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OVERVIEW



CORPORATE PROFILE & GUIDING PRINCIPLES



CORPORATE PROFILE

NAME OF THE INSTITUTION

National Lotteries Board

LEGAL FORM

The National Lotteries Board (NLB) was established after abolishing Hospital Lotteries under the Finance Act.No.11 of 1963. The certain sections of the above act were repealed and amended in 1997 under the (amendment) Act. No. 35 of 1997 and in 1998 under the (amendment) Act no.22 of 1998.

YEAR OF ESTABLISHMENT

1963

ACCOUNTING YEAR END

31st December

REGISTERED OFFICE

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

TELEPHONE : 0114607000, 0114607001

FAX : 0114669443, 0114669475, 0114669463

EMAIL : info@nlb.lk

WEB SITE : www.nlb.lk

AUDITORS

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

BANKERS

Peoples Bank
Bank of Ceylon
Sampath Bank

GUIDING PRINCIPLES

VISION

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

MISSION

Asocially 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



Acting Chairman

Mr. Ronald C. Perera
President's Counsel
LLB (Sri Lanka), LLM (Northumbria)
(Up to 13.02.2023)



Chairman

Dr. Chameera C. Yapa Abeywardana
MBBS
LLB (London)
(From 16.02.2023)

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
(Up to 31.03.2023)

**Mr. Asanka Dayanath Randeniya**

Attorney-at-law
LLB (Hons.) Sri Lanka, BA (Sp.) (Hons.)
Colombo.
(Up to 31.03.2023)

**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

**Dr. Kithsiri Manchanayakke**

Bachelor of Information Technology
Master of Business Administration
PhD in International Business
(From 31.03.2023)

**Mr. Dinesh Vidanapathirana**

Attorney – at – Law
(From 31.03.2023)

TOP MANAGEMENT

**Miss. Hashini Jayasekara**

SLAS

MA (Sociology)

LLB, BA (Hons)

Attorney-at-Law

Notary Public, Commissioner for Oaths

General Manager

**Mr. Sanjeewa Edirisinghe**

Attorney -at-Law

MBS (Colombo)

Additional General Manager

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

Chief Financial Officer

SENIOR MANAGEMENT

Mrs. Geetha Perera
Deputy General Manager
(Operational Finance)



Mrs. Shyamini Balasuriya
Attorney -at- law,
Notary Public & Commissioner for oaths,
Deputy General Manager
(Legal & Secretary to the Board)



Mrs. Kumudini Madalussa
B. Com. Special (1st Class Hons - Peradeniya)
Deputy General Manager
(Revenue Finance)

MIDDLE MANAGEMENT



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



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



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



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



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



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



Mr. Kasun Kurundukumbura
PhD (Reading), MBS, PGDBM, BBA,
AMSLIM, MCPM, AMISM
Asst. General Manager (Dealer
Administration)



Mr. Kapila Senanayake
MBA
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, B.Sc. Accounting (Special)
Asst. General Manager (Finance)



JUNIOR MANAGEMENT (INTERNAL)

1	Mrs. W.Thamara Perera Public Relation Officer – (Up to 30.08.2023)
2	Mr. S.D.A.Vithana MIAESL, NDT Auto Eng., IAE II., CGTTII(Auto), DPHRM Transport Officer
3	Mr. Lasantha Ravindra Kumara Sales Officer
4	Mrs. K.M.C.Subhashini Kangara Sales Officer - (Up to 01.11.2023)
5	Mrs. Danisha Goonasekara MBA, B.com (Accounting & Finance) Finance Officer
6	Mrs. M.G. Vimukthi Kaushalya MBS, PG Dip (HRM), CQHRM, PQHRM, AM-CIPM(SL), AM-CIPD(UK) Administrative Officer
7	Miss. L. Sanjeewani MBA, PQHRM Personal Assistant
8	Mrs. D.M.D. Loshandika Pushparani EMSC (Digital Marketing), MA (Mass com), PGDip. (Human Rights), BA Communication Officer
9	Miss. Priyani Hinguruduwa Prizes Payment Officer
10	Mrs. H.A. Deepa Priyangani Cashier Officer
11	Mr. Niroshan Wijayawardana Procurement Officer
12	Miss. N.N.M.A. Upeka Nillegoda MA (Economics), PG Dip (Economics & Statistics), BA, ANDHRM Human Resources Officer

13	Mr. A.M. Danushka Aththanayake B.com (Special) Passive Lottery Officer
14	Mrs. Shirani Kalupahana Closing & Checking Officer
15	Mr. G.V.G. Rohana Hettiarachchi Distribution Officer
16	Mrs. S.M. Asanka Samarathuranga BA Marketing Officer
17	Mr. J.M. Amila Madushanka NDES (Civil Engineering), Dip EAE Maintenance Officer
18	Mr. J.K.D. Buddika Jayaneththi B.Sc.(Special - Agriculture) Instant Lottery Officer
19	Mr. K.S.M. Fernando PGDip (MIT), B.Sc. (MIS),HDCBIS(NIBM),DCSD(NIBM),MBCS,MCSS System Administrator / Programme Analyst
20	Mrs. Sandhya Priyani Kodithuwakku M. Bus (Accounting), B. Sc.Financial Management (Special) Finance Officer
21	Mrs.S.M.Dilupa Nilmini Jayaweera Promotion Officer
22	Mrs.Anandika Kumudini Jinadasa PGDBFS (CA Sri Lanka), EDABS (CA Sri Lanka) Advertising Officer
23	Mr.U.G.S.B.W.Kelani Distribution Officer
24	Mrs.A.A.Thanuja Samanthini MPA, B.Sc. (Pub. Admin), ANDHRM, ANDHRM, LLB (Reading) 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 (Special-Marketing) Territory Manager
8	Mr. R.P.Sarath Jayanama MA (Economics), B. Sc. (Special-BA), B. Sc. Psychology (Reading) 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), ADIM(NIBM), CBA(CASL) 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 (Special - Marketing), AM SLIM Territory Manager
15	Mr. R. A. Gayan Nishara MBA, B. Sc. (Special-BA) Territory Manager
16	Mr. W. Peshan Dinesh Kumara Rajapaksa MBM, PG Dip (Marketing), HND Mgt. Territory Manager
17	Mr. S. Kelum Darshana Karunathilake BMS (Special - Marketing& Advertising), ESBM, MAAT 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 Emerson BBA Territory Manager
22	Mr. Sivarajah Barathan B.Eng. (Electronic &Telecommunication) Territory Manager
23	Mr. Vajithilingam Thuvaragan BBA Territory Manager
24	Mr. G.R.Chamara Thilakarathne BA Territory Manager
25	Mr. W. K.D.Wedagedara PGDip. (BM), BA (Special-Economics) 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 Super Prize reduced from 10Mn to 2.5Mn and First Prize reduced from 1Mn to 500,000/=.
Introduced five Draws per day from 08.07.2020.
Mahajana Sampatha, Mega Power & Dhana Nidhanaya lottery drawn an all 07 days per week.
Highest ever Super Prize (Rs.236Mn) was offered from Mega Power Lottery in history.
Mahajana Sampatha 50th Anniversary celebration was held on 26.09.2020.
Worldwide Corona Pandemic had an adverse effect on lottery industry as well from March 2020 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 16th February. 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 Passivelottery 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.

2023 The sixtieth anniversary of the National Lotteries Board was celebrated.

From 6th July, 2023 onwards the price of all lottery tickets has been revised from Rs.20/- to Rs.40/-.

Two special lottery tickets named NLB Mega Millions (Rs.1,000/-) and Mega 60 (Rs.100/-) were conducted to celebrate the 60th anniversary.

Jathika Sampatha lottery was abolished from 05th July 2023 and new lottery named Lucky 7 was introduced to the market instead of Jathika Sampatha lottery. Name of the lucky 7 lottery was changed as Lucky 7 VIP from 22nd November 2023.

PRODUCT PORTFOLIO

PASSIVE TYPE LOTTERIES

MAHAJANA SAMPATHA



Description

Oldest Lottery in the Lottery market. Price of this ticket was increased from Rs.20/- to Rs.40/- from 6th July 2023.

Draw Days: All 7 days of the week.

Prizes

A super prize of Rs.20 Mn or more, a first prize of Rs.2.5Mn and other attractive prizes. Prizes percentage was increased from 49% to 50% from 06th July 2023.

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 was increased from Rs.20/- to Rs.40/- on 6th July 2023.

Draw Days: All 7 days of the week.

Prizes

A super prize of Rs.60 Mn or more, a first prize of Rs.2 Mn and other attractive prizes. Prizes percentage was 49%.

Contribution

10% of the turnover was contributed to Consolidated Fund.

MEGA POWER



Description

This Lottery was introduced in 11th May 2016. Price of this ticket was increased from Rs.20/- to Rs.40/- on 6th July 2023.

Draw Days: All 7 days of the week.

Prizes

Three major Prizes as follows and also Two 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 50%.

Contribution

10 % of the turnover was contributed to Consolidated Fund.

DHANA NIDHANAYA



Description

This Lottery was introduced on 2nd April 2018. Price of this ticket was increased from Rs.20/- to Rs.40/- on 6th July 2023.

Draw Days: All 7 days of the week.

Prizes

A super prize of Rs.80. Mn or more, a first prize of Rs.2 Mn and other attractive prizes.

Prizes percentage was increased from 47% to 49% from 6th July 2023.

Contribution

10% of the turnover was contributed to Consolidated Fund.

NLB HANDAHANA



Description

This Lottery was introduced from 27th January 2022. Price of this ticket was increased from Rs.20/- to Rs.40/- on 6th July 2023.

Draw Days: All 7 days of the week.

Prizes

A super prize of Rs.3 Mn or more, a first prize of Rs.1 Mn and other attractive prizes. Prize percentage was 53%.

Contribution

10% of the turnover of the Monday, Tuesday and Wednesday draws are sent to the Ranavirufund of Ranaviru Seva Authority through Consolidated fund.

10% of the turnover of the Thursday, Friday, Saturday and Sunday draws are sent to the Sports fund of Ministry of Sports and Social Service Fund 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/- (Up to 2023.07.05)

Draw Days

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. Prize percentage was 52%.

Contribution

10% of the turnover of the Wednesday draw was sent to Health Development Fund of Ministry of Health and 10% of the turnover of the Saturday and Sunday draws were sent to the Shama Vasana Fund of Ministry of Labour and Foreign Employment through Consolidated Fund.

10% of the turnover of the Monday, Tuesday, Thursday and Friday draws were sent to the Consolidated Fund directly.

Lucky 7



Description

The Board introduced this lottery in place of Jathika Sampatha lottery from July 2023. Price of this ticket was increased from Rs.20/- to Rs.40/- on 6th July 2023.

Draw Days: All 7 days of the week.

Prizes

A super prize of Rs.20 Mn or more, a first prize of Rs.2.5Mn and other Attractive prizes. Prizes percentage was increased from 52% to 57% from 22nd November 2023.

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 draws were sent to the Ministry of Labour and Foreign Employment through Consolidated Fund. 10% of the turnover of the Monday, Tuesday, Thursday and Friday draws were sent to the consolidated fund up to August 2023.

From September 2023, 10% of the turnover of the Friday draw was sent to the National Kidney Fund through Consolidated Fund.

Mega 60



Description

The Board introduced this lottery as special lottery to generate additional income to the General Treasury. Price of this ticket was Rs.100/-.

Date of draw

28th December 2023.

Prizes

A super prize of DFSK Glory SUV vehicle worth of Rs.12.5 Mn, a first prize of Rs.1 Mn and other attractive prizes. Prize percentage was 63%.

Contribution

10% of the turnover was contributed to Consolidated Fund.

NLB Mega Millions



Description

The Board introduced this lottery as a special lottery in relation to 60th anniversary of NLB by catering new customer segment. Price of this ticket is Rs.1,000/-.

Date of draw

30th December 2023.

Prizes

A super prize of Rs.50 Mn, Rs.1 Mn prizes and other attractive prizes. Prize percentage was 58%.

Contribution

10% of the turnover was contributed 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. Price of this ticket is Rs.50/-.

Contribution

10% of the turnover was contributed to National Housing Fund of Ministry of Housing through Consolidated Fund.

SAMURDHI

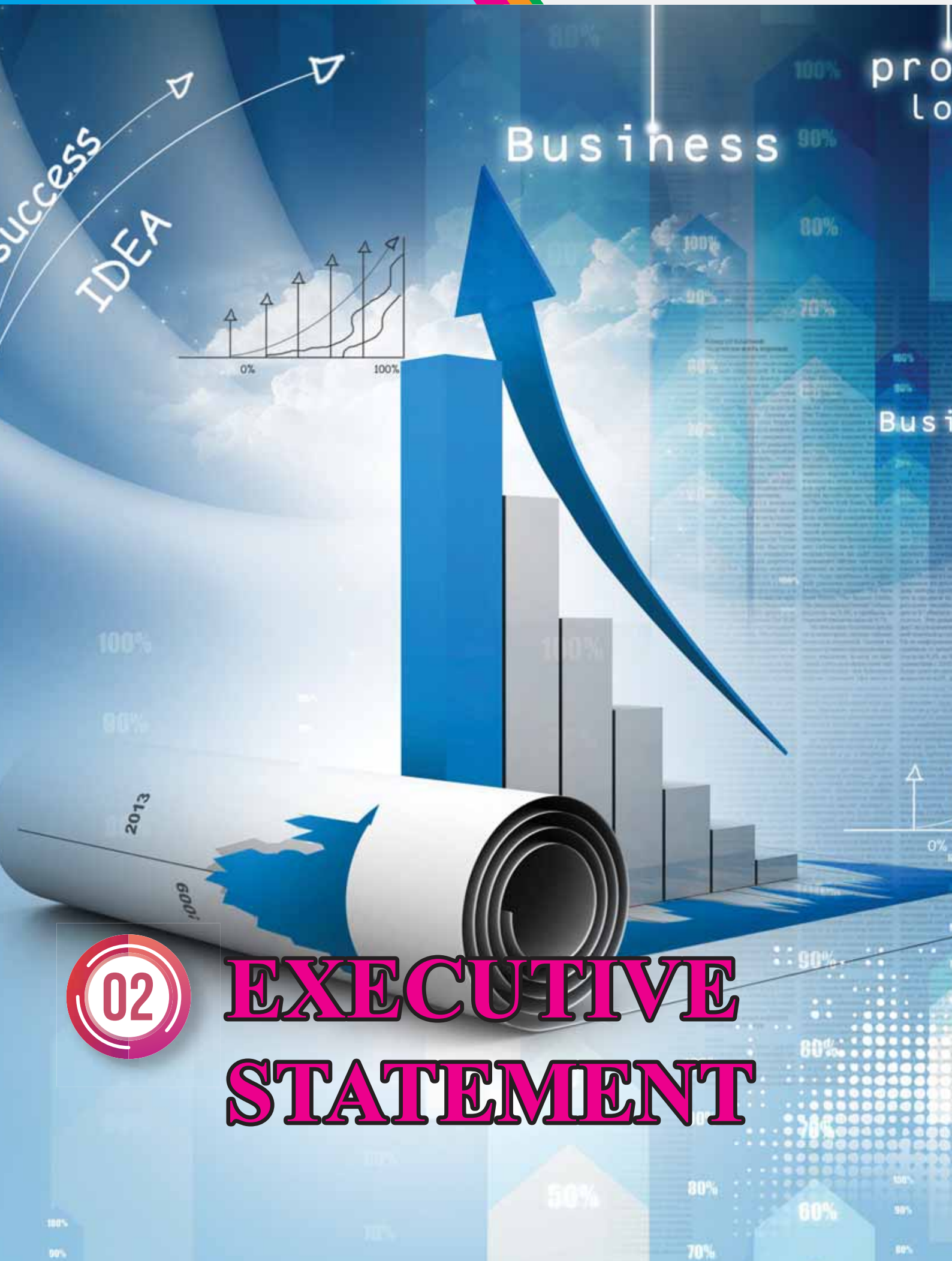


Description

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. Price of this ticket is Rs.50/-.

Contribution

10 % of the turnover was contributed to the fund of Ministry of Samurdhi & Youth Affairs through consolidated fund.



EXECUTIVE STATEMENT

CHAIRMAN'S REVIEW

It is my pleasure to address you through the Annual report of National Lotteries Board for the year 2023 which was in fact the 1st operational year since assuming duties by me.

Executing the government objective of generating funds to the consolidated fund for the development and maintain the system of Sri Lanka. The National Lotteries Board performed the lottery market as pioneers despite the severe competition in the lottery industry by facing variations which are occurred in economy with high strength and unobstructed courage. I am very proud to say we reached to 32 bn turnover level and we performed very well by making steady progress despite the challenging risk of price increase of lotteries in 2023 from Rs.20/- to Rs.40/-. On the other hand, it's very remarkable, conspicuous and prominent year to National Lotteries Board as it has celebrated 60th Anniversary.



Operational performance

The turn over of the national lottery sale in the year 2023 was Rs.32,014.2 million compared to Rs.21,208.8 million achieved in 2022. This showed an increase of Rs.10,805.4 million which is a 51% increase over the previous year.

This total turnover consists on 98.5% from passive lotteries and 1.5% from Scratch lotteries. Compared with the previous year Handahana lottery showed 99%, Sevana scratch 98%, Megapower 46.2% Govisetha 42.6% and Mahajana Sampatha 32.2% significant increase.

Amidst the main risk occurred as a result of selling price increase from Rs.20/- to Rs.40/-, this is a great achievement. Simultaneously, the price increased some changes were adopted to the product portfolio. Accordingly, Jathika Sampatha lottery was abolished and new lottery name Lucky 7 which is renamed as lucky 7 VIP was replaced. Six special lotteries were conducted during the year under review excluding Mega 60 for Rs.100/-. In addition to that, special extra prizes were introduced to the main passive lotteries as sales promotional strategy.

Based on the sales increase, all the statutory payments such as prizes, Agency Commission and contribution to Consolidated Fund were increased vesting massive reliable results to society.

The declared prizes amount to Rs.16,671.4 Mn in 2023 as against Rs.10,740.6 Mn in the previous year thus improving by Rs.5,930.8 Mn (55.2%). Similarly, the commission paid to the Agency network also increased to Rs. 6,526.9 Mn 2023 from Rs.4,315.0 Mn in 2022, an increase of Rs.2,211.9 Mn (51.2%). The contribution to Consolidated Fund increased by Rs.1,232.5 Mn to Rs.3,841.9 Mn from Rs.2,609.4 Mn (47.2%).

The board's gross profit for the year was Rs.2,024.4 Mn as against Rs.1,908.8 Mn in the previous year, an increase of Rs.115.6 Mn. Other income which comprises mainly interest income was Rs. 1,322.7 Mn in the current year which did not indicate a big difference from the previous year figure of Rs.1,248.0 Mn. Operating expenses indicated a remarkable increase to Rs.2,502.3 Mn in 2023 from Rs.1,766.2 Mn in 2022 an increase of 41%. Price increase of raw materials, good and services due to high inflation occurred in economic crisis was main reason for this and, on the other hand

introduction of various sales promotional activities to survive the lottery market binding the customers after increasing Lottery price also affected.

The Board's profit before tax figure in figure in 2023 was Rs.844.8 Mn compared to Rs.1,390.6 Mn in 2022, a decrease of Rs.545.8 Mn. The Board recorded profit for the year was Rs.650.8 Mn in the year under review as against the profit of Rs.1,085.7 Mn recorded in the previous year, a reduction of Rs.434.9Mn.

Overall Government contributions directly through the Consolidated Fund and indirectly through taxed showed a remarkable increase of Rs.2,820.3 Mn (Rs.7,311.6 Mn in the current year verses Rs.4,491.3 Mn in the previous year)

The Board produced 83 Super prize winners in year 2023 totaling to Rs. 1,488.95Mn as against 58 such prize winners totaling to Rs. 1,204.95 Mn in the previous year.

60th Anniversary activities

As I said above, 2023 is very remarkable year due to the 60th Anniversary of the National lotteries Board and various activities were carried out by the board to celebrate the anniversary. A special lottery named "Mega 60" was introduced to the market for Rs.100/-with an attractive prize structure.

Another lottery named Mega Million was introduced to the market for Rs.1,000/- and Board expected to gain the attention of different income groups.

Alms giving was held for 60 Buddhist monks on 5th October 2023. An electronic organ was donated to the St Mary's Church situated at Kalaniya. Considering Christian and Tamil employees Special pooja was conducted in St.Anthaniy's Church in Kochchichikade, Colombo and Sri Sarvartha Sidhdhi Vinayagar Kovil atModara, Kotahena respectively. By engaging in these religious activities, it was expected to obtaining blessings for the National Lotteries Board for optimum service to the Nation. Under the Asarana Sarana Fund various community development activities were done by contributing educational, social, religious, environmental and economic development activities etc. Considering the remarkable performance of the board various staff promotion activities were carried out based on the performance to motivate them.

Next Year expectations

The board has projected a turnover figure of Rs. 35 Bn in 2024 which is an increase of around 9.3% over the previous year. The Board will be focusing on special strategies to achieve the projected sales in 2024.

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

Since the major factor for lottery selling, the agency network will be further reinforced by providing more infrastructure facilities such as new sales counters, stick ering facilities etc. It is expected to fill the vacancies covering unmanned locations.

Board expects to implement the New ERP system to enhance the performance of the Board and steps will be taken to increase Digital and SMS dealerships.

Acknowledgements

I wish to pay my deepest gratitude to His Excellency the President and Finance Minister Ranil Wickremasinghe for placing trust in us and due guidance and directives. I further express my gratitude to Hon, Sehan Semasinghe and Hon, Ranjith Siyabhalapitiya State Ministers.

I specially thank the officials of the Presidential secretariat and the Ministry of Finance for providing valuable advice right through the year.

I express my heartiest gratitude to my colleagues of the Board for the kind support extended during the year.

It is not an easy task to achieve Rs.32 bn turnover facing the challenging competition in the lottery market. To record this performance all stakeholders were given their valuable support to the Board. Accordingly, I wish to convey my sincere gratitude to the management and entire staff for effectively driving the operations and if not for their hard work, we would not have achieved these marvelous results during the year. I convey my thanks to our distribution network; district dealers, agents and sellers island wide for the valuable support extended during the year. My gratitude goes out to the customers for placing their confidence in our product portfolio and hope to they will with us in future also.

I also wish to thank the Auditor General and his staff, the Internal Auditors, the External Auditors, the individual lottery Auditors, for extending valuable support and guidance to make better results, the examiner of questioned documents for examining the printers for supplying tickets in time, People's Bank our main banker for the excellent services provided during the year.

I concluded my review last year alluding to the fact that the National Lotteries Board is powerful, agile, knowledgeable and well experienced to remain as the pioneer of the lottery industry.



Dr. Chameera C.Yapa Abeywardana

Chairman,

National Lotteries Board.

27th February, 2024.

PERFORMANCE REPORT OF CHIEF FINANCIAL OFFICER

It gives me great pleasure to write the Performance Report 2023 of NLB which completed six decade of invaluable service to the public in terms of realizing their long felt dreams through various lotteries, providing employment opportunities to over 20,000 people in the country and immensely contributing to the state Consolidated Fund for various development activities and other financial needs.

Year 2023 marked the 60th anniversary of NLB which commenced the lottery operations in 1963 under the Finance Act No.11 of 1963. The Board conducted six draws daily throughout the year in addition to conducting several special draws.



The Board achieved hitherto highest sales income of Rs.32 Billion in its 60 year history in the current year. The monthly lottery income was also commendable as NLB recorded over Rs.2.5 Billion lottery sales income in nine months viz. January, March, May, June, July August, September, October and November 2023. Over Rs.2.0 Billion sales income was recorded in February and April despite lesser number of days in February and closure of office due to new year in April. In December 2023, NLB achieved Rs. 3.1 Billion which was the highest recorded lottery sale in a single month.

The daily lottery draw production was changed from Foundation Institute to Western Province Aesthetic Resort in Colombo 7 on 8th January 2023. The 60th anniversary of NLB fell on 13th October 2023 and several religious and social activities were conducted to mark this special occasion towards the end of the year.

Operational Review

The Board achieved a sales turnover of Rs. 32,014.5 million in 2023 as against Rs. 21,208.8 million in 2022 which was a remarkable increase of Rs. 10,805.4 million. This represented a 51 percent increase in sales over the previous year. If not for the continuous rains experienced around most parts of the island for several months, NLB would have recorded even much better results in 2023.

Contribution of passive lotteries amounted to Rs. 31,561.6 million out of a total of Rs.32,014.2 million while scratch lotteries contributed only Rs. 452.6 million towards total turnover. Of the passive lotteries, all six main lotteries fetched over Rs. 1 billion in the year under review.

Mahajana Sampatha lottery was the highest earner with a sales income of Rs.9,854.2 million in 2023 compared to Rs.7,449.1 million recorded in 2022 thus improving the previous year figure by Rs.2,405.1 million. This lottery which started in 1970 is the flagship lottery in the lottery industry and accounted 30.7% of the total sales in year 2023. Govisetha lottery recorded Rs.5,094.2 million in 2023 against Rs.3,570.5 million in 2022, Mega Power lottery recorded an income of Rs. 4,537.6 million verses Rs. 3,103.9 million in 2022.

Hadahana lottery which commenced in 2022 showed a tremendous improvement by contributing Rs. 6,034.9 million recording an increase of Rs.3,016.6 million over Rs.3,018.3 million sales figure of 2022. This lottery shows signs of more improvements in the years ahead in terms of customer attraction. Dhana Nidhanaya lottery achieved Rs. 2,971.6 million in the current year compared to Rs.2,496.4 million in the previous year. Jathika Sampatha lottery which was stopped from June 2023 to make way for Lucky 7 lottery contributed Rs. 1,096.9 million as against Rs.1,071.8 million in 2022). Lucky 7 lottery, the new passive lottery which commenced from 14th July 2023 contributed Rs. 1,514.5 million towards sales revenue. Out of scratch lotteries, Sevana lottery sales in 2023 was Rs.404.7 million against Rs. 204.5 million in 2022.

NLB conducted thirteen special draws for existing lotteries to provide additional prizes to the lottery buyers during the year under review which included Mahajana Sampatha 5000th draw for Rs.100/- on 14th January 2023. In addition to this, two further special draws were conducted to commemorate the 60th anniversary viz, Mega 60 for Rs.100/- on 28th December 2023 and Mega Millions for Rs.1,000/- on 30th December 2023. Both lotteries fetched a sales turnover of Rs. 143 million each while their super prizes included SUV vehicle and Rs.50 million respectively in addition to offering a range of very high prizes and foreign visits to the winners. Moreover, it was the first time that a lottery was introduced to the Sri Lankan market at Rs.1,000/-. NLB produced 83 super prize winners in the year under review compared to 58 super prize winners in the previous year.

While the Board's direct contribution to the consolidated fund as special levy was Rs.3,841.9 million on sales in 2023 as against Rs. 2,609.4 million in 2022, the contribution to the consolidated fund from the building reserve in 2023 amounted to Rs.1,000 million as requested by them while Rs. 361 million was contributed out of retained earnings in 2022. The total contribution to the Government along with taxes in the current year was Rs. 6,798.2 million as against Rs. 4,035.6 million in the previous year.

The agency commission payments in year 2023 was Rs.6,526.8 million compared to Rs. 4,315 million in 2022. The prizes paid in year 2023 was Rs.16,671.4 million as against Rs. 10,740.6 million in 2022. Both agency commission and prizes indicated significant increases in line with increased sales.

The Board's other income was Rs. 1,322.7 million in year 2023 versus Rs.1,248.0 million in 2022 which represented mainly interest income from treasury operation of Rs.1,194.6 million and Rs.1,146.2 million respectively.

The Board's operating expenses were Rs. 2,502.3 million in 2023 which was 7.8 percent on sales compared to Rs.1,766.2 million in the previous year which was 8.3 percent on sales. The operating expenses increased by Rs. 736.1 million in the current year compared to previous year.

The net surplus before tax for the year 2023 was Rs.844.8 million, 2.6 percent on sales as opposed to Rs. 1,390.6 million, 6.5 percent on sales reported in 2022. This showed a decrease of Rs.545.8 million compared to the previous year. The Board's profit after tax in year 2023 was Rs.650.8 million in comparison to Rs.1,085.7 million in the previous year.

The bottom line decreased by Rs.434.9 million in the year under review. The profitability decreases were due to increase in tax rates, escalation of operating expenditure brought about by increases effected all over such as Electricity, water, transport etc and certain marketing strategies implemented during the year.

Segmental analysis indicated lottery operation recording a loss of Rs. 349.8 million and investment operation recording a profit of Rs.1,194.6 million before tax towards overall before tax profit of Rs.844.8 million while the figures after tax for lottery operation Was a loss of Rs.185.4 million and investment operation contributed a profit of Rs.836.2 million towards overall after tax profit figure of Rs.650.8 million.

NLB was reluctantly compelled to increase the lottery price from Rs.20/- to Rs.40/- effective from 6th July 2023. The price of Rs.20/- was in operation from 2nd September 2008 and continued for 15 years without any increase despite expenses increasing over the years. This price increase was mainly due to increase in Indirect taxes which are not passed to the ultimate customer and high increases in cost of printing of tickets, electricity and most of other expenses.

There is a great future for NLB as it enters the seventh decade in lottery business and my earnest wish is that it will continue the momentum to increase sales income while recording much better bottom line in years ahead,



Dr. Harsha Bandara.
Chief Financial Officer,
National Lotteries Board.
27th February, 2024

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 and 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 processing financial management skills while the official representatives of the National Audit Office would be participating 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

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

Dr.Vishakha W. Elapatha	- Chairperson
Mr.D.D.Jayasiri	- Member (Director) (up to 31.03.2023)
Mr.R.D.Asanka D.Jayarathna	- Member (Director) (up to 31.03.2023)
Mr.Kelum Priyankara Liyanage	- Member (Director)
Mr.Dinesh Vidanapathirana	- Member (Director) (from to 31.03.2023)
Mr.Kithsiri Manchanayake	- Member (Director) (from to 31.03.2023)
Representative from Auditor General's Department	- Observer
Mrs.Renuka Colombage	- Observer - Chief Financial Officer - (Internal Audit) Ministry of Finance, Economic Stabilization and National Policies
Mrs.R.A.Tahnuja Sammani	- Internal Auditor (Convener)
Mrs. Shyamini Balasuriya	- Secretary (D.G.M. Legal and Secretary to the Board)

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

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

During the year concerned, the Audit and Management Committee has closely reviewed the operational issues and matters highlighted in both audit reports issued by the Auditor General and Internal Auditor of National Lotteries Board. The minutes of each meeting is submitted to the Board of Directors for further review.

There were six meetings conducted for the year 2023 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.

27th February, 2024.



FINANCIAL STATEMENTS AND INFORMATION

Auditor General's Report



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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE



My No: PUR/G/NLB/FA/01/23/37

Date: 31st May 2024

Chairman

National Lotteries Board

Financial statements of the National Lotteries Board for the year ended on 31st December 2023 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 2023 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 2023, 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

- (a) The board is accounted on accrual basis and it had been accounted on cash basis in accounting special draws and special prizes conducted by the board during the year under review contrary to Sub Section 22 of Sri Lanka Accounting Standards No.01.
- (b) After Wasana Sampatha lottery had been cancelled, an amount of Rs. 99,904,204, allocated for the said lottery had been adjusted to Mahajana Sampatha Lottery Prize Fund without adjusting to the revenue contrary to Section 61 of Sri Lanka Accounting Standards 37.
- (c) An amount of Rs. 105,154,933, payable for special cash prizes and gifts of 07 categories of lotteries, conducted during the year under review had not been adjusted as liabilities in accounts of the board. Therefore, expenditure for prizes and value of payable prizes of the board for the year under review had been understated than that value. Further, even though an amount of Rs. 21,671,746 of the value of said prizes were unclaimed special prizes beyond 06 months, the said amount had not been accounted as payable to the Consolidated Fund.
- (d) Even though an amount of Rs. 28,197,312 out of the total sales income of Mahajana Sampatha special draw of Rs.170,892,800 should be remitted to the Consolidated Fund, Rs. 11,108,032 less had been remitted to the said fund.
- (e) An amount of Rs. 24,520,324 which was the total of deposits made by Sales Agents to an account of the board from February 2022 to December 2023 had been stated in the bank reconciliation, submitted for December 2023 without adjusting to relevant accounts.
- (f) Since the board had accounted excess amount of Rs. 902,425 for buildings in calculating depreciation for property, plant and equipment by the board for the year under review, the profit of the year under review of the board had been shown the said amount less.
- (g) Payments for prizes regarding Mahajana Sampatha Jaya King Lottery had been overaccounted by Rs. 831,096 in financial statements of the year under review.

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 2023

Other details mean the details that are expected to be submitted to me after the date of this Audit Report and included in the Annual Report of the Board of 2023 but not included in financial statements and my Audit Report in that regard. The management shall take responsibility for 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 become 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 2023, 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 determines 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 an 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.
- Evaluated 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 and mentioned in 1.2.2 (b) and (c) made on the observations mentioned in the paragraph 1.2.1 (a) of this report as per the requirement, mentioned in 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, specified in the Act from the income of the Lotteries should be credited to the Consolidated Fund, a sum of Rs. 3,603,093,604 relating to the year under review had been retained even as at 31 st December 2023 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. 6,121,604,396 and Rs. 2,055,129,520 respectively in fixed deposits and time deposits by the end of the year under review.

(c) Financial Regulations

 (i) Financial Regulation 71 of the Democratic Socialist Republic of Sri Lanka and Provisions 3.2 (i) of the Operational Manual, issued by the Public Enterprises Circular No. 01/2021 dated 16th November 2021.

State Owned Enterprises (SOE) including Incorporated Boards must submit their requests pertaining cadres including the cadre positions, Scheme of Recruitments (SOR), pay structure and allowances with board approval and recommendations of the Line Ministry, for the approval of the Director General, Department of Management Services with a copy to Director General, Department of National Budget. However, board had paid the following salaries and allowances to the officers of the board only upon the approvals of Board of Directors and without prior approval of the Department of Management Services of the General Treasury.

- 06 salary increments from October 2023 onwards had been given to 341 officers each who engage in the service of the board and, the said expenditure only for the financial year 2023 was Rs. 3,107,820.
- Total allowances of Rs. 205,608,174 as duty allowance, risk allowance, uniform allowance, production allowance, allowance on humanitarian grounds, target employee motivational profits, duty allowances on sales by vans and cash prizes for employees had been paid during the year 2023 only.

(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 2023 was Rs.21,951,248. 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.

- (e) 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. 506,725,125 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. 21,671,746 for unclaimed special cash prizes and gifts from 01st January 2023 to 30th June 2023 had not been credited to the Consolidated Fund and retained in the fund of the board.
- (g) Public Finance Circular No. 08/2019 of 17th December 2019. Even though State Institutions including State Corporations should register under the Electronic Government Procurement (e-GP) system, introduced under www.promise.lk since the year 2023, National Lotteries Board had not been registered under the said system and carried out procurement activities even by the end of the year under review.
- (h) Paragraph 04 of Public Enterprise Circulars No. PED 2/2015 dated 25th May 2015 and PED 2/2022 dated 18th January 2022. The cost for purchasing mobile phones should be personally borne by the officer concerned and it should not be reimbursed by the board. However, an

amount of Rs. 2,319,493 had been spent to purchase 24 mobile phones for 22 officers from the year 2019 up to the end of year 2023. Further, a mobile phone of Rs. 510,000, which was an additional gift of Mahajana Sampatha 4633 draw had been given to an officer of the National Lotteries Boards as the prize winner had not claimed for the prize.

- (i) Section 2.8 of Public Enterprises Circular No. PED 04/2022 dated 08th August 2022. Although all expenditure, related to ceremonial activities of state institutions should be avoided, a total amount of Rs. 37,685,576 had been spent for the 60th anniversary of the board during the year under review.
- (j) Section 03 of Public Enterprises Circular No. 02/2023 dated 14th March 2023. As per the provisions of the Circular, Statutory Boards should cut down the recurrent expenditure in the approved Annual Budget by 06 percent. However, the board had spent a total of Rs. 206,214,883 to incur expenditure of 23 expenditure categories exceeding estimated expenditure from 01 percent to 252 percent.
- (k) Section 2.7 of Public Enterprises Circular No. 04/2022 dated 08th August 2022 of the Ministry of Finance, Economic Stabilization and National Policies. Although it had been stated that all kinds of sponsorships, donations, CSR expenses and non- business related promotional expenses should be suspended and any such expenses which is essential in nature should only be met with the approval of relevant minister and Minister of Finance, the board had spent Rs. 4,655,000 under Corporate Social Responsibilities (CSR) without relevant approvals.

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.අම/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) The board had failed to conclude the procurement process of printing, supply and hand over of 08 types of lotteries for a period of one year from 01st April 2023 to 31st March 2024 within the period of 38 months mentioned in 4.2.3 of Government Procurement Guidelines 2006 and said procurement process had been taken 01 year and 09 months from the commencement on 25th June 2021 up to the end of March 2023.
- (b) Procurement to develop, supply, implement, establish, train and maintain of a fully Enterprise Resource Planning (ERP) system for the board had been awarded for a period of 04 years for a bid price of Rs. 96,788,864 considering only the maintenance cost of one year. However, if the total cost of Rs. 394 million of 04 years of this procurement was taken in to consideration, although this procurement had to be done under ministry procurement committees in terms of 2.14.1 of Government Procurement Guidelines and relevant exception No. 33 dated 15th March 2017, the same had been done under the authority level of ministry procurement committees.
- (c) An officer of the board had defrauded an amount of Rs. 4,736,005 which was the total sales income of lotteries on 23 occasions from 19th September 2020 to 26th December 2020 by making fault entries on the cash book as receipts without depositing such amount in bank. However, the board had failed to recover such defrauded amount and it had not been achieved any success except making a complaint to the Criminal Investigations Department.

3. Other Audit Observations

- (a) The board had commenced to sell lottery tickets through short messages service on mobile phones in the year 2016. Even though it has been 7 years since this service was launched, less than 1 percent of total lottery tickets had been sold by 3 agents. Although more chances are available now to increase the sale of lottery tickets, the management had not paid the attention to take the advantage of that opportunity.
- (b) Compared to the previous year, total income of the year under review of Rs.32,014,201,280 was increased by Rs. 10,805,393,040 or 51 percent and the profit before tax was decreased by Rs. 545,784,332 or 39 percent and the profit after tax was decreased by Rs. 434,892,496 or 40 percent. Increase of main expenditure categories was the main reason to decrease the profit

while the income of the board was increased. Accordingly, expenditure for delivery had been increased by 53 percent, administrative expenditure had been increased by 26 percent and financial expenditure had been increased by 536 percent. Compared to the previous year, increase of certain expenditure of these main expenditure categories was from 20 percent to 8,258 percent.

- (c) Gross profit and net profit of the board for the current year were Rs. 2,024,444,964 and Rs. 650,877,152 respectively and the said profits for the previous year were Rs. 1,908,827,917 and Rs. 1,085,769,648 respectively. Accordingly, gross profit ratio and net profit ratio of the current year were 6.3 percent and 2.03 percent respectively and said ratios of the previous year were 9 percent and 5.12 percent respectively. Accordingly, even though gross profit ratio and net profit ratio of the current year had been decreased by 2.7 percent and 3.09 percent respectively, management had not paid their attention in that regard.
- (d) National Lotteries Board which was established in the year 1963 is conducting business premises in rented buildings for more than 60 years and, an amount of Rs. 87,686,550 had been paid as building rent of the business premises for the year under review. Further, the board had compelled to take another building on rent basis for a period of 04 months to store consumer promotional items as those consumer promotional items were purchased without evaluating stores facilities of the board.
- (e) Department of Inland Revenue had assessed an income tax of Rs. 1,450,773,080 and Rs. 1,232,783,401 with penalty tax payable for assessment years 2016/2017 and 2027/2018 respectively. Bank guarantees of Rs. 335,994,244 and Rs. 308,195,850 respectively had to be produced for appeals, submitted by the board in that regard and Rs. 12,326,250 and Rs. 3,852,448 respectively had been paid for interest at the end of the year under review. However, even though it has been 2 years since appeals were filed, the said income tax issue against the board is yet to be solved and unnecessary interest had to be paid further for bank guarantees submitted for such appeals.
- (f) Even though passive lotteries of Rs. 166,615,583 had been sold on credit to 91 other district sales agents except 04 sales agents of the staff and 03 sales agents who sell lottery tickets via SMS, bank guarantees of Rs. 59,525,000 had been taken only from 48 borrowers. Accordingly, lottery tickets had been sold on credit to 46 district sales agents except sales agents of the staff without taking bank guarantees or other necessary guarantees. An

amount of Rs. 85,406,299 was due from the said sales agents at the end of the year under review and the balance for more than one year was Rs. 7,341,195 and the balance of more than 5 years was Rs. 1,446,198 of 05 sales agents.

- (g) Even though instant lotteries of Rs. 59,043,386 had been sold on credit to 75 other district sales agents except 04 sales agents of the staff and bank guarantees of Rs. 4,300,000 had been taken only from 05 borrowers. Accordingly, lottery tickets had been sold on credit to 70 district sales agents except sales agents of the staff without taking bank guarantees or other necessary guarantees. An amount of Rs. 54,875,636 was due from the said sales agents at the 31st December of the year under review and the balance of more than one year was Rs. 7,917,747 of 17 sales agents.
- (h) Lottery tickets had been sold on credit to 34 sales agents who had submitted bank guarantees for passive and instant lotteries exceeding the value of said bank guarantees and the amount, due from said lottery borrowers had been increased up to Rs. 37,604,678 exceeding their guarantees as at 31st December 2023.
- (i) According to the information, obtained from the Department of Motor Vehicles by the audit on 15th August 2023, 05 Motor Cars, 01 Motor Lorry and 01 Single Cab, registered in the said Department in the name of the board had not been in the possession of the National Lotteries Board and details on such assets had not been included in the fixed assets register or another reports of the board.

Signed/illegibly
W.P.C.Wickramarathna
Auditor General

STATEMENT OF INCOME

For the year ended 31st December			
	Note	2023 Rs.	2022 Rs.
Gross Turnover	03	32,014,201,280	21,208,808,240
Less : Indirect Taxes			
Value Added Tax (VAT)		1,164,695,700	640,950,292
Social Security Contribution Levy (SSCL)		597,823,835	119,531,829
Net Turnover		30,251,681,745	20,448,326,119
Less : Cost of Sales	04	28,227,236,781	18,539,498,202
Gross Profit		2,024,444,964	1,908,827,917
Add : Other Income	05	1,322,749,168	1,248,092,878
		3,347,194,132	3,156,920,795
Less : Expenses			
Sales, Marketing & Distribution Expenses	06	1,408,116,521	920,609,013
Administrative Expenses	07	1,056,920,215	839,811,722
Finance and Other Expenses	08	37,304,827	5,863,160
Profit before Tax		844,852,568	1,390,636,900
Less : Income Tax Expense	09	193,975,415	304,867,252
PROFIT FOR THE YEAR		650,877,152	1,085,769,648
The accounting policies and notes from 01 to 32 form an integral part of the financial statements.			

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December		
	2023 Rs.	2022 Rs.
Profit for the Year	650,877,152	1,085,769,648
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax)		
Actuarial Gain / (Loss) on Defined Benefit Plans	7,572,085	(181,145)
Deferred Tax Reversal / (Expense) on Actuarial Gain / Loss	(2,271,626)	54,344
Revaluation Gain on Land and Buildings	547,325,750	-
Deferred Tax Charge on Land and Buildings Revaluation	(164,197,725)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	1,039,305,637	1,085,642,846

STATEMENT OF FINANCIAL POSITION

As at 31st December			
	Note	2023 Rs.	2022 Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	10	1,089,340,971	550,506,806
Investment Property	11	49,224,917	23,813,556
Intangible Assets	12	-	-
Capital Work-in Progress - Head Office Building	13	-	27,178,359
Deferred Tax Assets	14	-	14,221,487
Staff Loans	15	100,972,808	99,823,367
Long term investments	16	-	558,739,726
Total Non Current Assets		1,239,538,695	1,274,283,301
Current Assets			
Inventories	17	58,018,187	49,091,651
Trade Receivables	18	248,775,730	221,915,267
Other Current Assets	19	175,861,437	157,859,717
Short Term Investments	20	425,408,312	3,042,198,407
Cash & Cash Equivalents	21	8,130,550,104	4,486,334,807
Total Current Assets		9,038,613,769	7,957,399,849
TOTAL ASSETS		10,278,152,465	9,231,683,150
EQUITY & LIABILITIES			
Equity			
Retained Earnings	22	3,603,093,604	2,396,866,791
Other Components of Equity	23	2,731,617,473	3,824,780,719
Total Equity		6,334,711,076	6,221,647,510
Non-Current Liabilities			
Retirement Benefit Obligation	24	81,161,686	76,296,051
Deferred Tax Liability	14	154,179,246	-
Total Non Current Liabilities		235,340,932	76,296,051
Current Liabilities			
Trade & Other Payables	25	3,602,003,773	2,772,775,946
Current Tax Payables	26	106,096,683	160,963,642
Total Current Liabilities		3,708,100,457	2,933,739,588
TOTAL LIABILITIES		3,943,441,389	3,010,035,639
TOTAL EQUITY & LIABILITIES		10,278,152,465	9,231,683,150

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
 27.02.2024

.....
Dr. Kithsiri Manchanayake
 Director

The accounting policies and notes from 01 to 32 form an integral part of the financial statements.

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 2022	21,263,101	298,261,466	1,770,071,311	2,411,724,763	1,529,921,219	6,031,241,861
Adjustment against Revaluation Gain on Disposal of P. P. & E.	-	-	-	-	-	-
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)
Transfer of Profit to Building Reserve	-	-	-	-	-	-
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 Losses on defined benefit plans	-	-	-	-	(181,145)	(181,145)
Deferred tax attributable to Actuarial Losses 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	1,264,594,304	2,240,661,848	2,396,866,788	6,221,647,509
Prizes Reserve utilised	-	-	-	(550,049,200)	550,049,200	-
Prizes Reserve old balance corrections and transfers	-	-	-	73,757,929	-	73,757,929
Special Levy Transfer to General Treasury	-	-	-	-	-	-
Transfer of fixed deposit interests to Building Reserve	-	-	-	-	-	-
Transfer to General Treasury	-	-	(1,000,000,000)	-	-	(1,000,000,000)
Revaluation on Land and Building	-	547,325,750	-	-	-	547,325,750
Deferred tax on Revaluation gain on Land and Buildings	-	(164,197,725)	-	-	-	(164,197,725)
Actuarial Gains on defined benefit plans	-	-	-	-	7,572,085	7,572,085
Deferred tax attributable to Actuarial Gains on defined benefit plans	-	-	-	-	(2,271,626)	(2,271,626)
Profit for the Year	-	-	-	-	650,877,152	650,877,152
Balance as at 31st December 2023	21,263,101	681,389,491	264,594,304	1,764,370,578	3,603,093,602	6,334,711,075

STATEMENT OF CASH FLOWS

For the year ended 31st December

	2023 Rs.	2022 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	844,852,568	1,390,636,900
Adjustments For		
Depreciation	14,888,701	19,023,624
Amortization	1,473,622	1,186,246
Defined Benefit Plan Cost	19,498,310	15,605,825
(Profit) / Loss on Disposal of Property, Plant & Equipment	-	-
Fair Value increase of Investment Property	(26,884,983)	-
Revaluation Loss on Building	581,103	-
Impairment of Capital work in progress	27,178,359	-
Exchange Gains	(3,300,399)	(3,626,366)
Previous year adjustment for Retained Earnings	-	-
Bad Debt Provision / (Over provision)	4,697,428	3,317,283
Other Income - Balances written back	(68,203,023)	(64,881,201)
Old balances correction and written off	1,455,528	3,112,997
Income from Circuit Bungalows & Hiring of Board Vehicles	(760,816)	(364,353)
Interest Income	(1,194,699,827)	(1,146,230,211)
Operating Profit before Working Capital Changes	(379,223,430)	217,780,744
Changes in Working Capital		
(Increase)/Decrease in Inventories	(9,747,636)	(13,803,747)
(Increase)/Decrease in Trade Receivables	(31,557,892)	(135,295,798)
(Increase)/Decrease in Other Current Assets	(95,557,684)	37,523,555
Increase/(Decrease) in VAT and SSCL Payables	33,804,632	70,545,317
Increase/(Decrease) in Prizes Obligations	717,793,318	269,358,932
Increase/(Decrease) in Government Contribution (Special Levy) Payables	94,790,095	18,027,055
Increase/(Decrease) in Trade & Other Payables	158,549,046	44,744,321
	488,850,450	508,880,378
Income Tax Paid	(206,821,185)	-
Defined Benefit Plan Cost Paid	(7,004,270)	(2,880,916)
NET CASH FLOW FROM OPERATING ACTIVITIES	275,024,995	505,999,462
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to P.P.E, Investment Property, Intangible Assets & Work-in Progress	(6,157,118)	(14,374,445)
Proceeds from Disposal of Property, Plant & Equipment	-	332,974
Long Term Investments	500,000,000	(500,000,000)
Short Term Investments	2,270,454,190	(1,602,247,855)
Income from Circuit Bungalows & Hiring of Board Vehicles	764,520	368,057
Staff Loans Granted	(43,980,017)	(47,316,480)
Staff Loans Recovered	45,032,870	43,345,337
Interest Received	1,599,775,459	721,674,428
NET CASH FLOW FROM INVESTING ACTIVITIES	4,365,889,903	(1,398,217,985)
CASH FLOW FROM FINANCING ACTIVITIES		
Special Levy transferred to General Treasury by Building Reserve Fund	(1,000,000,000)	-
Special Levy transferred to General Treasury by Retained Earnings	-	(361,054,980)
Special Levy transferred to General Treasury by CASD/NAL	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(1,000,000,000)	(361,054,980)
Net Increase / (Decrease) in Cash & Cash Equivalent	3,640,914,898	(1,253,273,503)
Cash & Cash Equivalent at the beginning of the Year (Note)	4,489,635,206	5,739,608,311
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	8,130,550,105	4,486,334,807
Note to the Cash Flow Statement		
CASH & CASH EQUIVALENT		
Short Term Deposits	7,751,325,604	4,199,087,635
Cash in Hand & at Bank	379,224,500	287,247,172
NET CASH & CASH EQUIVALENT AT THE END OF THE YEAR	8,130,550,104	4,486,334,807
Note : Cash & Cash Equivalent at the beginning of the Year	4,486,334,807	5,735,981,945
Add : Exchange Gains	3,300,399	3,626,366
Add : Prior year Adjustment for Exchange Gains	-	-
Cash & Cash Equivalent at the beginning of the Year	4,489,635,206	5,739,608,311

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS.

Note No. 01

1. CORPORATE INFORMATION**1.1 REPORTING ENTITY**

National Lotteries Board (the “Board”) was established after abolishing Hospital Lotteries, under the Finance Act No.11 of 1963. Certain sections of the above Act were repealed and amended in 1997 under the Finance (amendment) Act, No. 35 of 1997, and Finance (amendment) Act, No.22 of 1998.

It is a Semi-governmental Institution under the purview of the Ministry of Finance.

The Registered Office and the principal place of business of the Board is located at No.32, Deshamanya N. W. J. Mudalige Mawatha, Colombo 01.

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The main purpose of establishing the 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 twelve months from 01st January 2023 to 31st December 2023.

1.4 RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Board following 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 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 a fair value basis where applicable following 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 2023 were authorized for issue by the Board of Directors on 27th February 2024.

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 2023 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 to it 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 following 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 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's end, the resulting gains or losses are accounted for in the Statement of Income.

2.1.6 Basis of Measurement.

The Financial Statements have been prepared under 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.

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 asset's revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's 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.

Land, buildings, motor vehicles, computers & 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 or internally appointed committee as per the Assets Management circular no. 04/2018. The recent valuation has been completed 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 the straight-line method on the cost or valuation of all Property, Plant, and Equipment other than freehold land, to write off such amounts over the estimated useful lives of such assets.

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 those 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 under 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 the 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 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 a permanent nature or to increase 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 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 are 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 under LKAS 38 - 'Intangible Assets'.

Gains or losses arising from the 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 throughout the lease 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 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 for capital appreciation or both 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, of 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, the commencement of an operating lease to another party, or completion of construction or development with a sale view.

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 estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value fewer costs to sell and its value in use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects 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 an indication exists, the Board estimates the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to

determine the asset's 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 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 a 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 the 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 assets. 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 the 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 - 100%
Other disputes

2.2.9 Inventories.

Inventories are measured at cost only as there is no net realizable value (NRV) due to the short life cycle of the product, after making due allowances for obsolete and slow-moving items. As the lottery ticket stocks are fast-moving, there is no requirement to identify NRV. Net realizable value is 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 at 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 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 and liabilities that are measured at fair value on a recurring and non-recurring basis together with the valuation techniques adopted.

2.3 EQUITY, LIABILITIES & PROVISIONS**2.3.1 Equity****Accumulated Treasury Fund**

This represents the initial capital introduced by the General Treasury.

Revaluation Reserve

Revaluation Reserve represents net of revaluation gain on revaluation of Property, Plant and Equipment carried out by the Chief Government Valuer or internally appointed committee as per the Assets Management circular no. 04/2018.

Building Reserve Fund

Building Reserve Fund was established to generate and utilize funds needed for 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 in 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 under the provisions of the Inland Revenue Act No.24 of 2017 and subsequent amendments thereto. Income Tax due/paid on the 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 are 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 taxable profit will probably 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. To meet this liability, a provision is carried forward in the Statement of Financial Position. The provision is made based on 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

The lottery business of the 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, and 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. Revenue of passive lotteries is recognized at the date of draw and revenue of instant lotteries is recognized at the date of invoice.

b) Interest.

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

c) Others.

Other income is recognized on an accrual basis.

2.5.2 Expenditure Recognition.

Expenses are recognized in the income statement based on 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 Consolidated fund (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/-) and recoverable before the age of 55 years. The interest rate applicable before 2023 was 4% and revised for loans up to Rs. 500,000 - 3%, Rs. 500,001- Rs. 1,000,000 – 6%, and the balance amount - 7%.
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 a maximum of Rs. 250,000/-). Interest rate 4.2%. Recoverable in 60 monthly instalments.

2.6.4 Commitments and Contingencies

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

2.6.5 Forfeited Prizes

The prizes are forfeited after six months from the date of the respective draw and this is remitted to the Consolidated Fund quarterly. Customer promotional prizes that expire six months after the draw date are retained with the Board for reuse in future draws.

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 and from Rs.20 to Rs.40 effective from 06th July 2023. Agency Commission too was increased from 15% to 17.5% in 2008 accordingly. Further, on the 01st of July 2019, the Agency Commission was increased again from 17.5% to 18.75%.

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

	Mahajana Sampatha	Govisetha	Dana Nidanay	Mega Power	Handahana	Jathika Sampatha	Lucky 7	Mega 60	Mega Millions
Prizes	50.00%	49.00%	49.00%	50.00%	53.00%	52.00%	57.00%	63.00%	58.00%
Agent Commission	18.75%	18.75%	18.75%	18.75%	18.75%	18.75%	18.75%	18.75%	18.75%
Dealer Commission	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Government Contribution	16.50%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Board	13.50%	21.00%	21.00%	20.00%	17.00%	18.00%	13.00%	7.00%	12.00%
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. 50/-	Samurdhi Rs. 50/-
Prizes	53%	53%
Agent Commission	18.75%	18.75%
Dealer Commission	1.25%	1.25%
Government Contribution	10.00%	10.00%
Board	17.00%	17.00%
Total	100.00%	100.00%

(c) Government Contributions remitted to the relevant Ministries through the Consolidated Fund is given below;

Passive Lotteries	Percentage	Consolidated Fund / Ministries
Mahajana Sampatha	16.5%	Consolidated Fund
Govisetha	10%	Consolidated Fund - Ministry of Agriculture
Jathika Sampatha / Lucky 7 (Wednesday)	10%	Consolidated Fund - Ministry of Health
Jathika Sampatha/Lucky 7 (Saturday and Sunday)	10%	Consolidated Fund - Ministry of Labour (Shrama Vasana Fund)
Jathika Sampatha/Lucky 7 (Monday, Tuesday, Thursday and Friday)	10%	Consolidated Fund
Lucky 7 (Friday)	10%	National Kidney Fund (from 1 st of December 2023)
Mega Power	10%	Consolidated 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
Mega Millions	10%	Consolidated Fund
Mega 60	10%	Consolidated Fund
Instant Lotteries		
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

NOETS TO THE INCOME STATEMENT

Note 03

Turnover - VAT Inclusive	Note	2023 Rs.	2022 Rs.
Mahajana Sampatha		9,854,274,680	7,449,148,240
Vasana Sampatha		-	86,806,800
Govisetha		5,094,203,960	3,570,567,680
Supiri Vasana		-	80,118,600
Jathika Sampatha		1,096,931,360	1,071,859,800
Neeroga		-	-
Mega Power		4,537,680,200	3,103,910,440
Sevana - Passive		-	94,794,000
Dana Nidanaya		2,971,642,960	2,496,453,000
Handahana		6,034,965,800	3,018,383,520
Lucky 7		1,514,512,520	-
Mega Million		143,192,000	-
Mega 60		143,253,000	-
MS Jaya King 5000		170,892,800	-
Samurdhi		47,942,000	20,000,000
Sevana - Scratch		404,710,000	204,528,000
Dollar Fortune		-	12,238,160
		32,014,201,280	21,208,808,240

Note 04

Cost of Sales	Note	2023 Rs.	2022 Rs.
Tickets Printing Charges	04-01	1,186,907,181	874,347,794
Agency Commission	04-02	6,002,662,740	3,975,326,154
Main Agency Commission	04-03	524,263,381	339,717,735
Prizes	04-04	16,671,455,496	10,740,612,432
Government Contribution (Special Levy)	04-05	3,841,947,982	2,609,494,086
		28,227,236,781	18,539,498,202

Note 04-01

Tickets Printing Charges	Note	2023 Rs.	2022 Rs.
<i>Opening Stock as at 1st January</i>			
Passive Lottery		14,296,425	2,996,666
Sevana Lottery		-	665,886
		14,296,425	3,662,552
Add : Purchase of Tickets during the year		1,187,909,580	884,981,668
		1,202,206,005	888,644,219
<i>Less : Closing Stock as at 31st December</i>			
Passive Lottery		6,899,988	14,296,425
Sevana Lottery		5,431,530	-
Samurdhi Lottery		2,967,306	-
		15,298,824	14,296,425
		1,186,907,181	874,347,794

Note 04-02

Agency Commission	Note	2023 Rs.	2022 Rs.
Mahajana Sampatha		1,847,676,503	1,396,715,295
Vasana Sampatha		-	16,276,275
Govisetha		955,163,243	669,481,440
Supiri Vasana		-	15,022,238
Jathika Sampatha		205,674,630	200,973,713
Mega Power		850,815,038	581,983,208
Sevana - Passive		-	17,773,875
Dana Nidanaya		557,183,055	468,084,938
Handahana		1,131,556,088	565,946,910
Lucky 7		283,971,098	-
Mega Million		26,848,500	-
Mega 60		26,859,938	-
Mahajana Sampatha Jaya King 5000		32,042,400	-
Samurdhi		8,989,125	3,750,000
Sevana - Scratch		75,883,125	38,349,000
Dollar Fortune		-	969,264
		6,002,662,740	3,975,326,154

Note 04-03

Main Agency Commission	Note	2023 Rs.	2022 Rs.
Mahajana Sampatha		123,160,968	93,095,706
Vasana Sampatha		-	1,085,054
Govisetha		63,648,956	44,585,138
Supiri Vasana		-	1,001,452
Jathika Sampatha		13,703,300	13,397,865
Mega Power		56,675,928	38,774,834
Sevana - Passive		-	1,184,904
Dana Nidanaya		37,141,768	31,194,722
Handahana		179,500,719	113,152,781
Lucky 7		37,844,930	-
Mega Million		3,901,990	-
Mega 60		1,740,774	-
Mahajana Sampatha Jaya King 5000		2,109,720	-
Samurdhi		479,545	200,000
Sevana - Scratch		4,354,785	2,045,280
		524,263,381	339,717,735

Note 04-04

Prizes	Note	2023 Rs.	2022 Rs.
Mahajana Sampatha		4,849,466,042	3,588,976,007
Vasana Sampatha		-	43,226,274
Govisetha		2,621,705,730	2,075,802,939
Supiri Vasana		-	40,071,571
Jathika Sampatha		543,682,512	554,692,678
Mega Power		2,140,883,033	1,441,776,089
Sevana - Passive		-	48,472,922
Dana Nidanaya		1,508,636,940	988,950,207
Handahana		3,606,142,591	1,802,471,994
Lucky 7		863,271,381	-
Mega Million		109,764,000	-
Mega 60		126,109,500	-
MS Jaya King		97,408,896	-
Samurdhi		24,737,260	10,600,000
Sevana - Scratch		179,647,610	108,399,840
Dollar Fortune		-	37,171,910
		16,671,455,496	10,740,612,432

Note 04-05

Government Contribution (Special Levy)	Note	2023 Rs.	2022 Rs.
<u>Contribution to the Consolidated Fund</u>			
Mahajana Sampatha		1,625,955,322	1,229,109,460
Vasana Sampatha		-	14,323,122
Govisetha		509,420,396	357,056,768
Supiri Vasana		-	8,011,860
Jathika Sampatha		109,693,136	107,185,980
Mega Power		453,768,020	310,391,044
Sevana - Passive		-	9,479,400
Dana Nidanaya		297,164,296	249,645,300
Handahana		603,496,580	301,838,352
Lucky 7		147,272,520	-
Mega Million		14,319,200	-
Mega 60		14,325,300	-
MS Jaya King		17,089,280	-
Samurdhi		4,794,200	2,000,000
Sevana - Scratch		40,471,000	20,452,800
		3,837,769,250	2,609,494,086
<u>Contribution to the National Kidney Fund</u>			
Lucky 7		4,178,732	-
		4,178,732	-
		3,841,947,982	2,609,494,086

Note 05

Other Income	Note	2023 Rs.	2022 Rs.
Interest Income		1,194,699,827	1,146,230,211
Sundry Income		128,049,341	101,862,667
		1,322,749,168	1,248,092,878

Note 06

Sales, Marketing & Distribution Expenses	Note	2023 Rs.	2022 Rs.
Distribution Costs	06-01	532,775,998	119,849,761
Marketing & Sales Promotion Expenses	06-02	834,358,916	765,289,136
Communication Expenses	06-03	40,981,607	35,470,117
		1,408,116,521	920,609,013

Note 06-01

Distribution Expenses	Note	2023 Rs.	2022 Rs.
Motor Vehicles - Fuel		22,033,682	17,847,069
Motor Vehicles - Repairs		9,913,316	7,292,787
Motor Vehicles - Insurance		665,755	576,173
Motor Vehicles - Revenue License		209,258	221,309
Motor Vehicles - Tires and Tubes		1,527,462	1,356,233
Motor Vehicles - Maintenance & Others		4,147,674	3,365,392
Motor Vehicles - Depreciation		458,311	2,774,479
Tickets Transport Charges		43,902,791	33,816,446
Provision for Bad Debts		4,697,428	3,317,283
Agent Relief Exp. / Cost of Returned Tickets		131,930	565,740
Dealers & Agents Training & Conference		3,265,954	77,308
Scholarships to Agents' Children		1,016,500	724,000
Agent & Seller Medical & Insurance Expenses		18,191,000	6,925,000
Agent Additional Sales Promotional Expenses		418,526,937	38,629,042
Agent Appreciation Token for Prize Winners		4,083,500	2,358,000
Agent's & Sellers Welfare		4,500	3,500
		532,775,998	119,849,761

Note 06-02

Marketing & Sales Promotion Expenses	Note	2023 Rs.	2022 Rs.
Production & Telecasting		523,318,217	481,483,039
Publication of Lottery Results		61,022,462	63,962,066
Brand Promotional Advertising		156,330,755	197,978,301
Corporate Advertising		42,480,422	15,674,768
CSR - Corporate Social Responsibility		4,655,000	5,207,000
BTL Advertising Exp		18,638,975	500,000
Public Relation Expenses		-	150,000
Sales Booth ect. to Agents		27,913,085	333,962
		834,358,916	765,289,136

Note 06-03

Communication Expenses	Note	2023 Rs.	2022 Rs.
Postage and Telegrams		447,938	84,423
Telephone, Faxes and Internet		12,241,040	12,900,646
Printing and Stationery		27,017,096	21,719,919
Press Notices		1,275,533	765,129
		40,981,607	35,470,117

Note 07

Administrative Expenses	Note	2023 Rs.	2022 Rs.
Personnel Emoluments	07-01	664,228,905	522,418,147
Establishment Expenses	07-02	141,548,554	131,443,805
Other Administrative Expenses	07-03	251,142,757	185,949,770
		1,056,920,215	839,811,722

Note 07-01

Personnel Emoluments	Note	2023 Rs.	2022 Rs.
Staff Salaries		210,229,783	215,496,170
Staff Overtime		40,442,574	33,788,603
Duty Allowance		1,599,403	1,493,712
Staff EPF		28,163,545	29,178,178
Staff ETF		5,624,787	5,836,362
Staff Pension		211,464	344,244
Staff Annual Bonus		24,402,489	7,199,741
Leave Encashment		8,154,073	8,168,416
Risk Allowance		1,095,000	1,099,000
Staff Welfare		44,956,975	35,331,361
Staff Uniforms		9,167,456	8,174,250
Staff meal		-	2,763,960
Defined Benefit Plan Cost		19,498,310	15,605,825
Welfare & Thrift Fund		7,058,387	4,894,782
Allowances to Chairman and Board Members		1,496,118	1,684,516
Production Incentive		119,082,649	80,777,686
Ex-gratia Payments		38,260,866	23,248,658
Staff & Board Members Traveling, Subsistence & Special Allowance		40,366,325	22,024,093
Target based employee motivation benefits		15,266,800	16,956,368
Duty Allowance for Van Sales - Staff		2,936,000	4,136,000
Gift to Staff		41,656,500	-
Employee benefit on Housing loan		4,559,403	4,216,223
		664,228,905	522,418,147

Note 07-02

Establishment Expenses	Note	2023 Rs.	2022 Rs.
Rent		87,926,550	87,786,550
Rates & Taxes		65,370	42,267
Electricity		20,604,371	10,244,702
Water		1,383,295	899,694
Cleaning and Maintenance		9,913,650	6,350,140
Building - Repairs		73,300	420,450
Maintenance other than Vehicles		293,046	150,077
Repairs other than Vehicles		5,172,912	10,462,275
Insurance Other than Vehicles		670,359	426,737
Depreciation Other than Vehicles		13,972,078	13,474,666
Amortization of Investment Property		1,473,622	1,186,246
		141,548,554	131,443,805

Note 07-03

Other Administrative Expenses	Note	2023 Rs.	2022 Rs.
External Audit Fee		2,440,500	2,162,500
Legal Fee		2,203,238	2,137,646
Newspapers and Periodicals		844,670	249,410
Renewal Fee - Inter. Lottery Association		1,741,713	1,910,856
COVID 19 Medical & Other Expenses		-	3,419,994
Motor Vehicles - Fuel		22,033,682	17,847,069
Motor Vehicles - Repairs		9,913,316	7,292,787
Motor Vehicles - Insurance		665,755	576,173
Motor Vehicles - Revenue License		209,258	221,309
Motor Vehicles - Tires and Tubes		1,527,462	1,356,233
Motor Vehicles - Maintenance & Others		4,147,674	3,365,392
Motor Vehicles - Depreciation		458,311	2,774,479
Non Consumable Items		1,887,016	2,524,130
Consumable Items		1,765,051	1,177,674
Incidental & General Expenses		13,367,066	4,966,787
Scrutiny of Prize Winning Tickets		161,690	138,770
Expenses at Board Meetings		318,435	272,710
Training and Seminar Fee		1,667,980	3,299,362
Circuit Bungalow Repair & Maintenance		1,601,778	756,164
Consultancy & Professional Charges		3,639,082	244,725
Prizes Validation Charges		17,813,843	14,469,470
Medical Expenses - Staff		88,150,000	37,112,371
Staff Accidental Insurance & Compensation		2,000,000	6,000,000
Vehicle Hire Charges		10,029,750	10,546,698
Software Maintenance		13,948,016	18,907,259
Refreshments Board of Directors		258,900	176,758
Fees to Tender Board Members		800,000	484,500
Sweep Audit Fee		20,227,500	17,911,800
Postage and Telegrams		298,625	56,282
Telephone, Faxes and Internet		8,160,694	8,600,431
Printing and Stationery		18,011,397	14,479,946
Press Notices		850,356	510,086
		251,142,757	185,949,770

Note 08

Finance and Other Expenses	Note	2023 Rs.	2022 Rs.
Bank Charges		8,089,838	2,750,163
Old balances correction and written off		1,455,528	3,112,997
Revaluation Loss on Anuradhapura Regional Office Building		581,103	-
Impairment Provision for Capital work in progress		27,178,359	-
		37,304,827	5,863,160

Note 09

Income Tax	Note	2023 Rs.	2022 Rs.
Current year Income Tax		153,274,709	310,154,587
Previous year Income Tax - under provision		38,769,324	-
Deferred Tax Expense / (Reversal)		1,931,382	(5,287,335)
Income Tax Expense		193,975,415	304,867,252

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.	2023 Total Rs.	2022 Total Rs.
Cost or Revalued Amount										
Balance Beginning 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
Revaluation	508,450,000	27,633,680	-	-	-	-	-	-	536,083,680	-
Additions during the Year	-	-	197,900	1,517,410	4,047,069	-	1,215,839	-	6,978,218	18,195,509
Disposal during the Year	-	-	-	-	-	-	-	-	-	(540,642)
Transferred during the Year	-	-	-	-	-	-	-	-	-	-
Balance end of the Year	1,008,450,000	50,965,000	275,810,109	145,902,680	61,079,671	162,980,392	39,486,680	13,389,940	1,758,064,472	1,215,002,574
Depreciation										
Balance Beginning 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
Revaluation adjustment	-	(10,660,967)	-	-	-	-	-	-	(10,660,967)	-
Depreciation for the Year	-	1,542,029	916,623	5,621,709	3,076,869	-	3,731,471	-	14,888,701	19,023,624
Depreciation on Disposal	-	-	-	-	-	-	-	-	-	(207,668)
Transferred during the Year	-	-	-	-	-	-	-	-	-	-
Balance End of the Year	-	635,604	273,411,124	136,332,413	52,193,996	162,980,392	29,780,032	13,389,940	668,723,501	664,495,767
Carrying amount as at 31.12.2023	1,008,450,000	50,329,396	2,398,985	9,570,267	8,885,675	-	9,706,648	-	1,089,340,971	
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
Rate of Depreciation	-	05%	25%	25%	20%	20%	10%	33.33%		

Land - Vauxhall Street

Building - Narahenpita Chairman's Bungalow & Vauxhall Building

Fair Value Measurement

As per the valuation carried out in 2023 by the Government Valuer for the 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 and Buildings carried at revalued amount

Location	Last Revalued Date	Extent	Cost/Revalued Amount as at 31.12.2022 Rs.	Carrying Amount Rs. Before Revaluation	Revaluation Amount Rs. 2023	Revaluation Surplus/(loss) Rs. 2023	Carrying Amount Rs. 31.12.2023	Carrying Amount Rs. 31.12.2022
Land - Vauxhall Street No. 55/57, Vauxhall Street, Colombo 02	01.09.2023	112.05 P	500,000,000	500,000,000	1,008,450,000	508,450,000	1,008,450,000	500,000,000
Chairmans Bungalow Narahenpita, Mangala Path, Mannin Town, Colombo 02	01.12.2023	0.1415Ha	9,900,000	4,991,250	17,000,000	12,008,750	16,929,167	5,445,000
WareHouse at Vauxhall Street No. 55/57, Vauxhall Street, Colombo 02	01.09.2023		12,240,000	6,783,000	33,650,000	26,867,000	33,089,167	7,191,000
Anuradhapura Regional Office No. 352, 1st lane, Harischandra Mawatha, Anuradhapura	01.10.2023		1,191,320	896,103	315,000	(581,103)	311,063	940,777
			523,331,320	512,670,353	1,059,415,000	546,744,647	1,058,779,396	513,576,777

Board Property, Plant and Equipment with a cost of Rs. 628,666,509 (2022 - Rs. 613,154,970) 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	2023 Rs.	2022 Rs.
Cost or Revalued Amount		
Balance Beginning of the Year	50,530,000	50,530,000
Additions during the Year	-	-
Revaluation	(820,000)	-
Balance end of the Year	49,710,000	50,530,000
Accumulated Amortization		
Balance Beginning of the Year	26,716,444	25,530,198
Revaluation adjustment	(27,704,983)	-
Amortisation for the Year	1,473,622	1,186,246
Balance end of the Year	485,083	26,716,444
Carrying amount as at 31.12.2023	49,224,917	
Carrying amount as at 31.12.2022		23,813,556

Fair Value Measurement

As per the valuation carried out in 2023 by the Government Valuer for Department of Valuation, the assets were valued on an open market value for existing use basis.

Assets

Investment
Property

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.

Investment Property

Location	Last Revalued Date	Extent	Cost Amount as at 31.12.2022 Rs.	W.D.V. Amount as at Revaluation Date	Revaluation Amount as at Revaluation Date	Revaluation Surplus 2023 Rs.	W.D.V. Amount as at 31.12.2023
Anuradhapura Circuit Bungalow 1 st Lane, Harischandra Mv, Anuradhapura	01.10.2023	1R 18.52 P	16,030,000	-	17,000,000	17,000,000	16,787,500
Mannar Circuit Bungalow Jubilee Road, Murungan	01.11.2023	0.2683 Ha	34,500,000	22,825,017	32,710,000	9,884,983	32,437,417
			50,530,000	22,825,017	49,710,000	26,884,983	49,224,917

Carrying amount has been adjusted for amortization for investment property.

Note 12 - Intangible Assets

Computer Software	2023 Rs.	2022 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	90,598,131
Amortisation for the Year	-	-
Balance end of the Year	90,598,131	90,598,131
Carrying amount as at 31.12.2023	-	
Carrying amount as at 31.12.2022		-

Note 13

Capital Work in Progress	Note	2023 Rs.	2022 Rs.
Capital Work in Progress - Building		27,178,359	27,178,359
Less: Provision for impairment - Capital work in Progress		(27,178,359)	-
		-	27,178,359

Note 14

Deferred Tax Assets / (Liability)	Note	2023 Rs.	2022 Rs.
Balance at the beginning of the year		14,221,487	8,879,808
Current year Deferred Taxation		(1,931,382)	5,287,335
Add : Deferred Tax attributable to remeasurment of Retirement benefit Obligation		(2,271,626)	54,344
Deferred Tax Liability on Revaluation surplus of Land and Buildings		(164,197,725)	-
Balance at the end of the year		(154,179,246)	14,221,487
Movement in Deferred Tax Assets / (Liability)			
Balance at the beginning of the year		14,221,487	8,879,808
Recognised in profit / (loss)		(1,931,382)	5,287,335
Recognised in other comprehensive income on Actuarial Gain		(2,271,626)	54,344
Recognised in other comprehensive income on Revaluation surplus of Land and Buildings		(164,197,725)	-
Balance at the end of the year		(154,179,246)	14,221,487
Composition of Deferred Tax Assets / (Liability)			
Deferred tax assets attributable to;			
Defined benefit obligations		24,348,506	22,888,815
Provision for Bad debts		6,393,875	4,984,647
Accelerated depreciation for tax purposes on property, plant & Equipment		(20,723,902)	(13,651,975)
Revaluation surplus of Land and Buildings		(164,197,725)	-
Net deferred tax assets / (liability)		(154,179,246)	14,221,487

Note 15

Staff Loans	Note	2023 Rs.	2022 Rs.
Distress Loans		50,066,507	46,970,772
Housing Loans		71,300,921	72,460,912
		121,367,428	119,431,684

Note 16

Long Term Investments	Note	2023 Rs.	2022 Rs.
Fixed Deposits (matured after 12 months)		-	558,739,726
		-	558,739,726

Note 17

Inventories	Note	2023 Rs.	2022 Rs.
Printed Tickets Stocks		15,298,824	14,296,425
Prizes Stocks		26,159,916	22,093,002
Consumable Stocks		16,559,447	12,702,224
		58,018,187	49,091,651

Note 18

Trade Receivables	Note	2023 Rs.	2022 Rs.
Trade Debtors		270,088,647	238,530,755
Less : Provision for Doubtful Debts		(21,312,917)	(16,615,489)
		248,775,730	221,915,267

Note 19

Other Current Assets	Note	2023 Rs.	2022 Rs.
Other Debtors		12,219,215	2,621,663
Accounts Receivables		1,724,024	1,453,875
Staff Loans		36,456,044	27,215,497
Deposits & Prepayments		125,462,155	126,568,682
		175,861,437	157,859,717

Note 19-01

Other Debtors	Note	2023 Rs.	2022 Rs.
Advances to Staff		557,603	310,000
Advances to Outsiders		7,414,067	1,561,703
Recoveries of New Agent Registration Fee		-	-
Recovery of Computer & Accessories to Agents		92,336	92,336
Recovery of Sales Booth to Agents		318,208	450,958
Recovery of Bicycles to Agents		3,802,000	35,000
Recovery of Motor Bicycles to Agents		15,000	65,000
Recovery of Bicycle Loss - Procurement Division		20,000	106,667
		12,219,215	2,621,663

Note 19-02

Accounts Receivables	Note	2023 Rs.	2022 Rs.
Sundry Income Receivable		1,724,024	1,453,875
		1,724,024	1,453,875

Note 19-03

Staff Loans	Note	2023 Rs.	2022 Rs.
Festival Advance		245,577	394,840
Festival Loan Receivable		-	-
Distress Loans		15,114,271	13,937,093
Bicycle Loans		-	-
Motor Bike Loans		14,354,999	-
Staff advance for Laptops		1,460,847	7,212,340
Housing Loans		5,280,349	5,671,224
		36,456,044	27,215,497

Note 19-04

Deposits & Prepayments	Note	2023 Rs.	2022 Rs.
Staff Security Deposits - Peoples Bank		2,500	2,500
Staff Security Deposits - NSB		13,400	13,400
Postal Franking Machine Deposits		43,483	41,613
General Deposits -Building and others		28,523,010	27,969,313
Prepaid (deferred) expenses for employee Benifits		25,767,018	26,320,546
Payments in Advance		7,783,568	8,892,135
Rent Paid in Advance		63,329,175	63,329,175
		125,462,155	126,568,682

Note 20

Short Term Investments	Note	2023 Rs.	2022 Rs.
Fixed Deposits (matured within 03 to 12 months)		425,408,312	3,042,198,407
		425,408,312	3,042,198,407

A Bank Guarantee has been given to the Tax Appeals Commission amounting Rs. 308,195,850.25 for an appeal made for Income Tax case for the year of assessment 2017/2018 as disclosed in Note 30.

Note 21

Cash & Cash Equivalent	Note	2023 Rs.	2022 Rs.
Cash in Hand and at Bank	21-01	379,224,500	287,247,172
Short Term Deposits	21-02	7,751,325,604	4,199,087,635
		8,130,550,104	4,486,334,807

Note 21 - 1

Cash in Hand and at Bank	Note	2023 Rs.	2022 Rs.
Cash in Hand		809,437	830,000
Cash at Bank		378,415,063	286,417,172
		379,224,500	287,247,172

Note 21 - 2

Short Term Deposits	Note	2023 Rs.	2022 Rs.
Fixed Deposits (matured within 03 months)		5,696,196,084	2,469,449,051
Call Deposits		2,055,129,520	1,729,638,584
		7,751,325,604	4,199,087,635

Note 22

Retained Earnings	Note	2023 Rs.	2022 Rs.
Balance at the beginning of the year		2,396,866,790	1,529,921,219
Profit for the Year		650,877,152	1,085,769,648
		3,047,743,944	2,615,690,869
Net change in Prizes Reserve		550,049,200	186,880,696
Less : Special Levy transferred to General Treasury by Retained Earnings		-	(361,054,980)
Less : Transfer to Buiding reserve fund belongs to fixed deposits		-	(44,522,993)
Add : Adjustment against Revaluation Gain on Disposal of P. P. & E.		-	-
Less : Actuarial Gain / (Loss) on defined benefit plans		7,572,085	(181,145)
Add : Deferred Tax attributable to remeasurment of Retirement benefit Obligation		(2,271,626)	54,344
Balance at the end of the year		3,603,093,604	2,396,866,790

Note 23

Other Components of Equity	Note	2023 Rs.	2022 Rs.
Accumulated Treasury Fund		21,263,101	21,263,101
Revaluation Reserve		681,389,491	298,261,466
Building Reserve		264,594,305	1,264,594,305
Prizes Reserve		1,764,370,577	2,240,661,848
Balance at the end of the year		2,731,617,473	3,824,780,719

Note 24

Note 24

Retirement benefit Obligation	2023 Rs.	2022 Rs.		
Balance at the beginning of the year	76,296,051	66,106,692		
Interest Cost	13,733,289	7,602,270		
Past and Current Service Costs	5,765,021	8,003,555		
Charge to Income Statement	19,498,310	15,605,825		
Actuarial (Gain) / Loss included in Other Comprehensive Income	(7,572,085)	181,145		
	11,926,225	15,786,970		
Paid / Payable for during the year	(7,060,590)	(5,597,611)		
Balance at the end of the year	81,161,686	76,296,051		
Principal Actuarial Assumptions				
An actuarial valuation was carried out as at 31st December 2023 by Mr. M. Poopalanathan, AIA, of Messrs Actuarial and Management Consultants (Pvt) Ltd., a firm of professional actuaries. Principal Actuarial Assumptions as follows;				
Rate of discount	13.00%	18.00%		
Salary escalation rate	10.00%	15.00%		
Retirement Age in years	60	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	2023		2022	
Discount Rate	Increase	Decrease	Increase	Decrease
Sensitivity level	+1%	-1%	+1%	-1%
Impact on defined benefit obligation Rs.	74,117,117	89,332,022	69,976,524	83,597,293
Salary Escalation Rate	Increase	Decrease	Increase	Decrease
Sensitivity level	+1%	-1%	+1%	-1%
Impact on defined benefit obligation Rs.	88,172,530	75,023,732	83,799,287	69,713,290
Distribution of Present Value of Defined Benefit Obligation in future years are as follows.			2023	2022
			Rs.	Rs.
Within the next 12 months			8,107,903	6,895,465
Between 2 to 5 years			20,123,449	21,778,485
After 5 years			52,930,334	47,622,101
			81,161,686	76,296,051
The Weighted Average duration of Defined Benefit Obligation in years			10.50	10.40

Note 25

Trade & Other Payables	Note	2023 Rs.	2022 Rs.
Payable to Government Contribution (Special Levy)		366,431,999	271,641,904
Sweep Collection in Advance		251,455,350	348,076,498
Prizes Obligations		2,125,852,579	1,481,817,190
Trade & Other Creditors		306,797,518	222,863,356
Accrued Expenses		551,466,327	448,376,999
		3,602,003,773	2,772,775,947

Note 26

Current Tax Payables	Note	2023 Rs.	2022 Rs.
VAT Payables		80,962,172	62,866,793
Social Security Contribution Levy (SSCL) Payables		58,712,883	43,003,630
Income Tax Payables		(33,578,372)	55,093,219
		106,096,683	160,963,642

27. 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.

27.1 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.

27.1.1 Transaction with key management personnel (KMP)

	2023 Rs.	2022 Rs.
Short Term Benefits	4,025,764	6,258,626

28. Financial Assets and Financial Liabilities - Accounting Classification and Fair Values**28.1 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 2023 Rs.	Carrying Amount 2022 Rs.
<i>As at 31 December 2023</i>		
Financial Assets not Measured at Fair Value		
Trade Receivables	248,775,730	221,915,267
Staff Receivables	36,456,044	27,215,497
Other Current Assets	13,943,238	4,075,539
Short Term Investments	425,408,312	3,042,198,407
Cash and Cash Equivalents	8,130,550,104	4,486,334,807
	8,855,133,427	7,781,739,516
Financial Liabilities		
Financial Liabilities not Measured at Fair Value		
Trade Payables	306,797,518	222,863,356
Prizes Payables	2,125,852,579	1,481,817,190
Other Payables	-	-
	2,432,650,097	1,704,680,546

28.2 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.

29. Financial Instruments - Risk Management

Overview

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

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

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

Risk Management Framework

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

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

29.1 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.

29.1.1 Trade and Other Receivables

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

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

As at 31 December,	Carrying Value	
	2023 Rs.	2022 Rs.
Trade Receivables	248,775,730	221,915,267
Staff Receivables	36,456,044	27,215,497
Other Current Assets	13,943,238	4,075,539
Short Term Investments	425,408,312	3,042,198,407
Cash at Bank	8,129,740,667	4,485,504,807
	8,854,323,991	7,780,909,516

Age analysis of trade receivables after provision for impairment

As at 31 December 2023,

	Past due but not impaired				Impaired	Gross trade receivables
	Less than 30 days	31 -90 days	90 - 365 days	More than 365 days		
Trade receivables	242,967,323	3,387,480	279,360	2,141,567	21,312,917	270,088,647
	242,967,323	3,387,480	279,360	2,141,567	21,312,917	270,088,647

As at 31 December 2022,

	Past due but not impaired				Impaired	Gross trade receivables
	Less than 30 days	31 -90 days	90 - 365 days	More than 365 days		
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

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

29.2 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.

29.3 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.

29.4 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.

29.5 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.

30. 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/-. Tax Appeal Commission has determined the case in favour of NLB and the Department of Inland Revenue disagreed with the decision and filed a case in Court of Appeal and case to yet to be started.

The Department of Inland Revenue has issued an assessment in respect of Income Tax filed, by disallowing the amount given to Consolidated fund, for the year of assessment 2017/2018 amounting to an additional tax value of Rs. 839,397,821/- and a penalty of Rs. 421,865,677/-. The Board has appealed against the assessment by giving a Bank Guarantee of Rs. 308,195,850.25 and the decision is pending at Tax Appeal Commission.

The Department of Inland Revenue has issued notices of assessments to the Board for the years 2016,2017,2018, and 2019, for Value Added Tax (VAT). The Board has appealed against these assessments to Commissioner General of Inland Revenue.

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

A legal case of defamation has been filed against the Board by a former employee amounting to Rs. 500 million and the judgment of the same has been given against the Board, an appeal has been filed in the Court of Appeal and the decision is pending.

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.

31. 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

32. Other Notes

32.01 One employee of the Board has misappropriated an approximate amount of Rs. 4,736,005/- 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.

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

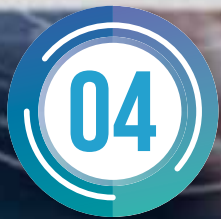
32.03 Forfeited prizes always represent two financial years and payments were made as follows;

	2023 Rs.	2022 Rs.
1 st Quarter (Draw held during 3 rd Quarter of previous year)	96,425,800	72,168,728
2 nd Quarter (Draw held during 4 th Quarter of previous year)	117,117,850	109,614,370
3 rd Quarter (Draw held during 1 st Quarter of current year)	144,979,950	177,045,987
4 th Quarter (Draw held during 2 nd Quarter of current year)	154,674,310	96,586,920
	513,197,910	455,416,005

32.04 Value Added Tax (VAT) rate applicable for 2023 was 15% and VAT rate for 2022 was 8% up to May and then increased to 12% and again increased to 15% in September onwards.

SEGMENTAL ANALYSIS

	2023 Rs.			2022 Rs.		
	Lottery Operation	Investment Operation	Total	Lottery Operation	Investment Operation	Total
Gross Turnover	32,014,201,280	-	32,014,201,280	21,208,808,240	-	21,208,808,240
Less : Indirect Taxes						
Value Added Tax (VAT)	1,164,695,700	-	1,164,695,700	640,950,292	-	640,950,292
Social Security Contribution Levy (SSCL)	597,823,835	-	597,823,835	119,531,829	-	119,531,829
Net Turnover	30,251,681,745	-	30,251,681,745	20,448,326,119	-	20,448,326,119
Less : Cost of Sales	28,227,236,781	-	28,227,236,781	18,539,498,202	-	18,539,498,202
Gross Profit	2,024,444,964	-	2,024,444,964	1,908,827,917	-	1,908,827,917
Add : Other Income						
Interest Income	-	1,194,699,827	1,194,699,827	-	1,146,230,211	1,146,230,211
Other Income	128,049,341	-	128,049,341	101,862,667	-	101,862,667
	2,152,494,305	1,194,699,827	3,347,194,132	2,010,690,584	1,146,230,211	3,156,920,795
Less : Expenses						
Sales, Marketing & Distribution Cost	1,408,116,521	-	1,408,116,521	920,609,013	-	920,609,013
Administrative Expenses	1,056,920,215	-	1,056,920,215	839,811,722	-	839,811,722
Financial Cost	37,304,827	-	37,304,827	5,863,160	-	5,863,160
	2,502,341,564	-	2,502,341,564	1,766,283,895	-	1,766,283,895
Profit before Tax	(349,847,259)	1,194,699,827	844,852,568	244,406,690	1,146,230,211	1,390,636,900
Less : Income Tax	(164,434,533)	358,409,948	193,975,415	29,772,001	275,095,251	304,867,252
Profit / (Loss) after Tax	(185,412,727)	836,289,879	650,877,152	214,634,688	871,134,960	1,085,769,648



OPERATING & FINANCIAL REVIEW

Financial Highlights

For the year ended 31st December

Description	2023 Rs.Mn	2022 Rs.Mn	Change Compared with 2022 (%)
Turnover	32,014.2	21,208.8	50.9
Contribution to Consolidated Fund	3,841.9	2,609.5	47.2
Agency Commission	6,526.9	4,315.0	(4.2)
Prizes Allocation	16,671.4	10,740.6	55.2
Value Added Tax	1,164.7	640.9	81.7
Social Security Contribution Levy (SSCL)	597.8	119.5	400.3
Other Income	1,322.7	1,248.1	6.0
Expenses	2,502.3	1,766.3	41.7
Profit before Tax	844.8	1,390.6	(39.2)
Profit for the Year	650.9	1,085.8	(40.1)
Income Tax	194.0	304.9	(36.4)
Total Assets	10,278.1	9,231.7	11.3
Total Net Assets / Equity	5,330.5	5,023.7	6.1
Profit before Tax to Turnover %	2.6	6.6	(59.8)
Profit before Tax to Total Assets %	8.2	15.5	(47.1)
Liquidity Ratio	2.4:1	2.7:1	-

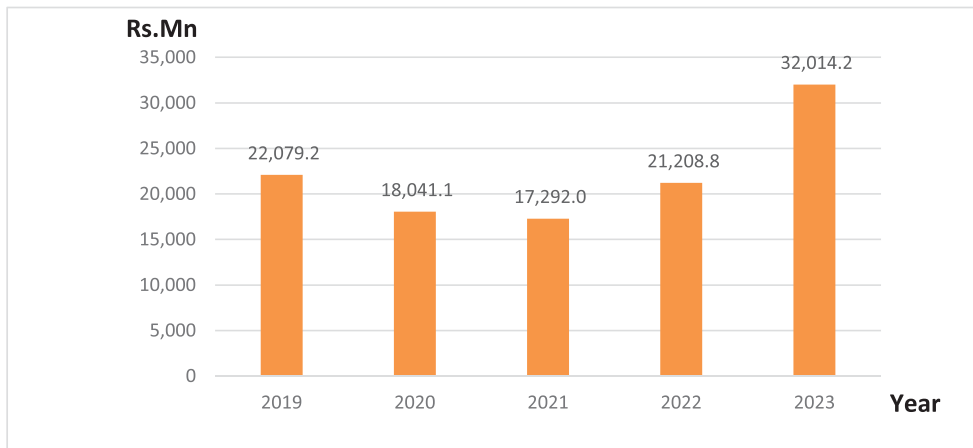
Contribution to State

Description	2023 Rs.Mn	2022 Rs.Mn
Direct Remittances		
Contribution to consolidated fund	3,841.9	2,609.5
Contribution to consolidated fund (Special Levy)	1,000.0	361.1
	4,841.9	2,970.5
Indirect Remittances		
VAT	1164.6	640.9
Social Security Contribution Levy (SSCL)	597.8	119.5
Income tax	193.9	304.9
Forfeited prizes	513.1	455.4
	2,469.4	1,520.6
Total remittances to state	7,311.3	4,491.2

OVERALL PERFORMANCE

Turnover

Year	Rs.Mn
2019	22,079.2
2020	18,041.1
2021	17,292.0
2022	21,208.8
2023	32,014.2



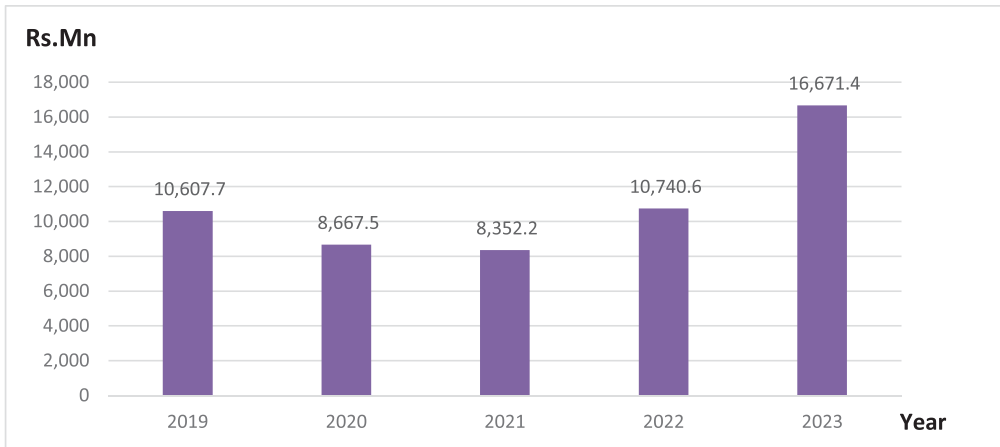
Agency Commission

Year	Rs.Mn
2019	4,278.9
2020	3,607.9
2021	3,457.5
2022	4,315.0
2023	6,526.9



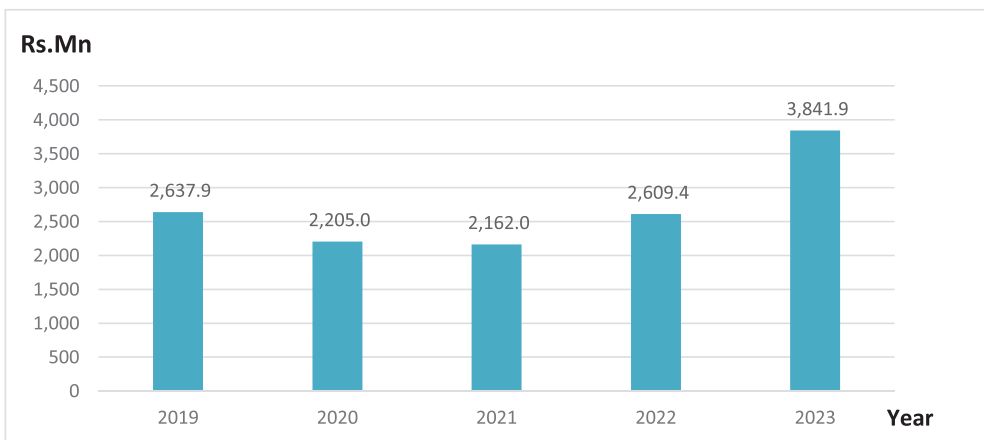
Prizes Declared

Year	Rs.Mn
2019	10,607.7
2020	8,667.5
2021	8,352.2
2022	10,740.6
2023	16,671.4



Contribution to Government (On sales)

Year	Rs.Mn
2019	2,637.9
2020	2,205.0
2021	2,162.0
2022	2,609.4
2023	3,841.9

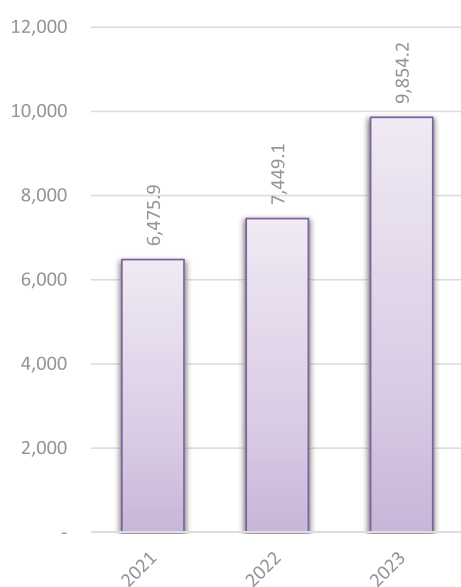


Product wise performance

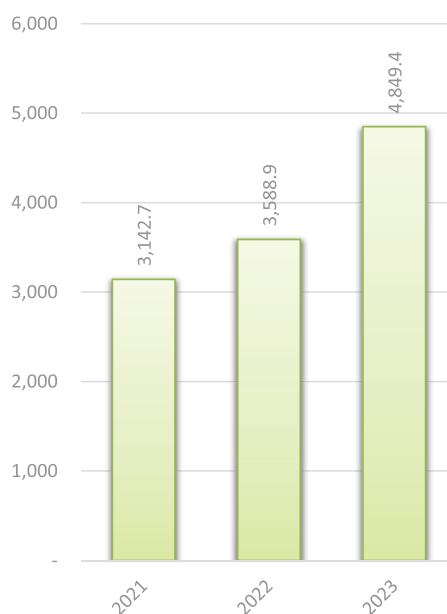
MAHAJANA SAMPATHA

Description	2023 Rs. Mn	2022 Rs. Mn	2021 Rs. Mn
Turnover	9,854.2	7,449.1	6,475.9
Prizes Declared	4,849.4	3,588.9	3,142.7
Agency Commission	1,970.8	1,489.8	1,295.1
Contribution to Government (On sales)	1,625.9	1,229.1	1,068.5

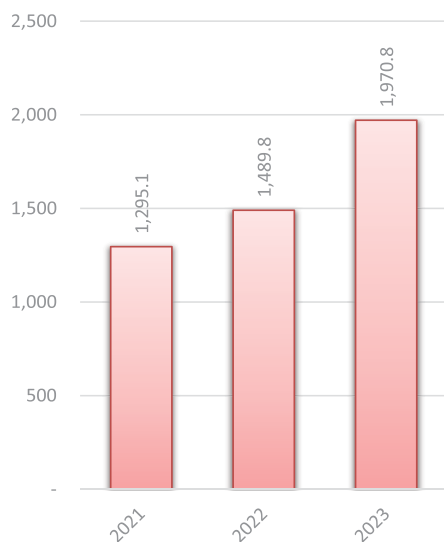
Turnover (Rs.Mn)



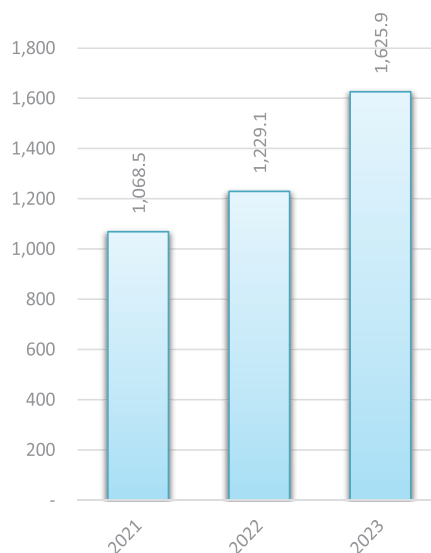
Prizes Declared (Rs.Mn)



Agency Commission (Rs.Mn)



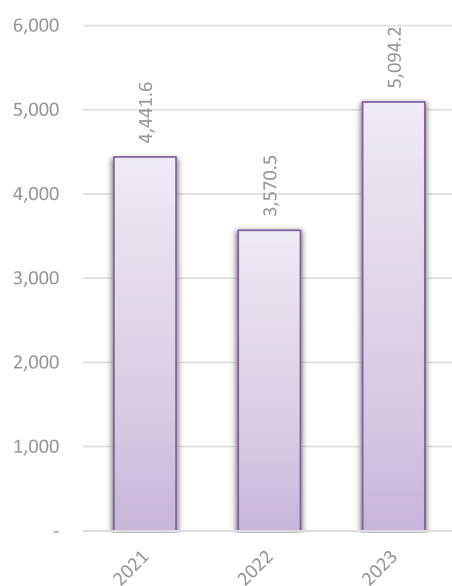
**Contribution to Government
(On sales) (Rs.Mn)**



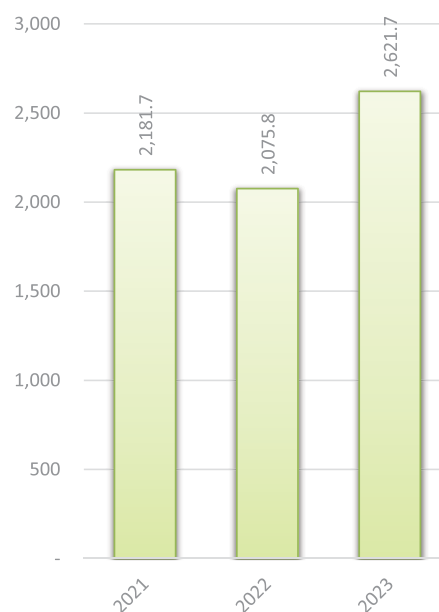
GOVISETHA

Description	2023 Rs. Mn	2022 Rs. Mn	2021 Rs. Mn
Turnover	5,094.2	3,570.5	4,441.6
Prizes Declared	2,621.7	2,075.8	2,181.7
Agency Commission	1,018.8	714.0	888.2
Contribution to Government (On sales)	509.4	357.0	444.1

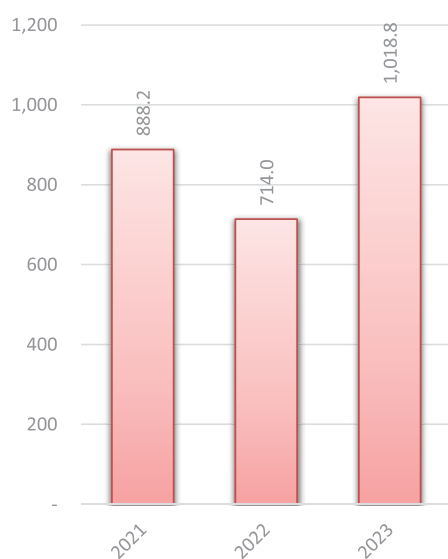
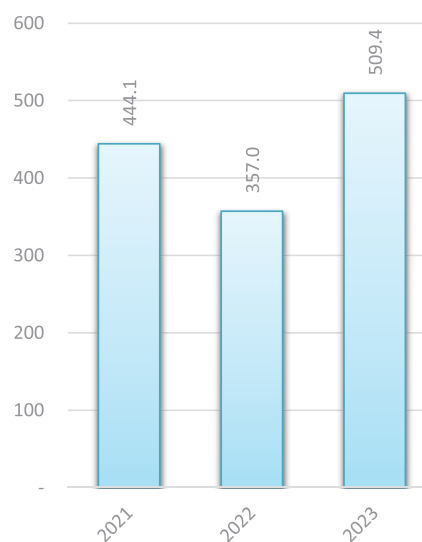
Turnover (Rs.Mn)



Prizes Declared (Rs.Mn)

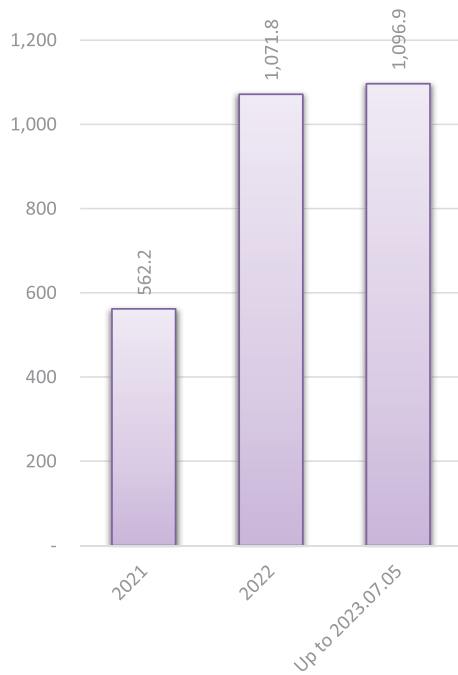
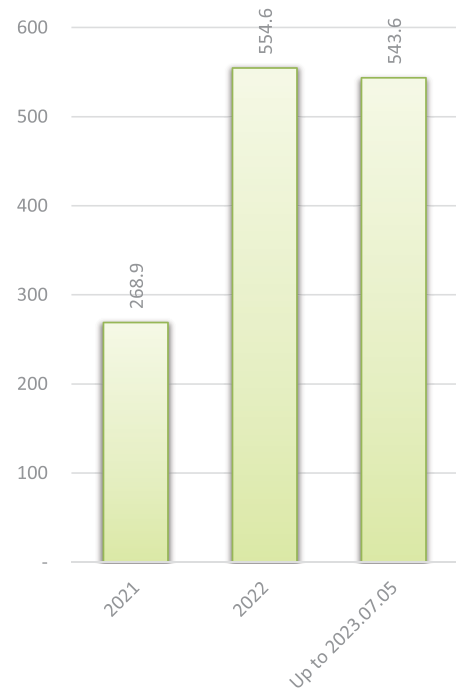
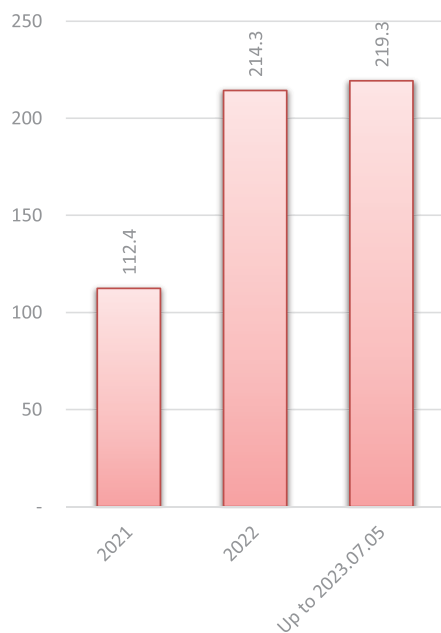
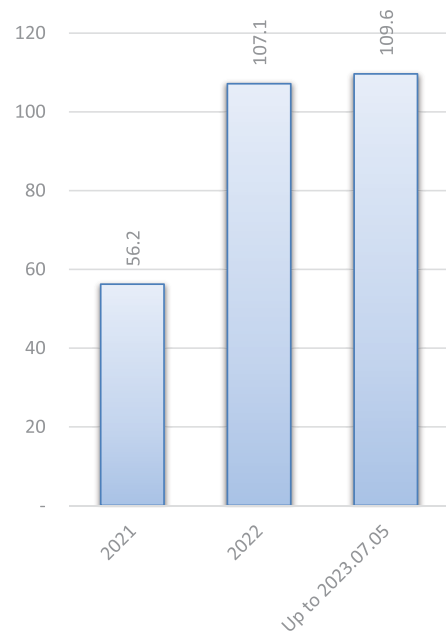


Agency Commission (Rs.Mn)

Contribution to Government
(On sales) (Rs.Mn)

JATHIKA SAMPATHA

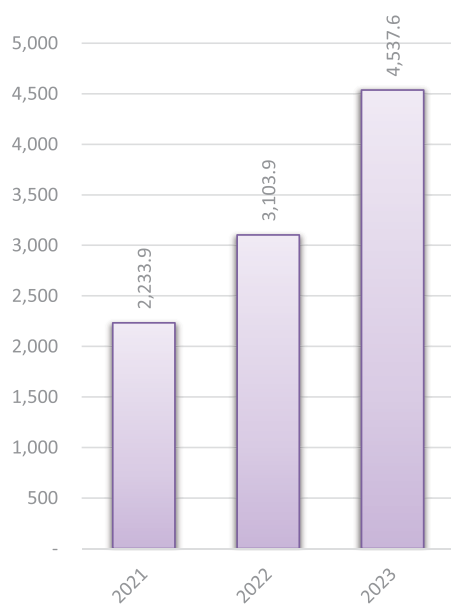
Description	Up to 05.07.2023 Rs. Mn	2022 Rs. Mn	2021 Rs. Mn
Turnover	1,096.9	1,071.8	562.2
Prizes Declared	543.6	554.6	268.9
Agency Commission	219.3	214.3	112.4
Contribution to Government (On sales)	109.6	107.1	56.2

Turnover (Rs.Mn)**Prizes Declared (Rs.Mn)****Agency Commission (Rs.Mn)****Contribution to Government (On sales) (Rs.Mn)**

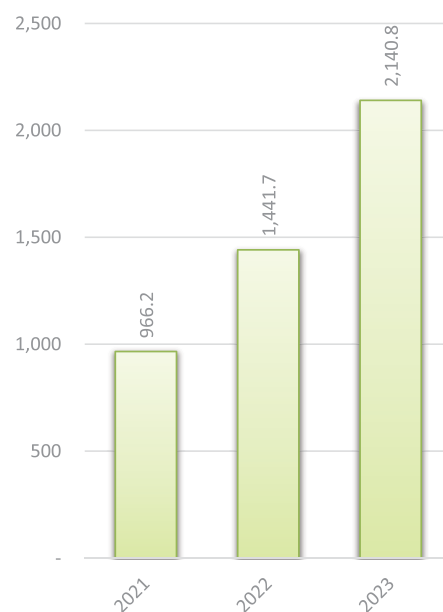
MEGA POWER

Description	2023 Rs. Mn	2022 Rs. Mn	2021 Rs. Mn
Turnover	4,537.6	3,103.9	2,233.9
Prizes Declared	2,140.8	1,441.7	966.2
Agency Commission	907.4	620.7	446.7
Contribution to Government (On sales)	453.7	310.3	223.3

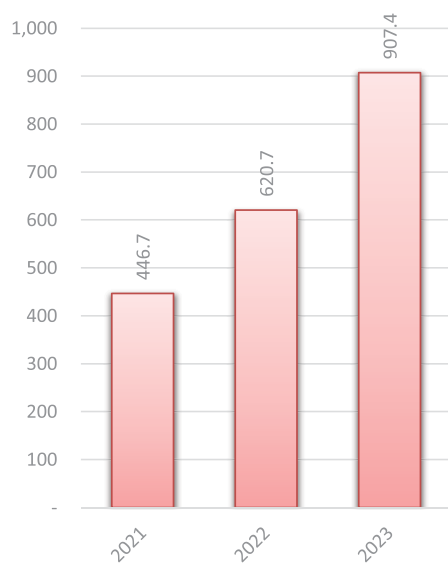
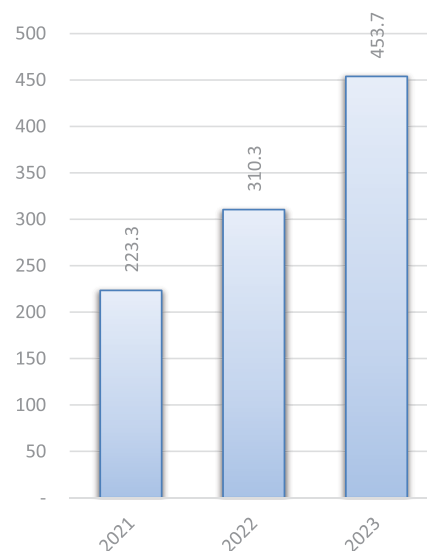
Turnover (Rs.Mn)



Prizes Declared (Rs.Mn)

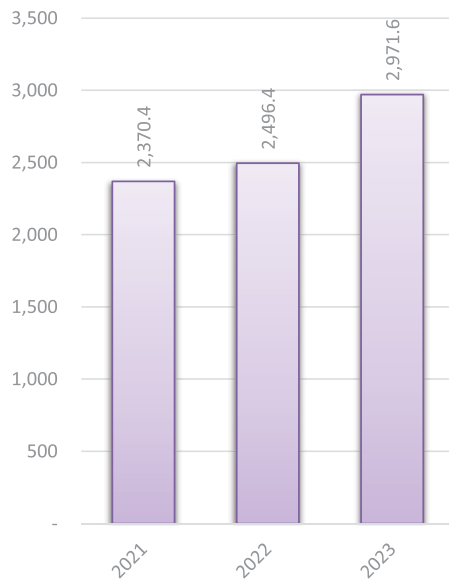
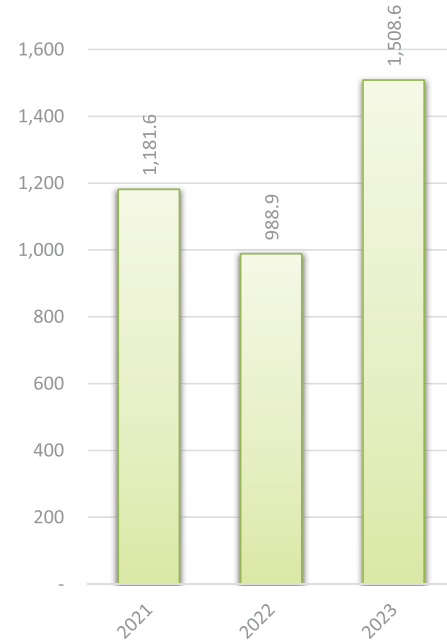
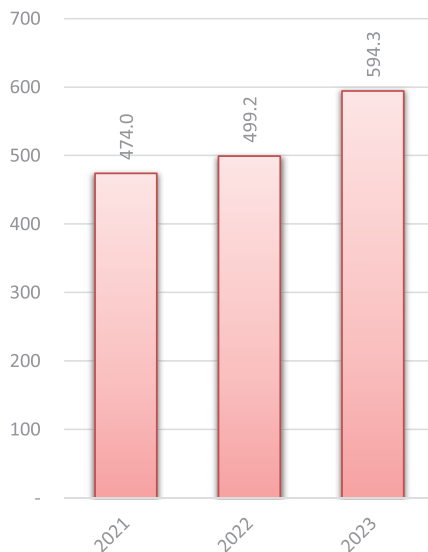
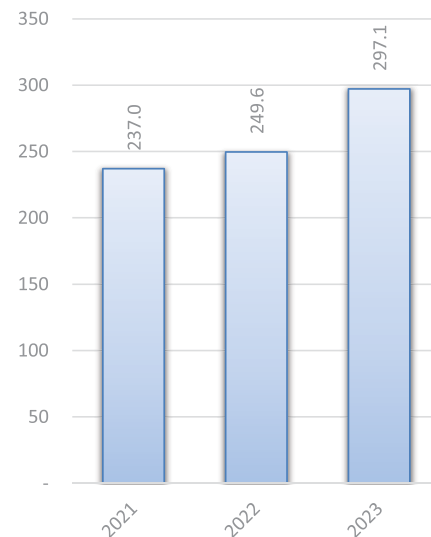


Agency Commission (Rs.Mn)

Contribution to Government
(On sales) (Rs.Mn)

DHANA NIDHANAYA

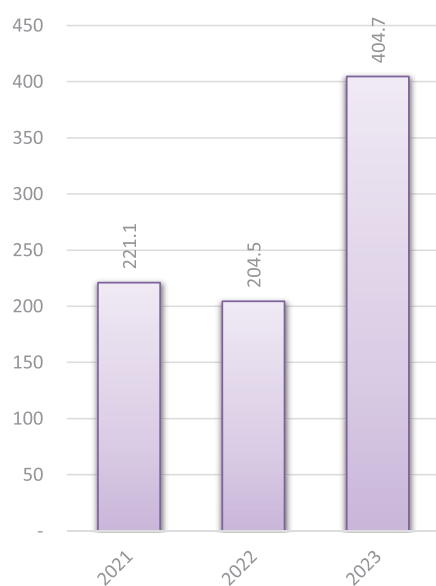
Description	2023 Rs. Mn	2022 Rs. Mn	2021 Rs. Mn
Turnover	2,971.6	2,496.4	2,370.4
Prizes Declared	1,508.6	988.9	1,181.6
Agency Commission	594.3	499.2	474.0
Contribution to Government (On sales)	297.1	249.6	237.0

Turnover (Rs.Mn)**Prizes Declared (Rs.Mn)****Agency Commission (Rs.Mn)****Contribution to Government (On sales) (Rs.Mn)**

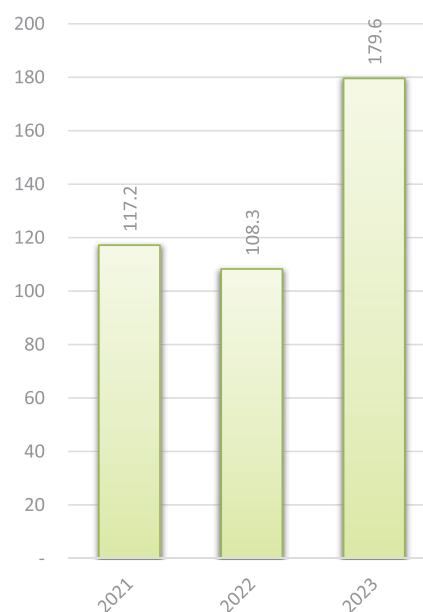
SEVANA - SCRATCH

Description	2023 Rs. Mn	2022 Rs. Mn	2021 Rs. Mn
Turnover	404.7	204.5	221.1
Prizes Declared	179.6	108.3	117.2
Agency Commission	80.2	40.3	43.6
Contribution to Government (On sales)	40.4	20.4	22.1

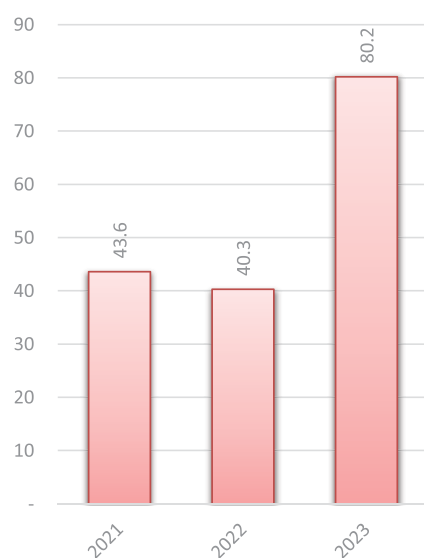
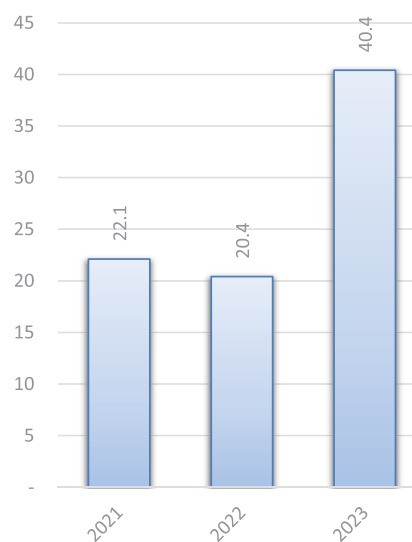
Turnover (Rs.Mn)



Prizes Declared (Rs.Mn)



Agency Commission (Rs.Mn)

Contribution to Government
(On sales) (Rs.Mn)

TEN YEAR OPERATIONAL ROUND UP

	Figures in Rs.									
	2014	2015	2016	2017	2018 Restated	2019 Restated	2020	2021	2022	2023
Revenue	15,153,133,820	17,394,463,681	20,170,417,750	16,747,180,220	20,438,643,440	22,079,260,575	18,041,145,000	17,292,066,080	21,208,808,240	32,014,201,280
Less: Direct Taxes										
Excise duty				130,831,250						
	15,153,133,820	17,394,463,681	20,170,417,750	16,616,348,970	20,438,643,440	22,079,260,575	18,041,145,000	17,292,066,080	21,208,808,240	32,014,201,280
Less: Indirect Taxes										
VAT	540,502,194	573,252,862	706,868,280	742,298,500	890,352,095	911,198,767	430,383,218	409,319,517	640,950,292	1,164,695,700
NBT	211,761,787	253,267,754	285,776,997	235,767,246	286,551,044	281,800,099	-	-	-	-
SSCL									119,531,829	597,823,835
Net Turnover after direct & indirect taxes	14,400,869,839	16,567,943,065	19,177,772,473	15,638,283,224	19,261,740,301	20,886,261,709	17,610,761,782	16,882,746,563	20,448,326,119	30,251,681,745
Less: Cost of Sales										
Ticket Printing Charges	474,762,687	494,409,498	609,845,633	453,128,924	506,763,590	530,636,181	443,032,509	425,035,522	874,347,794	1,186,907,181
Agency Commission	2,818,333,219	3,244,659,091	3,771,736,589	3,103,001,814	3,826,289,663	4,278,989,075	3,608,007,678	3,457,637,648	4,315,043,889	6,526,926,121
Prizes	7,311,136,590	8,367,984,720	9,723,421,286	7,994,845,746	9,834,736,614	10,607,765,403	8,667,549,257	8,352,173,636	10,740,612,432	16,671,455,496
Government Contribution (Special Levy)	1,888,455,133	2,130,953,770	2,445,594,544	2,016,986,336	2,426,947,888	2,637,962,164	2,205,079,779	2,162,030,441	2,609,494,086	3,841,947,982
	12,492,687,629	14,238,007,279	16,550,598,052	13,567,962,820	16,594,737,754	18,055,352,822	14,923,669,222	14,396,877,246	18,539,498,202	28,227,236,781
Gross Profit	1,908,182,210	2,329,935,786	2,627,174,421	2,070,320,404	2,667,002,547	2,830,908,885	2,687,092,560	2,485,869,317	1,908,827,917	2,024,444,964
Add: Other Income										
	88,823,238	92,197,950	249,546,105	387,784,659	414,302,302	1,070,594,943	422,918,093	416,022,651	1,248,092,878	1,322,749,168
	1,997,005,448	2,422,133,736	2,876,720,526	2,458,105,063	3,081,304,849	3,901,503,827	3,110,010,652	2,901,891,967	3,156,920,795	3,347,194,132
Less: Expenses										
Sales, Marketing & Distribution Expenses	1,284,599,303	872,391,364	1,246,168,647	1,130,365,799	1,247,541,649	1,226,074,624	893,002,443	1,074,102,918	920,609,013	1,408,116,521
Administrative Expenses	573,472,839	602,377,490	693,449,471	666,740,574	752,237,186	809,263,882	772,500,258	811,945,418	839,811,722	1,056,920,215
Finance and Other Expenses	29,743,395	36,563,614	40,212,740	36,583,170	43,391,442	25,053,822	9,683,721	12,488,494	5,863,160	37,304,827
	1,887,815,537	1,511,332,468	1,979,830,858	1,833,689,543	2,043,170,277	2,060,392,328	1,675,186,422	1,898,536,830	1,766,283,895	2,502,341,563
Profit before Tax	109,189,911	910,801,268	896,889,668	624,415,520	1,038,134,572	1,841,111,500	1,434,824,231	1,003,355,136	1,390,636,900	844,852,569
Less: Income Tax Expense	117,853,496	669,785,229	482,128,237	484,610,312	1,076,227,498	862,526,227	351,648,231	43,005,519	304,867,252	193,975,415
Profit/ (Loss) for the year	(8,663,585)	241,016,039	414,761,431	139,805,208	(38,092,926)	978,585,273	1,083,176,001	960,349,617	1,085,769,648	650,877,154
Direct & Indirect Contribution to Government										
Contribution to Consolidated Fund on Sales	1,888,455,133	2,130,953,970	2,445,594,544	2,016,986,336	2,426,947,888	2,637,962,164	2,205,079,779	2,162,030,441	2,609,494,086	3,841,947,982
Special Contribution to General Treasury	-	50,000,000	550,000,000	-	-	-	-	900,000,000	361,054,980	1,000,000,000
Contribution to Treasury on Forfeited Prizes	246,424,920	257,691,450	365,393,530	339,076,910	361,185,010	389,032,360	352,138,230	397,655,070	455,416,005	513,197,910
Indirect Contributions - (Direct/Indirect Taxes)	870,117,477	1,496,305,845	1,474,773,514	1,593,507,308	2,253,130,637	2,055,525,093	782,031,449	452,325,036	1,065,349,373	1,956,494,950
Total	3,004,997,530	3,934,951,265	4,835,761,588	3,949,570,554	5,041,263,535	5,082,519,617	3,339,249,458	3,912,010,547	4,491,314,444	7,311,640,842
Performance Indicators										
Gross Profit as a % of Turnover	12.59%	13.39%	13.02%	12.36%	13.05%	12.82%	14.89%	14.38%	9.00%	6.32%
Profit Before Tax as a % of Turnover	0.72%	5.24%	4.45%	3.73%	5.08%	8.34%	7.95%	5.80%	6.56%	2.64%
Expenses as a % of Turnover	12.46%	8.69%	9.82%	10.95%	10.00%	9.33%	9.29%	10.98%	8.33%	7.82%
Profit/ (Loss) for the year as a % on Turnover	-0.1%	1.4%	2.1%	0.8%	-0.2%	4.4%	6.0%	5.6%	5.1%	2.03%
Consolidated Fund Contribution on sales as a % Turnover	12.46%	12.25%	12.12%	12.04%	11.87%	11.95%	12.22%	12.50%	12.30%	12.00%
Total Contribution to Govt. as a % on Turnover	19.83%	22.62%	23.97%	23.58%	24.67%	23.02%	18.51%	22.62%	21.18%	22.84%
Growth rate of Turnover	4.24%	14.79%	15.96%	-16.97%	22.04%	8.03%	-22.38%	-4.15%	22.65%	50.95%

Notes:

2018 Profit / (Loss) for the year before restatement was Rs.(136,267,795) .

2019 Profit for the year before restatement was Rs.605,583,060/-.

Income Tax recovery from CF/NKFor Rs.518,058,629/- and 28% taxes thereon (Rs. 145,056,416/-) adjusted in restated figures.