Accounting Deficiencies

- (a) Although a rate of 24 percent on the profit of the first half year and 30 percent on the profit of the second half year shall be apply in calculating income tax, payable for Rs. 1,292,310,780 which is the taxable profit of the year 2022, the board had apply 24 percent on the overall profit of the complete year and therefore Rs. 38, 769,324 which is the income tax of the year under review had been undercounted and the Profit After Tax of the year had been over stated.
- (b) An amount of Rs. 11,879,880, unclaimed prizes of Handahana Lottery (for additional lagna mark) from 27th January 2022 to 30th June 2022 had not been credited to the Consolidated Fund and had retained in the Fund of the board. However, this amount that should be credited to the Consolidated Fund had not been identified as an amount payable to the Treasury and accounted.
- (c) Necessary allocations for Rs. 25,921,120 for unclaimed prizes of Handahana Lottery (for additional lagna mark) from 01st July 2022 to 31st December 2022 had not been mentioned in financial statements.
- (d) Although the board had to pay an amount of Rs. 665,771 to the Development Lotteries Board for the building of ticket counters, branding them and preparing sign boards, that liability had not been accounted in the Financial Statements of the Board.
- (e) Although an amount of Rs. 442.500 that had been identified as penalties, due from lottery ticket printers of the year 2020 and accounted as other income had been recovered during the year under review and as the said recovered amount had been identified as income again, the profit of the conversion year had been overstated by the said amount.
- (f) Sales income of Rs. 298,263 of the previous year that should be adjusted to the sales income of the year under review had not been adjusted to the sales income of lotteries.
- (g) Government contribution payable on the sales income of Jathika Sampatha lottery had been understated by Rs. 241,800 of Financial Statements of the board of the year 2022.

1.2.3 Unreconciled Balance

- (a) It was observed a difference of Rs. 337,649,035 between the balance of 02 pools of Supiri Wasana and Handahana prize funds which were included in Financial Statements of the board as at 31st December 2022 and the balance of pools of prize funds which was included in allocation statements of lotteries, certified by the audit.
- (b) According to the computer software system of the Board the total value of unclaimed prizes that exceeded 06 months as at 31st December 2022 was Rs. 481,057,275. However, according to the Financial Statements as at the same date, the total value of unclaimed prizes that exceeded 06 months was Rs. 455,004 and therefore a difference of Rs. 25,641, 271 was observed between those two balances.

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 2022

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 2022 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 2022, 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	Observation
(a) Section 10(5) of the Finance Act No. 38 of 1971 and Section 17(2) of the Finance Act No. 11 of 1963 as amended by the Finance Act (Amendment) No, 35 of 1997	Even though the balance remaining after the deduction of the expenditure from the income of the Lotteries should be credited to the Consolidated Fund, a sum of Rs. 2,396,866,790 relating to the year under review had been retained even as at 31 st December 2022 without being credited to the Consolidated Fund.
(b) Section 11 of the Finance Act No.38 of 1971	Although no money of a public corporation shall be invested without the approval of the Minister of Finance,

the board had invested Rs. 5,511,647,458 and Rs. 1,729,638,584 respectively in fixed deposits and time deposits by the end of the year under review.

(c) Financial Regulations

(i) F.R. 571

Tender deposits of Rs. 7,268,000, recovered from 13 institutions had been stated under repayable tender deposit balance without settling even at the end of the year under review and even though 5 year had exceeded, Rs. 7,239,000 out of the said amount had not been calculated for the income of the board

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

The 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 2022 was Rs. 26,580,127. 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.

- (d) Section 17(2) of the Finance Act No. 11 of 1963 of the National Lotteries Board and the Letter No. PE1/70/7/Vo11 dated 21st January 1993 of the Deputy Secretary to the Treasury. 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. 560, 218,552 had to be further remitted to the Treasury.
- (f) Subsection (4) of Section 14(3) (a) of the Finance Act No. 11 of 1963 Although, it has been stated that any prize that was not awarded shall be confiscated, due to unavailability of the winner of such prize, after the expiry of six months from the date of the draw of a National Lottery, held by the Board, an amount of Rs.11,879,88 for unclaimed prizes of Handahana Lottery (for additional Lagna mark) from 27 January 2022 to 30 June 2022 had not been credited to the Consolidated Fund and retained in the fund of the board.

2.2.3 To state that except the following observation, 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.

National Lotteries Board has been established by the Finance Act No. 11 of 1963 and thereafter several sections of the said Act had been amended in 1997 and 1998. However, it had been 06 years after the approval had been granted by the decision of the Cabinet of Ministers No. 17/0295/719/026 dated 22 February 2017 to draft a new Act to suit the present objectives of the board and the board had failed to draft a new Act up to now.

2.2.4 To state that except the following observation, 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.

- (a) National Lotteries Board had commenced procurement process of printing, supply and hand over of 04 types of lotteries in June 2018 and such procurement process had been cancelled after one year in May 2019 since bidding documents had not been prepared as per proper procurement guidelines. Although procurement process of printing, supply and hand over of 09 types of lotteries had been commenced on 14th February 2020, such procurement process had been cancelled after 01 year and 04 months on 21st

June 2021 since such process had not been done within the due procurement authority limits. As such, Procurement process for the said 09 lotteries had been commenced again on 25th June 2021 and it had taken 01 year and 09 months up to 01st April 2023 to award the bid. Accordingly, National Lotteries Board had failed to select suppliers to print, supply and hand over of lotteries through a proper procurement process from 01st September 2019 to 31st March 2023.

- (b) In terms of provisions of the Procurement Guidelines, National Lotteries Board failed to select qualified suppliers for the procurement of lotteries for a certain period of one year and therefore, lotteries had been printed through suppliers who printed lotteries prior to the year 2019 in 68 instances for short terms such as 06 months, 04 months, 02 months and 01 month by giving them time extensions, contrary to the provision 8.14 of the Procurement Guidelines of the Government from 2019 to 31st December 2022.
- (c) Board had selected a company to print Govisetha and Handahana lotteries on 02 instances of 04 months each under the National Competitive Bidding Procedure during the year 2022 and printing companies had been selected to print above two lotteries on 05 instances of 01 month each under the Limited Competitive Bidding Procedure. However, without taking actions to recover the damage caused to the Board through the Performance Bond of the printing company which accepted to print Govisetha lottery and rejected to print said Govisetha Lottery, the same company had been selected to print Govisetha lottery from 31st October 2022 to 30 November 2022.
- (d) Although a proper Contract had to be signed after the acceptance of a bid, it had not been entered in to an Agreement with the private company which was selected to distribute lotteries until the cancellation of the said contract. Further, signing of contracts with other private companies which were selected from 18th January 2022 to 31st December 2022 had been delayed for 08 months up to 16th August 2022.

3. Other Audit Observations

- (a) In terms of the Agreement signed by the National lotteries Board with its District sales Representatives, all the District Sales Representatives should purchase lottery tickets in cash for normal lottery draws and they may purchase lottery tickets credit basis for special draws. However, within 03 working days from such special draw, such total amount should be settled. Further, 03 Sales Representatives who sell lottery tickets on line and Sales Representatives of the staff are issued lottery tickets on credit basis and they should settle the said amount in total within 30 days of the said draw. However, contrary to such basic agreements, the balance of indebtedness that exceeded 30 days as at 31st December 2022 was Rs. 32,001,952.

- (b) An amount of Rs. 238,530,755 was due from lottery ticket sellers as at 31st December 2022. Although lottery ticket sellers should submit sureties, such sureties had been submitted only for a value of indebtedness of Rs. 40,960,581. Accordingly, except the sales on credit basis for special draws, bank guarantees for 11 percent of the balance of indebtedness from lottery sellers or for Rs. 27,210,670 had not been obtained.
- (c) Total value of indebtedness that exceeded 05 years was Rs. 16, 934,452 as at 31st December 2022 and necessary actions had not been taken to recover the balance of indebtedness of Rs. 14,223,839. Further, the board had failed to recover the value of indebtedness between 1-5 years of Rs. 10,011,554 or convert bank guarantees of Rs. 1,047,490 of indebtedness into cash.
- (d) It had been more than 06 months from the cancellation of Darudiri Sampatha, Sampatha Lagna Warama, Manusath Mehewara, Ran Kirula, Raja Dinuma and Sewana Passive lotteries as at 31st December 2022. Actions had not been taken to adjust the unfavourable balance of Rs. 6,297,864 of Dari Diri Sampatha, Sampatha Lagna Warama and Sewana Passive lotteries and the favourable balance of Prize Poll Funds of Manusath Mehewara, Ran Kirula and Raja Dinuma lotteries with the fund of the Board even at the end of the year under review.
- (e) An amount of Rs. 2,335,562, payable to the State Engineering Corporation for the construction of circuit bungalow of Mannar of the National Lotteries Board and an amount of Rs. 2,729,526 (Total Rs. 5,065,088) which was the retained amount of the said construction had been indicated as a payable balance from the year 2020 under trade and other debtors without settling or completing such work accurately.
- (f) 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 had 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 and the said value had been indicated under miscellaneous receivables of financial statements.
- (g) The board had temporarily cancelled to draw Wasana Sampatha, Jayawiru, Daru Diri Sampatha, Sampatha Lagna Warama and Sewana Passive lotteries from 01st March 2022 and the value of prizes of such lotteries which exceeded 06 months from the date of cancellation as at 31st December 2022 was Rs. 63,687,263. However, actions had not been taken

to identify this amount as unclaimed prizes and send to the General treasury.

- (h) Warranty Period of 19 items of 08 types of gifts such as Apple iphones, Laptops, Televisions, and Refrigerators, worth Rs. 2,383,619 and purchased by the Board were expired and stored in the store room as at 31st December of the year under review. It is observed that some of the gifts are not in a suitable condition to be granted as gifts and the attention of the management had not been drawn in this regard.
- (i) The Board had launched a new lottery named NLB Handahana on 27th January 2022 instead of Supiri Wasana lottery, sold up to 20th January 2022. However, printing of NLB Handahana lottery too had been handed over to the same company by which Supiri Wasana lottery was printed up to then without calling for bids so as not to conform to the provisions of Chapter 3 of the Government Procurement Guidelines and it had not been entered in to an agreement too.
- (j) Audit staff who participated in for the lottery draw process had observed that the machine, used to draw Mahajana Sampatha lottery was not operated properly, balls with numbers, letters and lagna marks were not given by the machine at once and the machine had to be operated again and again as such balls with numbers, letters and lagna marks were got stuck in the machine. Further it was pointed out in the draft Audit Report of 2021 too. However, the Board had failed to purchase Ball Drawing machine of Rs. 150 million up to 10th April 2023 which included in the Action Plan of the Board of 2022.
- (k) The Board had decide on 27th January 2022 to print, deliver and sale of Handahana Lottery by the Board of Directors' paper No. NLB/BP/47/202 dated 07th January 2022 and to grant an additional commission of Rs. 0.5 to the seller in addition to Rs. 3.25 which is being presently granted for the selling of such lottery and to incur such commission from the Fund of the Board. Accordingly, an amount of Rs. 75,459,588 had been paid to Sales Representatives as additional commissions as at 31st December 2022. Accordingly it was observed in the audit that as Rs. 0.5 was paid only for Handahana lottery, there was a lack of interest to promote other lotteries and it was a risk to reduce the total profit of the Board. Further, even though an income of Rs. 7,315 million had been earned through Govisetha as a sole lottery in 2019, the income of both Goviseth and Handahana was only Rs. 6,588 million in the year 2022.
- (l) An amount of Rs. 27,178,359 had been spent for consultation fees for the construction of business premises on the land of the Board of Vauxhall Street from the year 2016 up to the year under review and indicated as

work in progress under non moveable assets. However, actions had not been taken to construct the said building up to now and the amount incurred by the Board above had become an uneconomical expense.

- (m) A building fund had been established by the Board to collect funds to construct the business premises on the land of the Board of Vauxhall Street in the year 2016 and even though the balance of the said fund had been increased up to Rs. 1,264 million as at 31st December 2022, construction of the said building had not been commenced and the said fund had been maintained inactively. Further, as the said building had not been constructed, the Board is maintained in a rented building and an amount of Rs. 487 million had been paid as lease rental up to 31st December 2022. Further, a part of this rented building is an unauthorized construction and an amount of Rs. 31,654,000 had been paid for such unauthorized part of the building as the rental.
- (n) As per the section 08(a) of the Lease 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(b) of the Agreement, such amount had become an uneconomical expense.
- (o) Although the Board had to purchase promotion items by planning the requirement properly, 4,200 Gents umbrellas and 2,500 Ladies umbrellas had been purchased by spending Rs. 8,292,650 for promotion activities of the special draw of Mahajana Sampatha Jaya King 5000 held on 14th January 2023 while 384 Gents umbrellas and 460 Ladies umbrellas which were purchased as promotion items were remaining in the stores. However, since only 15 Gents umbrellas were issued as at the date of the draw of the said lottery, the amount spent by the Board for the aforesaid promotion programme had become an uneconomical expense.
- (p) Among 118 debtors of passive and instant lotteries for an amount of Rs. 233,055,845 in the financial statements, only 08 debtors of Rs. 16,440,443 had been confirmed balances to the audit as at 31st December 2022. Accordingly, 110 debtors of Rs. 206,615,402 had not been confirmed balances to the audit as at 31st December 2022.
- (q) Only two debtors among the debtors who had confirmed balances to the audit had agreed with such balances and it had been informed that a balance of Rs. 1,964,108 of a debtor was not correct. Further, 05 debtors had informed that they had no debt to pay. Accordingly, it was observed a

difference of Rs. 8,691,754 of the balance of indebtedness regarding only for such 05 debtors.

- (r) Balance list of debtors as at 31st December 2022 of Colombo Airport Super Draw of Rs. 4,510,280 and Dollar Fortune of Rs. 964,687 that were directly sold to the relevant purchasers had not been submitted for the audit.
- (s) 03 Motor Cycles and a Car worth Rs. 4,001,900, purchased by the Board for the draws of various lotteries had been stored for 2-6 years without including them in to lottery draws again and the attention of the management had not been drawn in that regard.
- (t) As the Board could not select a printing company to print Govisetha lottery from 05th March 2022 to 04th May 2022, 55 planned lottery draws could not be held. General income of one lottery draw of the last year was Rs. 15.86 million and
- (u) As the printing company that accepted to print NLB Handahana lottery rejected to print the said lottery after 02 draws due to the Dollar crisis and lack of papers, 29 lottery draws of Handahana lottery had not been held from 05th march 2022 to 03rd April 2022. Considering the general income of previous NLB Handahana lottery draws, an income of nearly Rs. 263 million had been lost for draws which were not held.

Signed/ illegibly

W.P.C.Wickramarathna
Auditor General

STATEMENT OF INCOME

For the year ended 31st December			
	Note	2022 Rs.	2021 Rs.
Gross Turnover	03	21,208,808,240	17,292,066,080
Less : Indirect Taxes			
Value Added Tax (VAT)		640,950,292	409,319,517
Social Security Contribution Levy (SSCL)		119,531,829	-
Net Turnover		20,448,326,119	16,882,746,563
Less : Cost of Sales	04	18,539,498,202	14,396,877,247
Gross Profit		1,908,827,917	2,485,869,316
Add : Other Income	05	1,248,092,878	416,022,651
		3,156,920,795	2,901,891,967
Less : Expenses			
Sales, Marketing & Distribution Expenses	06	920,609,013	1,074,102,918
Administrative Expenses	07	839,811,722	811,945,418
Finance and Other Expenses	08	5,863,160	12,488,494
Profit before Tax		1,390,636,900	1,003,355,136
Less : Income Tax Expense	09	304,867,252	43,005,519
PROFIT FOR THE YEAR		1,085,769,648	960,349,617

The accounting policies and notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December		
	2022 Rs.	2021 Rs.
Profit for the Year	1,085,769,648	960,349,617
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax)		
Actuarial Gain / (Loss) on Defined Benefit Plans	(181,145)	10,340,015
Deferred Tax Reversal / (Expense) on Actuarial Gain / Loss	54,344	(2,481,604)
Total Comprehensive Income For The Year Net Of Tax	1,085,642,846	968,208,028

STATEMENT OF FINANCIAL POSITION

As at 31st December			
	Note	2022 Rs.	2021 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	10	550,506,806	551,667,896
Capital Work-in Progress - Head Office Building		27,178,359	27,009,822
Investment Property	11	23,813,556	24,999,802
Intangible Assets	12	-	-
Deferred Tax Assets	13	14,221,487	8,879,808
Staff Loans	14	99,823,367	119,605,313
Long term investments	15	558,739,726	-
Total Non-Current Assets		1,274,283,301	732,162,640
Current Assets			
Inventories	16	49,091,651	39,277,504
Trade Receivables	17	221,915,267	89,936,751
Other Current Assets	18	157,859,717	975,592,024
Short Term Investments	19	3,042,198,407	1,078,350,718
Cash & Cash Equivalents	20	4,486,334,807	5,735,981,945
Total Current Assets		7,957,399,849	7,919,138,942
TOTAL ASSETS		9,231,683,150	8,651,301,583
EQUITY & LIABILITIES			
Equity			
Retained Earnings	21	2,396,866,790	1,529,921,219
Other Components of Equity	22	3,824,780,719	4,501,320,640
Total Equity		6,221,647,509	6,031,241,859
Non-Current Liabilities			
Retirement Benefit Obligation	23	76,296,051	66,106,692
Total Non-Current Liabilities		76,296,051	66,106,692
Current Liabilities			
Trade & Other Payables	24	2,772,775,947	2,518,627,926
Current Tax Payables	25	160,963,642	35,325,106
Total Current Liabilities		2,933,739,589	2,553,953,032
TOTAL LIABILITIES		3,010,035,640	2,620,059,724
TOTAL EQUITY & LIABILITIES		9,231,683,150	8,651,301,583

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,



Dr. Chameera C. Yapa Abeywardana
Chairman
Colombo
23.02.2023



R.D.A. Dayanath Jayarathna
Director

The accounting policies and notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31st December

	2022 Rs.	2021 Rs.
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit before Taxation	1,390,636,900	1,003,355,136
<u>Adjustments For</u>		
Depreciation	19,023,624	34,031,253
Amortization	1,186,246	1,384,371
Defined Benefit Plan Cost	15,605,825	11,079,502
(Profit) / Loss on Disposal of Property, Plant & Equipment	-	(13,697,142)
Exchange Gains	(3,626,366)	(740,072)
Previous year adjustment for Retained Earnings	-	-
Bad Debt Provision / (Over provision)	3,317,283	(4,373,977)
Other Income - Balances written back	(64,881,201)	(33,882,134)
Old balances correction and written off	3,112,997	7,314,579
Income from Circuit Bungalows & Hiring of Board Vehicles	(364,353)	(365,590)
Interest Income	(1,146,230,211)	(332,969,241)
Operating Profit before Working Capital Changes	217,780,744	671,136,686
<u>Changes in Working Capital</u>		
(Increase)/Decrease in Inventories	(13,803,747)	26,124,773
(Increase)/Decrease in Trade Receivables	(135,295,798)	34,921,669
(Increase)/Decrease in Other Current Assets	37,523,555	(38,650,132)
Increase/(Decrease) in VAT and SSCL Payables	70,545,317	1,386,324
Increase/(Decrease) in Prizes Obligations	269,358,932	(82,737,580)
Increase/(Decrease) in Government Contribution (Special Levy) Payables	18,027,055	19,234,041
Increase/(Decrease) in Trade & Other Payables	44,744,321	(26,452,030)
	508,880,377	604,963,751
Income Tax Paid	-	(295,378,417)
Defined Benefit Plan Cost Paid	(2,880,916)	(10,665,993)
NET CASH FLOW FROM OPERATING ACTIVITIES	505,999,461	298,919,341

CASH FLOW FROM INVESTING ACTIVITIES	2022 Rs.	2021 Rs.
Additions to P.P.E, Investment Property, Intangible Assets & Work-in Progress	(14,374,445)	(9,331,720)
Proceeds from Disposal of Property, Plant & Equipment	332,974	13,773,362
Long Term Investments	(500,000,000)	-
Short Term Investments	(1,602,247,855)	(389,227,335)
Income from Circuit Bungalows & Hiring of Board Vehicles	368,057	301,428
Staff Loans Granted	(47,316,480)	(40,179,720)
Staff Loans Recovered	43,345,337	37,535,493
Interest Received	721,674,428	324,868,800
Net Cash Flow From Investing Activities	(1,398,217,985)	(62,259,692)
<u>Cash Flow From Financing Activities</u>		
Special Levy transferred to General Treasury by Retained Earnings	(361,054,980)	(900,000,000)
Net Cash Flow From Financing Activities	(361,054,980)	(900,000,000)
Net Increase / (Decrease) in Cash & Cash Equivalent	(1,253,273,503)	(663,340,351)
Cash & Cash Equivalent at the beginning of the Year (Note)	5,739,608,311	6,399,322,297
Cash & Cash Equivalent At The End Of The Year	4,486,334,807	5,735,981,945
<u>Note to the Cash Flow Statement</u>		
<u>Cash & Cash Equivalent</u>		
Short Term Deposits	4,199,087,635	5,346,312,522
Cash in Hand & at Bank	287,247,172	389,669,422
Net Cash & Cash Equivalent At The End Of The Year	4,486,334,807	5,735,981,945
<u>Note : Cash & Cash Equivalent at the beginning of the Year</u>	5,735,981,945	6,398,582,225
Add : Exchange Gains	3,626,366	740,072
Cash & Cash Equivalent at the beginning of the Year	5,739,608,311	6,399,322,297

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 2021	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 Losses on defined benefit plans	-	-	-	-	10,340,015	10,340,015
Deferred tax attributable to Actuarial Losses 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
Prizes Reserve utilised	-	-	-	(186,880,696)	186,880,696	-
Prizes Reserve old balance corrections and transfers	-	-	-	15,817,781	-	15,817,781
Special Levy Transfer to General Treasury	-	-	-	-	(361,054,980)	(361,054,980)
Written off Building Reserve Receivable from Treasury	-	-	(550,000,000)	-	-	(550,000,000)
Transfer of fixed deposit interests to Building Reserve	-	-	44,522,993	-	(44,522,993)	-
Actuarial Gains on defined benefit plans	-	-	-	-	(181,145)	(181,145)
Deferred tax attributable to Actuarial Gains on defined benefit plans	-	-	-	-	54,344	54,344
Profit for the Year	-	-	-	-	1,085,769,648	1,085,769,648
Balance as at 31st December 2022	21,263,101	298,261,466	1,264,594,305	2,240,661,848	2,396,866,790	6,221,647,505

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL 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 months period from 01st January 2022 to 31st December 2022.

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 provides information on the financial performance for the year under review.
- A Statement of Financial Position provides information on the financial position of the Board as at the year-end.
- A Statement of Changes in Equity depicts all changes in funds during the year under review by the Board.
- A Statement of Cash Flows provides information to the users, on the ability of the Board to generate cash and cash equivalents and the need to utilize those cash flows and
- Notes to the Financial Statements comprising accounting policies and other explanatory information

Note 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 2022 were authorized for issue by the Board of Directors on 23rd February 2023.

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 2022 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 the 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 and 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 are 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 have the most significant effect on the amounts recognized in the financial statements.

b) Estimates and Assumptions.

The preparation of the Board's financial statements requires 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 the 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 derecognizes 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 recognized 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 recognized 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 recognized 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 recognized in the Other Comprehensive Income, in which case the increase is recognized in the Other Comprehensive Income. A revaluation deficit is recognized in the Other Comprehensive Income, except to the extent that it offsets an existing surplus on the same assets recognized in the assets revaluation reserve.

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

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

Motor vehicles, computers and accessories, office equipment, furniture & fittings of the Board are subsequently carried at fair value, based on periodic valuations by the Government Valuer for the Department of Valuation. The Previous valuation has been completed in 2015. Recent revaluation was started in 2022 and will be finalized in 2023.

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 asset's 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 or end of useful lives.

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 the 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 the 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. The 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 purposes.

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 the 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 recognized in the Statement of Comprehensive Income.

c) De-recognition.

Investment properties are de-recognized when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gain or loss on retirement or disposal is recognized 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 pretax discount rate that reflects the 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 de recognition 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 provision of debtors after eliminating the value of bank guarantees obtained against individual debtor balances based on below Age analysis,

<u>Debtor Period</u>	<u>Percentage (%)</u>
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 Other disputes	- 100%

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 the 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 calls with banks, and 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 into account currency fluctuation while other current assets and liabilities are shown at cost.

2.3 EQUITY, LIABILITIES & PROVISION

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 the 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 obligation (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 the 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) contributions and Employee Trust Fund (ETF) contributions are covered by relevant contribution funds in line with respective statutes and regulations. Contributions to defined contribution plans are recognized as expenditures in the Income Statement. Employee contribution for EPF is 10% whereas 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 the 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. Expenditure Recognition.

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earnings 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 has 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.
The Board has adopted the fair value concept under SLFRS 9, Financial Instruments for Housing Loans given to staff.
- Distress Loan – Basic salary of 10 months (up to 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 the respective draw and this is remitted to the Consolidated Fund on a 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 was increased from 15% to 17.5% accordingly. Further, on the 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 Nidhanaya	Mega Power	Sevana Passive	Handahana
Prizes	49.00%	52.00%	49.00%	52.00%	52.00%	47.00%	50.00%	52.00%	53.00%
Agent Commission	18.75%	18.75%	18.75%	18.75%	18.75%	18.75%	18.75%	18.75%	18.75%
Government Contribution	16.50%	16.50%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Board	15.75%	12.75%	22.25%	19.25%	19.25%	24.25%	21.25%	19.25%	18.25%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(b) Distribution of income for Scratch Lotteries.

	Sevana Rs.20/-	Sevana Rs.50/-	Samurdhi Rs.20/-
Prizes	53%	53%	53%
Dealer Commission	18.75%	18.75%	18.75%
Government Contribution	10.00%	10.00%	10.00%
Board	18.25%	18.25%	18.25%
Total	100.00%	100.00%	100.00%

(c) Government Contribution 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 (Wednesday)	10%	Consolidated Fund - Ministry of Health
Jathika Sampatha (Saturday and Sunday)	10%	Consolidated Fund - Ministry of Labour (Shrama Vasana Fund)
Jathika Sampatha (Monday, Tuesday, Thursday and Friday)	10%	Consolidated Fund
Mega Power	10%	Consolidated Fund
Sevana Passive	10%	Consolidated Fund - Sevana Fund
Dhana Nidhanaya	10%	Consolidated Fund
Handahana (Monday, Tuesday and Wednesday)	10%	Consolidated Fund - Ranawiru Sewa Authority
Handahana (Thursday, Friday, Saturday and Sunday)	10%	Consolidated Fund - Ministry of Sports & Ministry of Social Services
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 E- Lottery

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

2.6.9 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

Notes To The Income Statement

Note 03

Gross Turnover	2022 Rs.	2021 Rs.
Mahajana Sampatha	7,449,148,240	6,475,960,400
Vasana Sampatha	86,806,800	182,867,800
Govisetha	3,570,567,680	4,441,618,920
Supiri Vasana	80,118,600	451,990,600
Jathika Sampatha	1,071,859,800	562,273,960
Mega Power	3,103,910,440	2,233,985,800
Sevana - Passive	94,794,000	123,994,300
Dana Nidanaya	2,496,453,000	2,370,481,000
Handahana	3,018,383,520	-
Daru Diri Sampatha	-	54,539,200
Sampatha Lagna Warama	-	143,216,100
Samurdhi	20,000,000	30,000,000
Sevana - Scratch	204,528,000	221,138,000
Special - Scratch	-	-
Dollar Fortune	12,238,160	-
	21,208,808,240	17,292,066,080

Note 04

Cost of Sales	2022 Rs.	2021 Rs.
Tickets Printing Charges (04-01)	874,347,794	425,035,522
Agency Commission (04-02)	3,975,326,154	3,242,262,390
Main Agency Commission (04-03)	339,717,735	215,375,258
Prizes (04-04)	10,740,612,432	8,352,173,636
Government Contribution (Special Levy) (04-05)	2,609,494,086	2,162,030,441
	18,539,498,202	14,396,877,247

Note 04-01

Tickets Printing Charges	2022 Rs.	2021 Rs.
Opening Stock as at 1st January		
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
Add : Purchase of Tickets during the year	884,981,668	420,408,641
	888,644,219	428,698,074
Less : Closing Stock as at 31st December		
Passive Lottery	14,296,425	2,996,666
Sevana Lottery	-	665,886
	14,296,425	3,662,552
	874,347,794	425,035,522

Note 04-02

Agency Commission	2022 Rs.	2021 Rs.
Mahajana Sampatha	1,396,715,295	1,214,242,575
Vasana Sampatha	16,276,275	34,287,713
Govisetha	669,481,440	832,803,548
Supiri Vasana	15,022,238	84,748,238
Jathika Sampatha	200,973,713	105,426,368
Mega Power	581,983,208	418,872,338
Sevana - Passive	17,773,875	23,248,931
Dana Nidanaya	468,084,938	444,465,188
Handahana	565,946,910	-
Daru Diri Sampatha	-	10,226,100
Sampatha Lagna Warama	-	26,853,019
Samurdhi	3,750,000	5,625,000
Sevana - Scratch	38,349,000	41,463,375
Dollar Fortune	969,264	-
	3,975,326,154	3,242,262,390

Note 04-03

Main Agency Commission	2022 Rs.	2021 Rs.
Mahajana Sampatha	93,095,706	80,911,835
Vasana Sampatha	1,085,054	2,285,783
Govisetha	44,585,138	55,460,228
Supiri Vasana	1,001,452	5,649,641
Jathika Sampatha	13,397,865	7,027,947
Mega Power	38,774,834	27,913,719
Sevana - Passive	1,184,904	1,549,895
Dana Nidanaya	31,194,722	29,623,509
Handahana	113,152,781	-
Daru Diri Sampatha	-	681,743
Sampatha Lagna Warama	-	1,759,580
Samurdhi	200,000	300,000
Sevana - Scratch	2,045,280	2,211,380
	339,717,735	215,375,258

Note 04-04

Prizes	2022 Rs.	2021 Rs.
Mahajana Sampatha	3,588,976,007	3,142,710,614
Vasana Sampatha	43,226,274	90,518,482
Govisetha	2,075,802,939	2,181,733,226
Supiri Vasana	40,071,571	227,523,780
Jathika Sampatha	554,692,678	268,924,496
Mega Power	1,441,776,089	966,214,913
Sevana - Passive	48,472,922	58,360,510
Dana Nidanaya	988,950,207	1,181,685,270
Handahana	1,802,471,994	-
Daru Diri Sampatha	-	28,881,503
Mahajana Sampatha Janabhishekaya -Special Prize paid	-	2,234,600
Sampatha Lagna Warama	-	71,483,102
Samurdhi	10,600,000	14,700,000
Sevana - Scratch	108,399,840	117,203,140
Dollar Fortune	37,171,910	-
	10,740,612,432	8,352,173,636

Note 04-05

Government Contribution (Special Levy)	2022 Rs.	2021 Rs.
Contribution to the Consolidated Fund		
Mahajana Sampatha	1,229,109,460	1,068,533,466
Vasana Sampatha	14,323,122	30,173,187
Govisetha	357,056,768	444,161,892
Supiri Vasana	8,011,860	45,199,060
Jathika Sampatha	107,185,980	56,227,396
Mega Power	310,391,044	223,398,580
Sevana - Passive	9,479,400	12,399,430
Dana Nidanaya	249,645,300	237,048,100
Handahana	301,838,352	-
Daru Diri Sampatha	-	5,453,920
Samurdhi	2,000,000	3,000,000
Sevana - Scratch	20,452,800	22,113,800
	2,609,494,086	2,147,708,831
Contribution to the National Kidney Fund		
Sampatha Lagna Warama	-	14,321,610
	-	14,321,610
	2,609,494,086	2,162,030,441

Note 05

Other Income	2022 Rs.	2021 Rs.
Interest Income	1,146,230,211	332,969,241
Sundry Income	101,862,667	83,053,410
	1,248,092,878	416,022,651

Note 06

Sales, Marketing & Distribution Expenses	2022 Rs.	2021 Rs.
Distribution Costs (06-01)	119,849,761	146,651,612
Marketing & Sales Promotion Expenses (06-02)	765,289,136	900,376,746
Communication Expenses (06-03)	35,470,117	27,074,560
	920,609,013	1,074,102,918

Note 06-01

Distribution Expenses	2022 Rs.	2021 Rs.
Motor Vehicles - Fuel	17,847,069	10,957,970
Motor Vehicles - Repairs	7,292,787	6,221,074
Motor Vehicles - Insurance	576,173	791,008
Motor Vehicles - Revenue License	221,309	248,221
Motor Vehicles - Tires and Tubes	1,356,233	2,042,892
Motor Vehicles - Maintenance & Others	3,365,392	4,353,213
Motor Vehicles - Depreciation	2,774,479	7,981,885
Tickets Transport Charges	33,816,446	15,251,018
Provision for Bad Debts	3,317,283	-
Agent Relief Exp. /Cost of Returned Tickets	565,740	209,326
Dealers & Agents Training & Conference	77,308	2,197,855
Scholarships to Agents' Children	724,000	670,500
Agent & Seller Medical & Insurance Expenses	6,925,000	5,913,000
Agent Additional Sales Promotional Expenses	38,629,042	35,618,109
Agent Appreciation Token for Prize Winners	2,358,000	1,970,000
Agent's & Sellers Welfare	3,500	-
Agent & Seller Relief Covid 19	-	51,867,500
Payment to Asarana Sarana Fund (SLW/ Neeroga Incentive)	-	358,040
	119,849,761	146,651,612

Note 06-02

Marketing & Sales Promotion Expenses	2022 Rs.	2021 Rs.
Production & Telecasting	481,483,039	366,642,160
Publication of Lottery Results	63,962,066	84,678,899
Brand Promotional Advertising	197,978,301	345,359,984
Corporate Advertising	15,674,768	73,049,703
CSR - Corporate Social Responsibility	5,207,000	15,689,000
BTL Advertising Exp	500,000	-
Public Relation Expenses	150,000	3,157,000
Sales Booth ect. to Agents	333,962	11,800,000
	765,289,136	900,376,746

Note 06-03

Communication Expenses	2022 Rs.	2021 Rs.
Postage and Telegrams	84,423	74,277
Telephone, Faxes and Internet	12,900,646	12,699,197
Printing and Stationery	21,719,919	13,533,276
Press Notices	765,129	767,811
	35,470,117	27,074,560

Note 07

Administrative Expenses	2022 Rs.	2021 Rs.
Personnel Emoluments (7.1)	522,418,147	471,893,975
Establishment Expenses (7.2)	131,443,805	129,347,665
Other Administrative Expenses (7.3)	185,949,770	210,703,778
	839,811,722	811,945,418

Note 07-01

Personnel Emoluments	2022 Rs.	2021 Rs.
Staff Salaries	215,496,170	196,797,465
Staff Overtime	33,788,603	37,340,742
Duty Allowance	1,493,712	1,471,876
Staff EPF	29,178,178	29,939,804
Staff ETF	5,836,362	5,987,958
Staff Pension	344,244	259,659
Staff Annual Bonus	7,199,741	5,074,272
Leave Encashment	8,168,416	11,285,910
Risk Allowance	1,099,000	710,900
Staff Welfare	35,331,361	26,006,692
Staff Uniforms	8,174,250	7,622,959
Staff meal	2,763,960	5,955,395
Defined Benefit Plan Cost	15,605,825	11,079,502
Welfare & Thrift Fund	4,894,782	3,757,668
Allowances to Board Members	1,684,516	1,710,000
Production Incentive	80,777,686	62,923,773
Ex-gratia Payments	23,248,658	47,420,518
Staff & Board Members Traveling, Subsistence & Special Allowance	22,024,093	12,636,883
Target based employee motivation benefits	16,956,368	-
Duty Allowance for Van Sales - Staff	4,136,000	3,912,000
Employee benefit on Housing loan	4,216,223	-
	522,418,147	471,893,975

Note 07-02

Establishment Expenses	2022 Rs.	2021 Rs.
Rent	87,786,550	91,263,010
Rates & Taxes	42,267	29,215
Electricity	10,244,702	9,162,016
Water	899,694	726,130
Cleaning and Maintenance	6,350,140	6,023,282
Building - Repairs	420,450	662,000
Maintenance other than Vehicles	150,077	303,750
Repairs other than Vehicles	10,462,275	1,195,415
Insurance Other than Vehicles	426,737	450,513
Depreciation Other than Vehicles	13,474,666	18,067,483
Amortization of Investment Property	1,186,246	1,186,246
Amortization of Intangible Assets	-	198,125
Partition and Office Modifications	-	80,480
	131,443,805	129,347,665

Note 07-03

Other Administrative Expenses	2022 Rs.	2021 Rs.
External Audit Fee	2,162,500	2,298,500
Legal Fee	2,137,646	2,712,528
Newspapers and Periodicals	249,410	122,920
Overseas Traveling	-	-
Renewal Fee - Inter. Lottery Association	1,910,856	1,095,468
COVID 19 Medical & Other Expenses	3,419,994	10,710,710
Motor Vehicles - Fuel	17,847,069	10,957,970
Motor Vehicles - Repairs	7,292,787	6,221,074
Motor Vehicles - Insurance	576,173	791,008
Motor Vehicles - Revenue License	221,309	248,221
Motor Vehicles - Tires and Tubes	1,356,233	2,042,892
Motor Vehicles - Maintenance & Others	3,365,392	4,353,213
Motor Vehicles - Depreciation	2,774,479	7,981,885
Non Consumable Items	2,524,130	1,754,706
Consumable Items	1,177,674	730,525
Incidental & General Expenses	4,966,787	4,422,044
Scrutiny of Prize Winning Tickets	138,770	117,710
Expenses at Board Meetings	272,710	184,641
Training and Seminar Fee	3,299,362	1,711,520
Circuit Bungalow Repair & Maintenance	756,164	722,130
Consultancy & Professional Charges	244,725	257,412
Prizes Validation Charges	14,469,470	10,769,672
Medical Expenses - Staff	37,112,371	70,000,000
Staff Accidental Insurance & Compensation	6,000,000	4,879,438
Vehicle Hire Charges	10,546,698	10,252,833
Software Maintenance	18,907,259	24,338,852
Refreshments Board of Directors	176,758	195,249
Fees to Tender Board Members	484,500	49,250
Sweep Audit Fee	17,911,800	12,731,700
Postage and Telegrams	56,282	49,518
Telephone, Faxes and Internet	8,600,431	8,466,131
Printing and Stationery	14,479,946	9,022,184
Press Notices	510,086	511,874
Transfer to COVID19 Fund	-	-
	185,949,770	210,703,778

Note 08

Finance and Other Expenses	2022 Rs.	2021 Rs.
Bank Charges	2,750,163	5,173,915
Old balances correction and written off	3,112,997	7,314,579
	5,863,160	12,488,494

Note 09

Income Tax	2022 Rs.	2021 Rs.
Current year Income Tax	310,154,587	8,211,883
Previous year Income Tax - corrections and adjustments	-	37,203,548
Deferred Tax Reversal	(5,287,335)	(2,409,911)
Income Tax Expense	304,867,252	43,005,519

Noets To The Financial Position

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.	2022 Total Rs.	2021 Total Rs.
Cost or Revalued Amount										
Balance Beginning 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
Last Year Adjustment	-	-	-	-	-	-	-	-	-	-
Additions during the Year	-	-	3,650,000	9,335,235	4,278,969	-	931,305	-	18,195,509	9,325,760
Disposal during the Year	-	-	-	(277,450)	(263,192)	-	-	-	(540,642)	(17,407,280)
Transferred during the Year	-	-	-	-	-	-	-	-	-	-
Balance end of the Year	500,000,000	23,331,320	275,612,209	144,385,270	57,032,602	162,980,392	38,270,841	13,389,940	1,215,002,574	1,197,347,707
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Depreciation										
Balance Beginning of the Year	-	8,587,977	266,945,543	125,211,795	46,612,890	162,598,792	22,392,058	13,330,758	645,679,811	628,979,617
Last Year Adjustment	-	-	-	-	-	-	-	-	-	-
Depreciation for the Year	-	1,166,566	5,548,958	5,592,343	2,618,473	381,600	3,656,503	59,182	19,023,624	34,031,253
Depreciation on Disposal	-	-	-	(93,434)	(114,235)	-	-	-	(207,668)	(17,331,059)
Transferred during the Year	-	-	-	-	-	-	-	-	-	-
Balance End of the Year	-	9,754,543	272,494,501	130,710,704	49,117,128	162,980,392	26,048,561	13,389,940	664,495,767	645,679,811
	-	-	-	-	-	-	-	-	-	-
Carrying amount as at 31.12.2022	500,000,000	13,576,777	3,117,708	13,674,566	7,915,475	-	12,222,280	-	550,506,806	-
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
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

Freehold Land & Building

Valuation Technique

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.

Significant unobservable inputs

Price per perch of land.

Sensitivity of the input to the fair value

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 31.12.2022	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	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	5,445,000	5,940,000

Board Property, Plant and Equipment with a cost of Rs. 613,154,970 (2021 - Rs. 564,686,291) 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	2022 Rs.	2021 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	25,530,198	24,343,952
Transferred during the Year (to the P.P.E.)	-	-
Amortization for the Year	1,186,246	1,186,246
Balance end of the Year	26,716,444	25,530,198
Carrying amount as at 31.12.2022	23,813,556	
Carrying amount as at 31.12.2021		24,999,802

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.

<u>Assets</u>	<u>Valuation Technique</u>	<u>Significant unobservable Inputs</u>
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

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 31.12.2022
Anuradhapura Circuit Bungalow 1 st 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)	23,813,556

Carrying amount has been adjusted for amortization for investment property.

Note 12 - Intangible Assets

Computer Software	2022 Rs.	2021 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	90,598,131	90,400,006
Amortization for the Year	-	198,125
Balance end of the Year	90,598,131	90,598,131
Carrying amount as at 31.12.2022	-	
Carrying amount as at 31.12.2021		-

Note 13

Deferred Tax Assets	2022 Rs.	2021 Rs.
Balance at the beginning of the year	8,879,808	8,951,500
Current year Deferred Taxation	5,287,335	2,409,911
Add : Deferred Tax attributable to remeasurment of Retirement benefit Obligation	54,344	(2,481,604)
Balance at the end of the year	14,221,487	8,879,808
Movement in Deferred Tax Assets		
Balance at the beginning of the year	8,879,808	8,951,500
Recognized in profit / (loss)	5,287,335	2,409,911
Recognized in other comprehensive income	54,344	(2,481,604)
Balance at the end of the year	14,221,487	8,879,808
Composition of Deferred Tax Assets / (Liability)		
Deferred tax assets attributable to;		
Defined benefit obligations	22,888,815	15,865,606
Provision for Bad debts	4,984,647	3,191,569
Accelerated depreciation for tax purposes on property, plant & Equipment	(13,651,975)	(10,177,367)
Net deferred tax assets / (liability)	14,221,487	8,879,808

Note 14

Staff Loans	2022 Rs.	2021 Rs.
Distress Loans	46,970,772	38,132,780
Housing Loans	72,460,912	105,001,663
	119,431,684	143,134,443

Note 15

Long Term Investments	2022 Rs.	2021 Rs.
Fixed Deposits (matured after 12 months)	558,739,726	-
	558,739,726	-

Note 16

Inventories	2022 Rs.	2021 Rs.
Printed Tickets Stocks	14,296,425	4,671,924
Prizes Stocks	22,093,002	26,427,468
Consumable Stocks	12,702,224	8,178,112
	49,091,651	39,277,504

Note 17

Trade Receivables	2022 Rs.	2021 Rs.
Trade Debtors	238,530,755	103,190,357
Return Cheques - Sevana	-	44,599
	238,530,755	103,234,957
Less : Provision for Doubtful Debts	(16,615,489)	(13,298,206)
	221,915,267	89,936,751

Note 18

Other Current Assets	2022 Rs.	2021 Rs.
Other Debtors (18.1)	2,621,663	22,306,543
Accounts Receivables (18.2)	1,453,875	19,632,422
Staff Loans (18.3)	27,215,497	31,567,491
Deposits & Prepayments (18.4)	126,568,682	97,024,200
Recoverable from the Department of Inland Revenue	-	255,061,368
Building Reserve Receivable from Treasury	-	550,000,000
	157,859,717	975,592,024

Note 18-01

Other Debtors	2022 Rs.	2021 Rs.
Advances to Staff	310,000	817,479
Advances to Outsiders	1,561,703	19,665,346
Recoveries of New Agent Registration Fee	-	988,500
Recovery of Computer & Accessories to Agents	92,336	156,260
Recovery of Sales Booth to Agents	450,958	513,958
Recovery of Bicycles to Agents	35,000	35,000
Recovery of Motor Bicycles to Agents	65,000	130,000
Recovery of Bicycle Loss - Procurement Division	106,667	-
	2,621,663	22,306,543

Note 18-02

Accounts Receivables	2022 Rs.	2021 Rs.
Sundry Income Receivable	1,453,875	19,632,422
	1,453,875	19,632,422

Note 18-03

Staff Loans	2022 Rs.	2021 Rs.
Festival Advance	394,840	329,930
Festival Loan Receivable	-	2,923,293
Distress Loans	13,937,093	12,147,377
Staff advance for Laptops	7,212,340	4,785,139
Housing Loans	5,671,224	11,381,753
	27,215,497	31,567,491

Note 18-04

Deposits & Prepayments	2022 Rs.	2021 Rs.
Staff Security Deposits - Peoples Bank	2,500	2,500
Staff Security Deposits - NSB	13,400	13,400
Postal Franking Machine Deposits	41,613	74,373
General Deposits -Building and others	27,969,313	25,589,875
Prepaid (deferred) expenses for employee Benefits	26,320,546	-
Payments in Advance	8,892,135	8,014,877
Rent Paid in Advance	63,329,175	63,329,175
	126,568,682	97,024,200

Note 19

Short Term Investments	2022 Rs.	2021 Rs.
Fixed Deposits (matured within 03 to 12 months)	3,042,198,407	1,078,350,718
	3,042,198,407	1,078,350,718
A Bank Guarantee has been given to the Tax Appeals Commission amounting Rs. 336,000,000/- for an appeal made for Income Tax case for the year of assessment 2016/2017 as disclosed in Note 29.		

Note 20

Cash & Cash Equivalents	2022 Rs.	2021 Rs.
Cash in Hand and at Bank (20 - 1)	287,247,172	389,669,422
Short Term Deposits (20 - 2)	4,199,087,635	5,346,312,522
	4,486,334,807	5,735,981,945

Note 20 - 1

Cash in Hand and at Bank	2022 Rs.	2021 Rs.
Cash in Hand	830,000	1,420,000
Cash at Bank	286,417,172	388,249,422
	287,247,172	389,669,422

Note 20 - 2

Short Term Deposits	2022 Rs.	2021 Rs.
Fixed Deposits (matured within 03 months)	2,469,449,051	3,993,092,509
Call Deposits	1,729,638,584	1,353,220,014
	4,199,087,635	5,346,312,522

Note 21

Retained Earnings	2022 Rs.	2021 Rs.
Balance at the beginning of the year	1,529,921,219	2,486,581,712
Profit for the Year	1,085,769,648	960,349,617
	2,615,690,869	3,446,931,331
Net change in Prizes Reserve	186,880,696	1,295,290
Less : Special Levy transferred to General Treasury by Retained Earnings	(361,054,980)	(900,000,000)
Less : Transfer to Building reserve fund	-	(1,000,000,000)
Less : Transfer to Building reserve fund belongs to fixed deposits	(44,522,993)	(40,071,311)
Add : Adjustment against Revaluation Gain on Disposal of P. P. & E.	-	13,907,498
Less : Actuarial Gain / (Loss) on defined benefit plans	(181,145)	10,340,015
Add : Deferred Tax attributable to remeasurment of Retirement benefit Obligation	54,344	(2,481,604)
Balance at the end of the year	2,396,866,790	1,529,921,219

Note 22

Other Components of Equity	2022 Rs.	2021 Rs.
Accumulated Treasury Fund	21,263,101	21,263,101
Revaluation Reserve	298,261,466	298,261,466
Building Reserve	1,264,594,305	1,770,071,311
Prizes Reserve	2,240,661,848	2,411,724,762
Balance at the end of the year	3,824,780,719	4,501,320,640

Note 23

Retirement benefit Obligation	2022 Rs.	2021 Rs.
Balance at the beginning of the year	66,106,692	76,033,198
Interest Cost	7,602,270	6,082,969
Past and Current Service Costs	8,003,555	4,996,533
Charge to Income Statement	15,605,825	11,079,502
Actuarial (Gain) / Loss included in Other Comprehensive Income	181,145	(10,340,015)
	15,786,970	739,487
Paid / Payable for during the year	(5,597,611)	(10,665,993)
Balance at the end of the year	76,296,051	66,106,692
Principal Actuarial Assumptions		
An actuarial valuation was carried out as at 31st December 2022 by Mr. M. Puupalanathan, 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	2022		2021	
Discount Rate	Increase	Decrease	Increase	Decrease
Sensitivity level	+1%	-1%	+1%	-1%
Impact on defined benefit obligation Rs.	69,976,524	83,597,293	59,597,744	73,762,997
Salary Escalation Rate	Increase	Decrease	Increase	Decrease
Sensitivity level	+1%	-1%	+1%	-1%
Impact on defined benefit obligation Rs.	83,799,287	69,713,290	73,986,881	59,317,895
Distribution of Present Value of Defined Benefit Obligation in future years are as follows.	2022 Rs.	2021 Rs.		
Within the next 12 months	6,895,465	1,508,619		
Between 2 to 5 years	21,778,485	19,851,562		
After 5 years	47,622,101	44,746,512		
	76,296,051	66,106,692		
The Weighted Average duration of Defined Benefit Obligation in years	10.40	11.82		

Note 24

Trade & Other Payables	2022 Rs.	2021 Rs.
Payable to Government Contribution (Special Levy)	271,641,904	253,614,849
Sweep Collection in Advance	348,076,498	189,413,862
Deferred Revenue, Expenditure - Dollar Fortune	-	10,310,094
Prizes Obligations	1,481,817,190	1,228,276,040
Trade & Other Creditors	222,863,356	344,853,668
Accrued Expenses	448,376,999	492,159,414
	2,772,775,947	2,518,627,926

Note 25

Current Tax Payables	2022 Rs.	2021 Rs.
VAT Payables	62,866,793	35,325,106
Social Security Contribution Levy (SSCL) Payables	43,003,630	-
Income Tax Payables	55,093,219	-
	160,963,642	35,325,106

26. 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.

26.1 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.

26.1.1 Transaction with key management personnel (KMP)

	2022 Rs.	2021 Rs.
Short Term Benefits	6,258,626	4,962,995

27. Financial Assets and Financial Liabilities - Accounting Classification and Fair Values**27.1 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 2022 Rs.	Carrying Amount 2021 Rs.
As at 31 December 2022		
Financial Assets not Measured at Fair Value		
Trade Receivables	221,915,267	89,936,751
Staff Receivables	27,215,497	31,567,491
Other Current Assets	4,075,539	581,628,871
Short Term Investments	3,042,198,407	1,078,350,718
Cash and Cash Equivalents	4,486,334,807	5,735,981,945
	7,781,739,516	7,517,465,776
Financial Liabilities		
Financial Liabilities not Measured at Fair Value		
Trade Payables	222,863,356	344,853,668
Prizes Payables	1,481,817,190	1,228,276,040
Other Payables	-	10,310,094
	1,704,680,546	1,583,439,801

27.2 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.

28. 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 Boards' objectives, policies and processes for measuring and managing risk, and the Boards' 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.

28.1 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.

28.1.1 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;

<i>As at 31 December</i>	Carrying Value	
	2022 Rs.	2021 Rs.
Trade Receivables	221,915,267	89,936,751
Staff Receivables	27,215,497	31,567,491
Other Current Assets	4,075,539	581,628,871
Short Term Investments	3,042,198,407	1,078,350,718
Cash at Bank	4,485,504,807	5,734,561,945
	7,780,909,516	7,516,045,776

Age analysis of trade receivables after provision for impairment						
<i>As at 31 December 2022</i>	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	201,053,896	7,493,955	2,898,921	10,468,495	16,615,489	238,530,755
	201,053,896	7,493,955	2,898,921	10,468,495	16,615,489	238,530,755
<i>As at 31 December 2021</i>	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

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

28.2 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.

28.3 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.

28.4 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.

28.5 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.

29. 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.

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.

30. 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.

31. Other Notes

31.01. 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.

31.02. In respect of work carried out at Manner 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

31.03. Forfeited prizes always represent two financial years and payments were made as follows

	2022 Rs.	2021 Rs.
1 st Quarter (Draw held during 3 rd Quarter of previous year)	72,168,728	113,650,480
2 nd Quarter (Draw held during 4 th Quarter of previous year)	109,614,370	88,126,820
3 rd Quarter (Draw held during 1 st Quarter of current year)	177,045,987	123,592,650
4 th Quarter (Draw held during 2 nd Quarter of current year)	96,586,920	72,285,120
	455,416,005	397,655,070

SEGMENTAL ANALYSIS

	2022 Rs.			2021 Rs.		
	Lottery Operation	Investment Operation	Total	Lottery Operation	Investment Operation	Total
Gross Turnover	21,208,808,240	-	21,208,808,240	17,292,066,080	-	17,292,066,080
Less : Indirect Taxes						
Value Added Tax (VAT)	640,950,292	-	640,950,292	409,319,517	-	409,319,517
Social Security Contribution Levy (SSCL)	119,531,829	-	119,531,829			
Net Turnover	20,448,326,119	-	20,448,326,119	16,882,746,563	-	16,882,746,563
Less : Cost of Sales	18,539,498,202	-	18,539,498,202	14,396,877,247	-	14,396,877,247
Gross Profit	1,908,827,917	-	1,908,827,917	2,485,869,316	-	2,485,869,316
Add : Other Income						
Interest Income	-	1,146,230,211	1,146,230,211	-	332,969,241	332,969,241
Other Income	101,862,667	-	101,862,667	83,053,410	-	83,053,410
	2,010,690,584	1,146,230,211	3,156,920,795	2,568,922,726	332,969,241	2,901,891,967
Less : Expenses						
Sales, Marketing & Distribution Cost	920,609,013	-	920,609,013	1,074,102,918	-	1,074,102,918
Administrative Expenses	839,811,722	-	839,811,722	811,945,418	-	811,945,418
Financial Cost	5,863,160	-	5,863,160	12,488,494	-	12,488,494
	1,766,283,895	-	1,766,283,895	1,898,536,831	-	1,898,536,831
Profit before Tax	244,406,689	1,146,230,211	1,390,636,900	670,385,896	332,969,241	1,003,355,136
Less : Income Tax - (Note)	29,772,001	275,095,251	304,867,252	(36,907,099)	79,912,618	43,005,519
Profit / (Loss) after Tax	214,634,687	871,134,960	1,085,769,648	707,292,995	253,056,623	960,349,617



4.



OPERATING

&



FINANCIAL REVIEW



FINANCIAL HIGHLIGHTS

For the year ended 31st December

Description	2022 Rs.Mn	2021 Rs.Mn	Change Compared with 2021 (%)
Turnover	21,208.8	17,292.1	22.7
Contribution to Consolidated Fund	2,609.5	2,162.0	20.7
Agency Commission	4,315.0	3,457.6	(4.2)
Prizes Allocation	10,740.6	8,352.2	28.6
Value Added Tax	640.9	409.3	56.6
Other Income	1,248.1	416.0	200.0
Expenses	1,766.3	1,898.5	(7.0)
Profit before Tax	1,390.6	1,003.4	38.6
Profit for the Year	1,085.8	960.3	13.1
Income Tax	304.9	43.0	609.0
Total Assets	9,231.7	8,651.3	6.7
Total Net Assets / Equity	5,023.7	5,365.2	(6.4)
Profit before Tax to Turnover %	8.0	5.8	37.1
Profit before Tax to Total Assets %	16.5	11.6	41.9
Liquidity Ratio	2.7:1	3.1:1	-

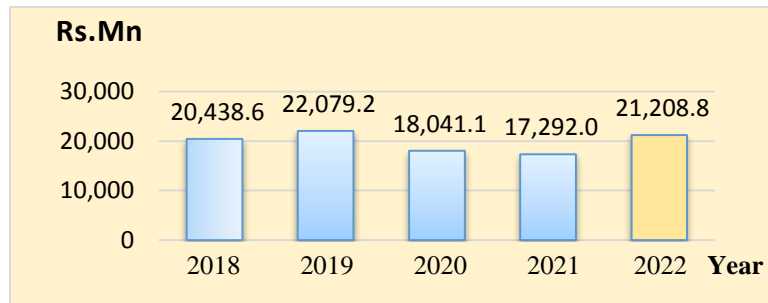
CONTRIBUTION TO STATE

Description	2022 Rs.Mn	2021 Rs.Mn
Direct Remittances		
Contribution to consolidated fund	2,609.5	2,162.0
Contribution to consolidated fund (Special Levy)	361.1	900.0
	2,970.5	3,062.0
Indirect Remittances		
VAT	640.9	409.3
Social Security Contribution Levy (SSCL)	119.5	-
Income tax	304.9	43.0
Forfeited prizes	455.4	397.7
	1520.7	850.0
Total remittances to state	4491.2	3912.0

OVERALL PERFORMANCE

Turnover

Year	Rs.Mn
2018	20,438.6
2019	22,079.2
2020	18,041.1
2021	17,292.0
2022	21,208.8



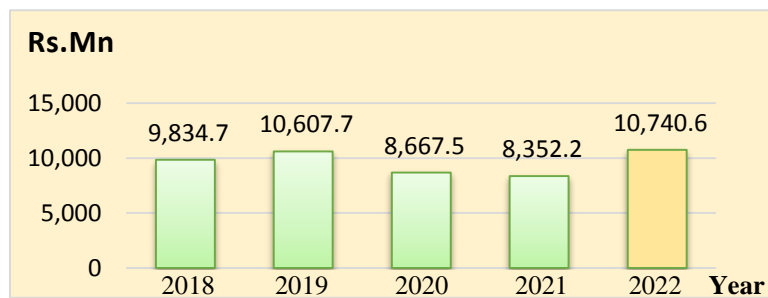
Agency Commission

Year	Rs.Mn
2018	3,826.2
2019	4,278.9
2020	3,607.9
2021	3,457.5
2022	4,315.0



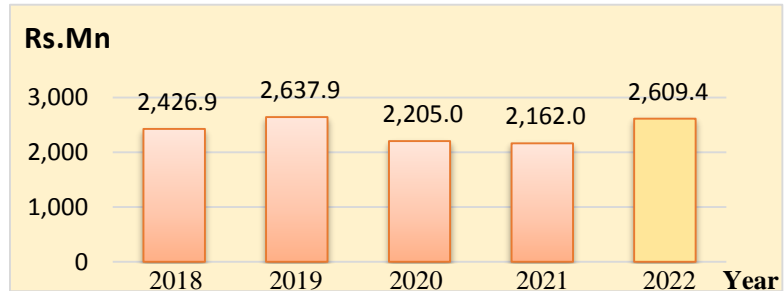
Prizes Declared

Year	Rs.Mn
2018	9,834.7
2019	10,607.7
2020	8,667.5
2021	8,352.2
2022	10,740.6



Contribution to Consolidated Fund

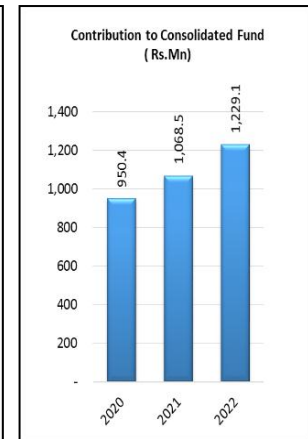
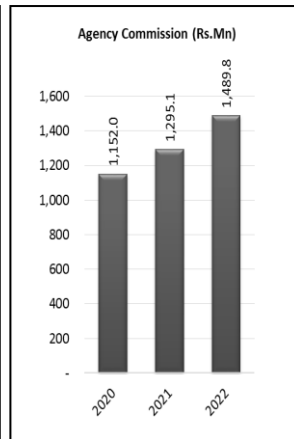
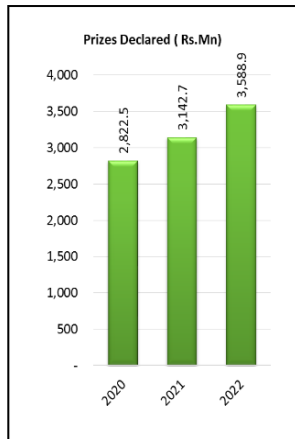
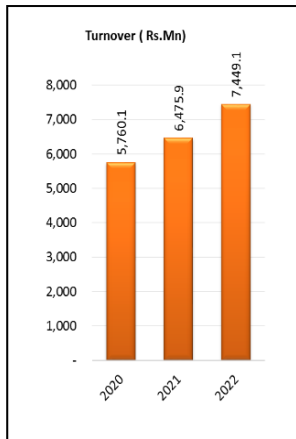
Year	Rs.Mn
2018	2,426.9
2019	2,637.9
2020	2,205.0
2021	2,162.0
2022	2,609.4



PRODUCT WISE PERFORMANCE

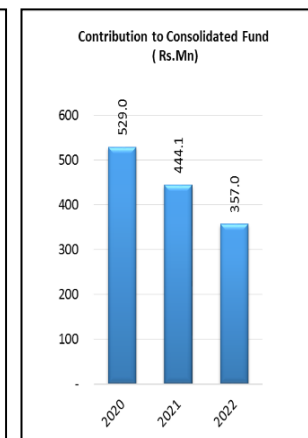
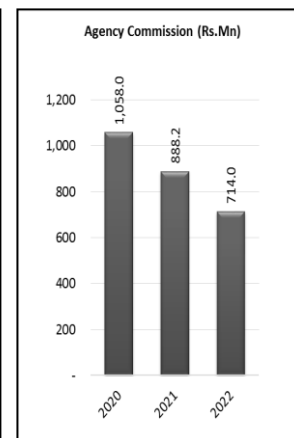
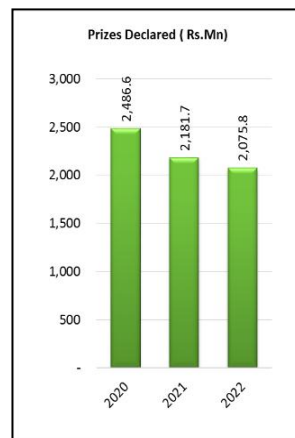
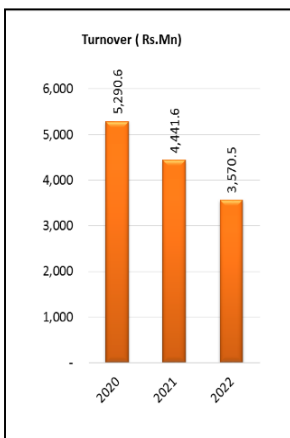
MAHAJANA SAMPATHA

Description	2022 Rs. Mn	2021 Rs. Mn	2020 Rs. Mn
Turnover	7,449.1	6,475.9	5,760.1
Prizes Declared	3,588.9	3,142.7	2,822.5
Agency Commission	1,489.8	1,295.1	1,152.0
Contribution to Consolidated Fund	1,229.1	1,068.5	950.4



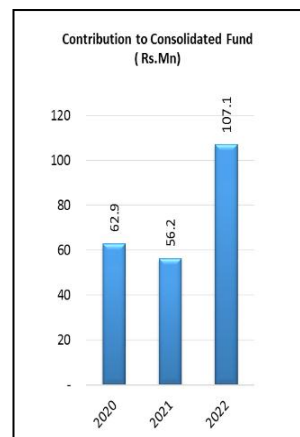
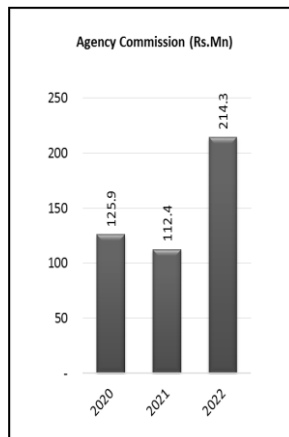
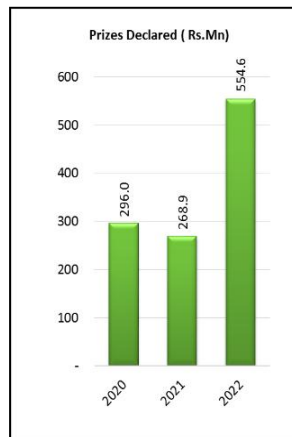
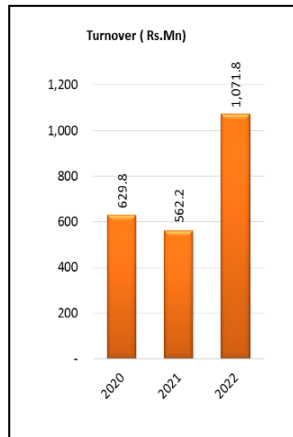
GOVISETHA

Description	2022 Rs. Mn	2021 Rs. Mn	2020 Rs. Mn
Turnover	3,570.5	4,441.6	5,290.6
Prizes Declared	2,075.8	2,181.7	2,486.6
Agency Commission	714.0	888.2	1,058.0
Contribution to Consolidated Fund	357.0	444.1	529.0



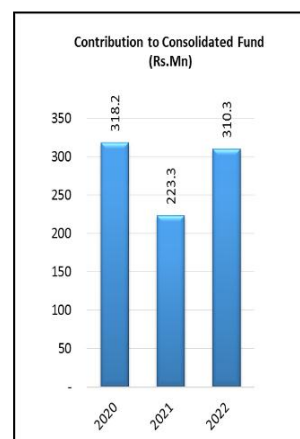
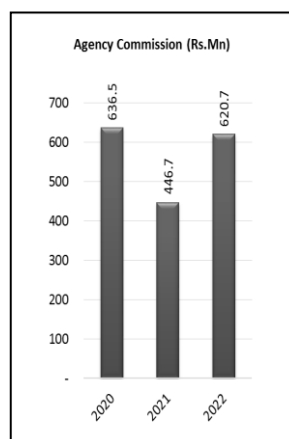
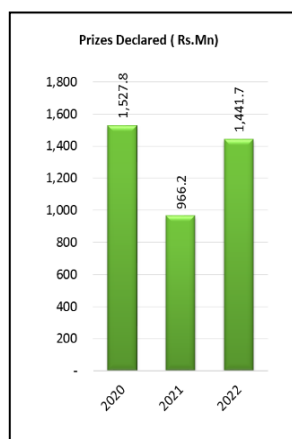
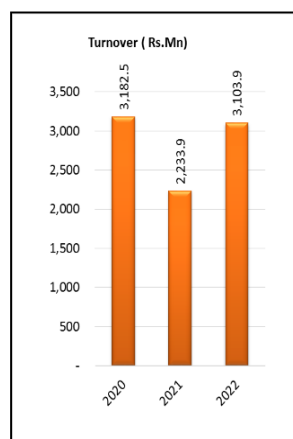
JATHIKA SAMPATHA

Description	2022 Rs. Mn	2021 Rs. Mn	2020 Rs. Mn
Turnover	1,071.8	562.2	629.8
Prizes Declared	554.6	268.9	296.0
Agency Commission	214.3	112.4	125.9
Contribution to Consolidated Fund	107.1	56.2	62.9



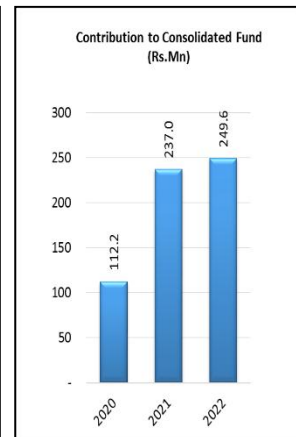
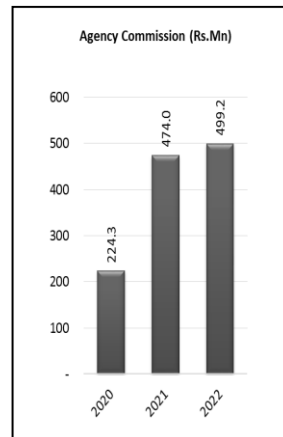
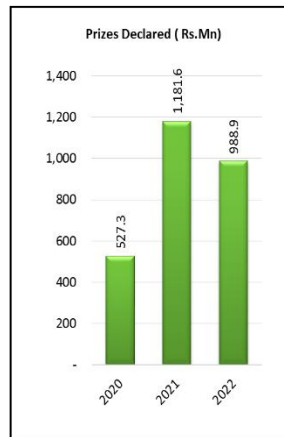
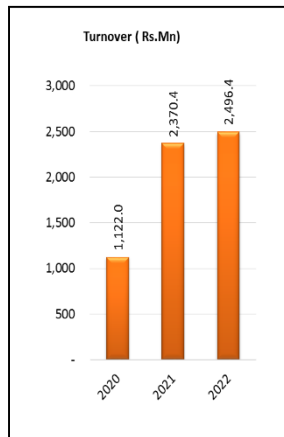
MEGA POWER

Description	2022 Rs. Mn	2021 Rs. Mn	2020 Rs. Mn
Turnover	3,103.9	2,233.9	3,182.5
Prizes Declared	1,441.7	966.2	1,527.8
Agency Commission	620.7	446.7	636.5
Contribution to Consolidated Fund	310.3	223.3	318.2



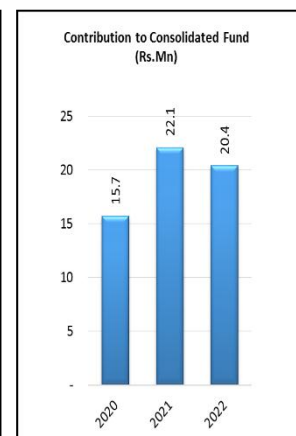
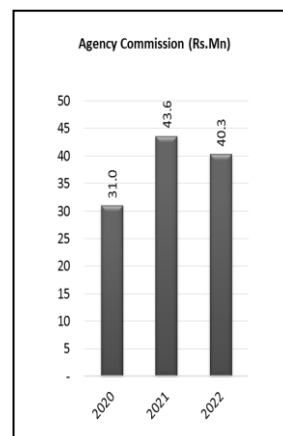
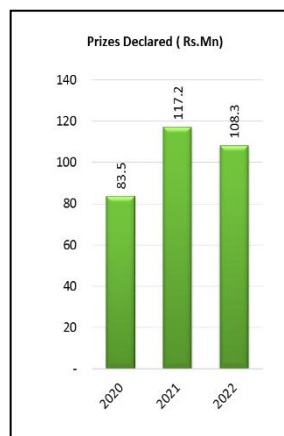
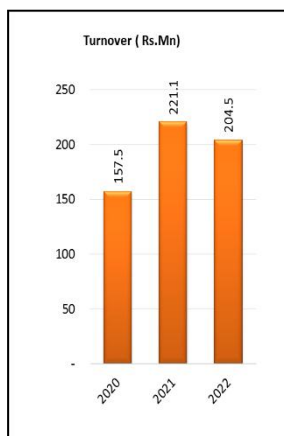
DHANA NIDHANAYA

Description	2022 Rs. Mn	2021 Rs. Mn	2020 Rs. Mn
Turnover	2,496.4	2,370.4	1,122.0
Prizes Declared	988.9	1,181.6	527.3
Agency Commission	499.2	474.0	224.3
Contribution to Consolidated Fund	249.6	237.0	112.2



SEVANA - SCRATCH

Description	2022 Rs. Mn	2021 Rs. Mn	2020 Rs. Mn
Turnover	204.5	221.1	157.5
Prizes Declared	108.3	117.2	83.5
Agency Commission	40.3	43.6	31.0
Contribution to Consolidated Fund	20.4	22.1	15.7



TEN YEAR OPERATIONAL ROUND UP

	Figures in Rs.									
	2013	2014	2015	2016	2017	2018 Restated	2020	2021	2022	
Revenue	14,537,362,545	15,153,133,820	17,394,463,681	20,170,417,750	16,747,180,220	20,438,643,440	18,041,145,000	17,292,066,080	21,208,808,240	
Less: Direct Taxes	-	-	-	-	-	-	-	-	-	
Excise duty	14,537,362,545	15,153,133,820	17,394,463,681	20,170,417,750	16,616,348,970	20,438,643,440	18,041,145,000	17,292,066,080	21,208,808,240	
Less: Indirect Taxes	507,792,059	540,502,194	573,252,862	706,868,280	742,298,500	890,352,095	430,383,218	409,319,517	640,950,292	
NBT	203,546,556	211,761,787	253,267,754	285,776,997	235,767,246	286,551,044	-	-	-	
SSCL	-	-	-	-	130,831,250	-	-	-	-	
Net Turnover after direct & indirect taxes	13,826,023,930	14,400,869,839	16,567,943,065	19,177,772,473	15,638,283,224	19,261,740,301	17,610,761,782	16,882,746,563	20,448,326,119	
Less: Cost of Sales	459,877,814	474,762,687	494,409,498	609,845,633	453,128,924	506,763,590	443,032,509	425,035,522	874,347,794	
Ticket Printing Charges	2,701,581,629	2,818,333,219	3,244,659,091	3,771,736,589	3,103,001,814	3,826,389,663	3,608,007,678	3,457,637,648	4,315,043,889	
Agency Commission	7,083,652,537	7,311,136,590	8,367,984,720	9,723,421,286	7,994,848,746	9,834,735,614	8,667,536,257	8,352,173,636	10,740,612,432	
Prizes	1,753,135,197	1,888,455,133	2,130,953,970	2,448,594,544	2,016,986,336	2,426,947,888	2,205,079,779	2,162,030,441	2,609,494,086	
Government Contribution (Special Levy)	11,998,247,177	12,492,687,629	14,238,007,279	16,550,598,052	13,567,962,820	16,594,737,754	14,923,669,222	14,396,877,246	18,539,498,202	
Gross Profit	1,827,776,753	1,908,182,210	2,329,935,796	2,627,174,421	2,070,320,404	2,667,002,547	2,687,092,560	2,485,869,317	1,908,827,917	
Add: Other Income	220,209,583	88,823,238	92,197,950	249,546,105	387,784,659	414,302,302	422,918,093	416,022,651	1,248,092,878	
	2,047,986,336	1,997,005,448	2,422,133,736	2,876,720,526	2,458,105,063	3,081,304,849	3,110,010,652	2,901,891,967	3,156,920,795	
Less: Expenses	1,069,000,355	1,284,599,303	872,391,364	1,246,168,647	1,130,365,799	1,247,541,649	893,002,443	1,074,102,918	920,609,013	
Sales, Marketing & Distribution Expenses	465,114,112	573,472,839	602,377,490	693,449,471	666,740,574	752,237,186	809,263,882	811,945,418	839,811,722	
Administrative Expenses	37,190,847	29,745,395	36,563,614	40,212,740	36,589,170	43,391,442	25,053,822	12,488,494	5,863,160	
Finance and Other Expenses	1,571,305,314	1,887,815,537	1,511,332,468	1,979,830,858	1,833,689,543	2,043,170,277	2,060,392,328	1,898,536,830	1,766,283,895	
Profit before Tax	476,681,023	109,189,911	910,801,268	896,889,668	624,115,520	1,038,134,572	1,434,824,231	1,003,355,136	304,636,900	
Less: Income Tax Expense	610,087,951	117,853,496	669,785,229	482,128,237	484,610,312	1,076,227,498	862,526,227	43,005,519	394,867,252	
Profit/ (Loss) for the year	(133,406,928)	(8,663,585)	241,016,039	414,761,431	139,808,208	(38,092,926)	1,083,176,001	960,349,617	1,085,769,648	
Direct & Indirect Contribution to Government										
Contribution to Consolidated Fund on Sales	1,753,135,197	1,888,455,133	2,130,953,970	2,448,594,544	2,016,986,336	2,426,947,888	2,205,079,779	2,162,030,441	2,609,494,086	
Special Contribution to General Treasury	500,000,000	-	50,000,000	550,000,000	-	-	-	900,000,000	361,054,980	
Contribution to Treasury on Forfeited Prizes	247,738,070	246,424,920	257,691,450	365,393,530	339,076,910	361,185,010	352,138,230	397,655,070	455,416,005	
Indirect Contributions - (Direct/Indirect Taxes)	1,321,426,566	870,117,477	1,496,305,845	1,474,773,514	1,593,507,308	2,253,130,637	782,031,449	452,325,036	1,065,349,373	
Total	3,822,299,833	3,004,997,530	3,934,951,265	4,835,761,588	3,949,570,554	5,041,263,535	3,339,249,458	3,912,010,547	4,491,314,444	
Gross Profit as a % of Turnover	12.57%	12.59%	13.39%	13.02%	12.36%	13.05%	14.89%	14.38%	9.00%	
Profit Before Tax as a % of Turnover	3.28%	0.72%	5.24%	4.45%	3.73%	5.08%	7.95%	5.80%	6.56%	
Expenses as a % of Turnover	10.81%	12.46%	8.69%	9.82%	10.95%	10.00%	9.29%	10.98%	8.33%	
Profit/ (Loss) for the year as a % on Turnover	-0.9%	-0.1%	1.4%	2.1%	0.8%	-0.2%	6.0%	5.6%	5.1%	
Consolidated Fund Contribution on sales as a % on Turnover	12.06%	12.46%	12.25%	12.12%	12.04%	11.87%	11.95%	12.50%	12.30%	
Total Contribution to Government as a % on Turnover	26.29%	19.83%	22.62%	23.97%	23.58%	24.67%	18.51%	22.62%	21.18%	
Growth rate of Turnover	131.10%	4.24%	14.79%	15.96%	-16.97%	22.04%	7.73%	-21.68%	17.56%	

Notes:
 2018 Profit / (Loss) for the year before restatement was Rs. (1,36,267,795).
 2019 Profit for the year before restatement was Rs.605, 583,060/-.
 Income Tax recovery from CF/NK/For Rs.518, 058,629/- and 28% taxes thereon (Rs. 145,056,616/-) adjusted in restated figures.